

OFFICE OF THE KANE COUNTY AUDITOR
Terry Hunt, Kane County Auditor

**Kane County Jail
Commissary Service
Audit
Fiscal Year 2019**

October 19, 2020

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EXECUTIVE SUMMARY

The Kane County Sheriff's Office established and continues to maintain a commissary system in the Adult Justice Center. The purpose of the commissary system is to provide detainees with items or access to services approved by the Sheriff. The system is divided into two groups. The first group represents detainee purchases from Aramark Correctional Services, LLC, who sells food, candy, gum, non-alcoholic beverages, health and drug items, and general merchandise. The second group represents services, such as haircuts and medical treatments, provided to detainees coordinated by the Sheriff's Office.

The Sheriff's Office maintains two funds involved in the commissary system:

- (1) Canteen Commission Fund (251.380.386) - Special Revenue - Governmental Fund

To account for commissions from sales on commissary to be used to purchase items of benefit to the inmates

**Refer to Appendix A – Financial Statements to see the Canteen Commission Fund financial statement presentation per the Comprehensive Annual Financial Report.*

- (2) (Individual) Detainee Account Fund (766) - Agency – Fiduciary Fund

To account for money contributed by friends, family members, etc for inmates, as they are not allowed to possess cash

Commissary systems are regulated by the Illinois Joint Committee on Administrative Rules (JCAR) Administrative Code Title 20 Section 701.250 - Commissary. Refer to Appendix B – *The Illinois Joint Committee on Administrative Rules (JCAR) Administrative Code Title 20 Section 701.250 – Commissary* to see a copy of the standard. An annual inspection is completed by the Illinois Department of Corrections to ensure compliance with the standard.

This report is intended to fulfill requirement (f) of the standard: *“An annual audit shall be arranged with the county auditor or county treasurer”*.

The Kane County Auditor's Office is engaged to perform the annual audit for the fiscal year ended November 30, 2019. Procedures were completed and audit evidence was obtained.

Based on the audit completed, the commissary system appears compliant with JCAR standards except for standard (c) – *“Prices charged detainees shall not exceed those for the same articles if sold in local community stores nor shall the prices charged for postal supplies exceed those for the same articles sold at local post offices.”*

Observations and recommendations are communicated to the Sheriff's Office and remediation efforts are in progress.

ROLES AND RESPONSIBILITIES

The Illinois Joint Committee on Administrative Rules (JCAR) Administrative Code Title 20 Section 701.250 requires an annual audit be performed over the Kane County Adult Justice Center commissary system by the county auditor or county treasurer.

Commander Charles Conklin engaged the Kane County Auditor's Office to perform the annual audit for the fiscal year ended November 30, 2019.

Disclaimer: As this is a first year audit, activity prior to the beginning of the fiscal year was not audited and was deemed out of scope.

PROCEDURES

The Kane County Auditor's Office performed the following procedures:

1. Obtain an understanding of Kane County Adult Justice Center commissary system
2. Obtain an understanding of the Kane County Sheriff's Office Canteen Commission Fund (251)
3. Review compliance with Illinois Joint Committee on Administrative Rules Administrative Code
 - Title 20: Corrections, Criminal Justice, and Law Enforcement,*
 - Chapter 1: Department of Corrections,*
 - Subchapter f: County Standards,*
 - Part 701 County Jail Standards, Section 250 Commissary*
 - a. Confirm the Sheriff approved to maintain a commissary system to provide detainees with items or access to services
 - b. Verify adequate records are maintained and properly recorded
(Exclude records tracked and maintained in CORE by Aramark Correctional Services, LLC.)
 - c. Verify that financial statements are presented fairly
 - d. Verify the purchases, using net profits, are deemed appropriate by the Sheriff and benefit the detainees for education, recreation, or other purposes
 - i. Identify whether net profits are used to pay for record keeping expenses
 - e. Verify commissary access is provided on a regularly scheduled basis and not less than once weekly
 - f. Verify the prices charged to the detainees for commissary articles (i.e. items) do not exceed the prices for the same articles as may be sold in local community stores in Kane County
 - g. Verify the prices charged to the detainees for commissary postal supplies do not exceed the prices for the same post supplies sold at the post office located closest to the Kane County Adult Justice Center
 - h. Assess whether any members of the jail staff receive personal gain, directly or indirectly, as a result of the commissary system

OBSERVATIONS & RECOMMENDATIONS

1. Aramark Correctional Services, LLC determines the detainee purchase price of commissary articles, maintains records of commissary articles for sale, and tracks detainee purchases made. In our testing, we tested 30 commissary items. There was 1 commissary article sold that did not match the approved purchase price. It was greater than the approved purchase price, resulting in the purchase price being greater than local community store prices. In addition, there were 8 other commissary articles identified with purchase prices greater than local community store prices.

With the lack of controls in place and assurance that controls are operating effectively, the KCSO should become more involved in the process to ensure compliance with the JCAR standards are maintained. In addition, Aramark Correctional Services, LLC should design internal controls and provide assurance that those controls are operating effectively to minimize future risk of noncompliance.

Rating

High

Recommendation

Discussions with Aramark Correctional Services, LLC should be requested immediately to correct the finding, to improve processes, and to minimize future risk of noncompliance.

KCSO should consider becoming more involved in the process to guarantee compliance with the standard.

Actions to consider:

- Review purchase prices for all commissary articles match approved prices
- Review purchase prices for all commissary articles do not exceed local community stores

Managements Response

Will work with Aramark to ensure that prices are compliant with local community store prices.

CONCLUSION

The audit involved performing procedures to obtain audit evidence about compliance with the JCAR standard. The procedures selected depended on the auditor's judgement and risk assessment. The audit evidence obtained was sufficient and appropriate to provide a basis for an audit opinion.

In the table below are responses to the County Jail Inspection Checklist questions based on the annual audit completed for fiscal year November 30, 2019.

Ref #	Question	Response			Comments
		Yes	N/A	No	
1	Has a commissary system been established?	X			
2	Are prices charged detainees consistent with local community stores?			X	30 items of the 200+ commissary articles were selected for testing. 9 of the 30 commissary articles were purchased at prices greater than local community stores.
3	Are prices for postal supplies sold at post office cost?	X			
4	Is commissary provided on a regular scheduled basis at least weekly?	X			
5	Are net profits of the commissary system used only for education, recreation or other purposes within the jail for the benefit of the detainees as deemed appropriate by the Sheriff?	X			
6	Are net profits used for record keeping expenses of the commissary system?			X	
7	Is there accurate accounting maintained for all purchases, sales and expenditures of the commissary system; which includes telephone access services and electronic mail access services provided to detainees?	X			Excluded from scope of annual audit: <ul style="list-style-type: none"> • Phone services activity is maintained in the Sheriff's General Fund and not in the Sheriff's Canteen Fund. • Electronic mail access is not available at this time to detainees
8	Has there been a completed timely annual audit of the commissary system arranged with the county auditor or county treasurer?	X			

Based on the audit completed, the commissary system appears compliant with JCAR standards except for standard (c) – *"Prices charged detainees shall not exceed those for the same articles if sold in local community stores nor shall the prices charged for postal supplies exceed those for the same articles sold at local post offices."* There were multiple instances of commissary articles that were purchased by detainees at prices greater then sold in local community stores.

CLOSING REMARKS

The Auditor's Office would like to thank all those who assisted us in our review. Your cooperation and generous assistance is greatly appreciated.

Regards,

OFFICE OF THE KANE COUNTY AUDITOR



Terry Hunt

Kane County Auditor



Mariola Oscarson

Kane County Deputy Auditor



Kristin Jenkins

Kane County Staff Auditor

APPENDIX A – FINANCIAL STATEMENTS

BALANCE SHEET NONMAJOR SPECIAL REVENUE FUND – CANTEEN COMMISSION

November 30, 2019

Assets	
Cash and Investments	\$218,728
Total Assets	\$218,728
Fund Balances	
Restricted	\$218,728
Total Fund Balances	\$218,728
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$218,728

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – CANTEEN COMMISSION

For the year end November 30, 2019

Fund Balance, Beginning of Year		\$391,331
Revenues		
Reimbursements	\$522,844	
Miscellaneous	\$13,199	
Total Revenues		\$536,043
Expenditures (Public Safety)		
Contractual Services		
Contractual/Consulting Services	\$384,045	
Repairs and Maintenance – Buildings	\$2,391	
Bond	\$37,850	
Bond Fee	\$1,750	
Transportation	\$9,960	
Total Contractual Services	\$435,996	
Commodities		
Office supplies	\$14,147	
Postage	\$3,036	
Books and Subscriptions	\$41,293	
Cleaning Supplies	\$1,763	
Food	\$56,095	
Clothing Supplies	\$46,088	
Cable TV	\$3,029	
Miscellaneous Supplies	\$107,199	
Total Commodities	\$272,650	
Total Expenditures		\$708,646
Net Changes in Fund Balance		(172,603)
Fund Balance, End of Year		\$218,728

Section 701.250 Commissary

- a) Each jail may establish and maintain a commissary system to provide detainees with items or access to services approved by the Sheriff.
- b) No member of the jail staff shall gain personal profit, directly or indirectly, as a result of the commissary system.
- c) Prices charged detainees shall not exceed those for the same articles if sold in local community stores nor shall the prices charged for postal supplies exceed those for the same articles sold at local post offices.
- d) Commissary access shall be provided on a regularly scheduled basis and not less than once weekly.
- e) Net profits from the commissary system shall be used for education, recreation or other purposes within the jail for the benefit of detainees, as deemed appropriate by the Sheriff. Profits may be used for record keeping expenses of the commissary.
- f) Accurate accounting for all purchases, sales and expenditures of the commissary system, including phone services and, if provided, email access, shall be maintained. An annual audit shall be arranged with the county auditor or county treasurer.

(Source: Amended at 38 Ill. Reg. 18859, effective October 1, 2014)