



Office of the County Auditor
Shelly A. Banks, C.P.A.

Cook County Auditor
69 West Washington, Suite 2200 • Chicago, Illinois 60602 • (312) 603-1500

TONI PRECKWINKLE

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September 22, 2015

The Honorable Toni Preckwinkle, President
And Board of Cook County Commissioners
118 N. Clark Street, Room 537
Chicago, Illinois 60602

Dear President Preckwinkle and Board of Commissioners:

We conducted an audit of the Department of Corrections (DOC) Inmate Trust Fund. We conducted our audit in accordance with the Cook County Auditor Ordinance.

The scope and objectives of the Inmate Trust Fund Audit were designed to assess the internal control structure to determine if it was designed effectively and operating as intended to ensure compliance with the Inmate Trust Fund's policies and procedures and that the funds were properly accounted for and adequately safeguarded.

Please refer to the following audit report for the results of the audit. Our audit did not identify any findings that needed to be presented to Management. The [Executive Summary](#) of our report provides an overview of the audit and the conclusion(s) reached.

We express our appreciation for the assistance of the Department's staff extended to Mr. Damon Howell during the course of our examination.

Respectfully Submitted,

Shelly A. Banks, C.P.A.
Cook County Auditor



COOK COUNTY GOVERNMENT
OFFICE OF THE COUNTY AUDITOR

Inmate Trust Fund

Internal Audit Report

Report Date: September 2015

Issued By:

Shelly A. Banks, County Auditor

Audit Conducted By:

William Carroll, Audit Supervisor

Damon Howell, Field Auditor V

EXECUTIVE SUMMARY

We have completed an audit of the DOC's Inmate Trust Fund. Our procedures included verifying the processes for the intake of funds from inmate's entering the DOC, the receipt of inmate funds received through the mail, the payment of inmate payroll and the disbursement of funds to the inmates upon their discharge from the DOC.

The scope and objectives of the Inmate Trust Fund Audit were designed to assess the internal control structure to determine if it was designed effectively and operating as intended to ensure compliance with the Inmate Trust Fund's policies and procedures and that the funds were properly accounted for and adequately safeguarded.

We determined that the internal control structure of the Inmate Trust Fund is designed effectively and operating as intended. Therefore, we concluded that the Inmate Trust Fund was being administered in compliance with the established policies and procedures and that the funds are properly accounted for and adequately safeguarded. We did not have any findings to present to management as a result of our work.

BACKGROUND

Each inmate at the DOC has an individual trust account. The individual trust account is established to account for the inmate's funds while they are incarcerated at the DOC. The inmate's trust fund account is initially established with the funds that the inmate turns in during the intake process. The funds turned in during the intake process are deposited into the DOC's Inmate Trust Fund bank account. Inmate accounts are then appropriately credited for the amount turned in.

Additional funds can be wired into the Inmate's Trust Account via Money Gram or Western Union, or mailed via Money Order directly to the DOC. Funds can also be added through toll-free deposits or internet deposits. In order to ensure that the individual Inmate Trust Accounts are correctly credited for the funds received all funds received at the DOC must have the inmate's identification number as well as the exact spelling of the inmate's name.

Inmates in good standing may be eligible to work in various job assignments to earn wages to be credited to their trust account. Employee wages earned from approved inmate work assignments will also be deposited into the inmate's trust account from the Inmate Welfare Fund. Each job assignment has a set hourly/daily rate.

Inmates at the DOC predominately use their available trust funds to purchase commissary items on a weekly basis. The commissary offers items such as clothing, stamped envelopes, toiletries and food items, which are supplementary to the meals and supplies provided by the DOC. Each week, an inmate can purchase up to \$100 worth of clothing and supplies and \$100 worth of food items.

Any remaining balance in the inmate's trust account is disbursed to the inmate upon discharge or transfer from the DOC.

AUDIT SCOPE AND OBJECTIVES

Our objectives for the Inmate Trust Fund Audit were designed to assess the internal control structure to determine if it was designed effectively and operating as intended to ensure compliance with the Inmate Trust Fund's policies and procedures and that the funds were properly accounted for and adequately safeguarded. Our objectives included determining if:

- Written policies and procedures are in place to govern all Trust Fund related processes.
- Inmate funds received during the intake process or by mail are properly recorded and credited to inmate's account.
- Inmate wages were actually earned and properly credited to the inmate's account
- Trust fund disbursements were properly approved and correctly deducted from the inmate's account.
- The inmate's final trust balance is disbursed in a timely manner upon the inmate's transfer or release from the DOC.

AUDIT RESULTS

In order to reach a conclusion on our objectives we performed the following procedures regarding the Inmate Trust Fund at the DOC:

- Obtained and reviewed the policies and procedures established to manage the operations of the Inmate Trust Fund.
- Reviewed a sample of inmate funds received during the intake process and through the mail to verify that the funds were processed correctly and credited to the inmate's trust account. Tested that the funds were ultimately deposited in the trust fund bank account.
- Tested several inmate payroll transactions to validate that the wages were earned and properly credited to the inmate's trust fund account.
- Tested a sample of commissary purchases made by the inmates to determine that the funds were deducted from their trust account correctly and in a timely manner. Verified that the deduction was properly approved.
- Tested a sample of discharged/transferred inmates to determine if the balance in their trust fund account was disbursed correctly and in a timely manner. Verified that the amount disbursed was properly approved and correctly deducted from the inmate's trust account.

Based on the results of our audit procedures, we determined that the internal control structure of the Inmate Trust Fund is designed effectively and operating as intended. Therefore, we concluded that the Inmate Trust Fund was being administered in compliance with the established policies and procedures and that the funds are properly accounted for and adequately safeguarded. We did not have any findings to present to management as a result of our work.