

**Berks County Jail System-
Berks Organization of Jail Employees (BOJE) Account
County of Berks, Pennsylvania**

Janine L. Quigley, Warden

Annual Financial Statement Audit

For the Year Ended December 31, 2018



COUNTY OF BERKS
OFFICE OF THE CONTROLLER
SANDRA M. GRAFFIUS, CONTROLLER

REPORT 19-29

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Internal Auditor's Report

Janine L. Quigley, Warden
Berks County Jail System-
Berks Organization of Jail Employees (BOJE) Account
1287 County Welfare Rd
Leesport, PA 19533

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements and the Changes in Cash Balance of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account for the year ending December 31, 2018.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatements, whether due to fraud or error.

Internal Auditor's Responsibility

Our responsibility is to annually audit the account of the Berks Organization of Jail Employees (BOJE) Account and to report the results of the audit to the Berks County Commissioners, the Berks County Prison Board and to the Prison administration.

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

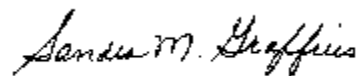
In our opinion, the financial statement referred to above presents fairly, in all material respects, its cash receipts, disbursements and cash balance for the year ending December 31, 2018 in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, Internal Audit has also issued a separate report dated June 19, 2020 on our evaluation of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, policies and/or procedures. That report is an integral part of the audit performed in accordance with Government Auditing Standards and is to be read in conjunction with this report in considering the results of the audit.



Sandra M. Graffius, Controller
June 19, 2020

**Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account
County of Berks, Pennsylvania
Statement of Receipts, Disbursements and Changes in Cash Balance – Cash Basis
For the Year Ended December 31, 2018**

Receipts

Coke Machine Commission	4,533
Donation to BOJE	1,250
Vending Machine Deposit	993
Badge Deposit	730
Honor Guard Income	315
Reimbursement from County of Berks	117
Interest Income	8
Total Receipts	7,946

Disbursements

Badge Expenses	1,472
Catered Lunch	1,436
EMT-Employee Morale Team	925
Sponsor Event	891
Honor Guard	684
Replacement TV for Officers' Breakroom	243
BCJS Academy Expense	239
Total Disbursements	5,890

Cash receipts in excess of disbursements	2,056
Cash account balance as of January 1	10,072
Cash account balance as of December 31	\$ 12,128

The accompanying notes are an integral part of the financial statement.

**Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account
County of Berks, Pennsylvania
Notes to Financial Statement
For the Year Ended December 31, 2018**

Note 1: Nature of the office and significant accounting policies

Nature of the Office and Reporting Entity:

The Berks Organization of Jail Employees (BOJE) Account is used for the betterment of Berks County Jail employees, mainly through the earnings of commissions from vending machine product sales. Funds are used for work-related benefits for the employees of the Berks County Jail.

Basis of accounting:

The books and records of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account are maintained on the cash basis of accounting. Consequently, receipts are recognized when received rather than when assessed or otherwise due and disbursements are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying statements do not present the assets, liabilities, receipts, disbursements, and cash balances in accordance with generally accepted accounting principles.

Administrative Guidelines:

Janine Quigley was the Warden for the period January 1, 2018 to December 31, 2018.

Note 2: Cash and equivalents

The following cash account is in the name of the **Berks County Jail System- Berks Organization of Jail Employees (BOJE)**. This account is reflected in the County of Berks financial statements.

These accounts hold funds received by the **Berks County Jail System- Berks Organization of Jail Employees (BOJE)** in a trust and agency capacity and use of these funds, by the **Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account**, is restricted.

Bank	Account Title / Type	Bank Balance	Book Value
VIST Bank	Checking Account	12,128	12,128
		\$ 12,128	\$ 12,128

Amounts on deposit in excess of FDIC limits were collateralized by the financial institution with securities held by that entity.

Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account
County of Berks, Pennsylvania
Notes to Financial Statement - Continued
December 31, 2018

Note 3: Legal Matters

Our audit disclosed no pending litigation involving the Berks County Jail System- Berks Organization of Jail Employees (BOJE) or Warden Janine Quigley that would affect the financial statement for the year ended December 31, 2018.

Note 4: Subsequent Events

Management has evaluated subsequent events through June 19, 2020, which is the date the financial statement was available to be issued.

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Internal Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Janine L. Quigley, Warden
Berks County Jail System-
Berks Organization of Jail Employees (BOJE) Account
1287 County Welfare Rd
Leesport, PA 19533

In planning and performing our audit of the financial statement of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account's internal control. Accordingly, we do not express an opinion on the effectiveness of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the Schedule of Findings and Recommendations, that we consider to be significant deficiencies.

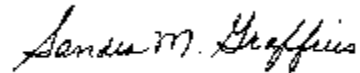
- Reimbursement of Money for Badges and Approval for Badge Purchases not handled properly

The management of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Recommendations. The management of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account's response was not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on the response.

As part of obtaining reasonable assurance about whether the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect in the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to the management of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account in a separate letter dated June 19, 2020.

This report is intended solely for the information and use by the management of the Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account and other affected county offices, and is not intended to be, and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Sandra M. Graffius, Controller
June 19, 2020

**Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account
County of Berks, Pennsylvania
Schedule of Audit Findings and Recommendations**

Significant Deficiency

1. Reimbursement of Money for Badges and Approval for Badge Purchases not handled properly

Condition: There are a lack of controls and consistency to the process for the reimbursement to the BOJE for badges purchased for staff. There were five instances in 2018 where badges were purchased, but monetary reimbursement was not made into the BOJE account. Internal Audit was unable to determine the further circumstances regarding if the money in these situations was not paid, or where it was deposited if it was paid. A total of \$534 in reimbursements is unaccounted for. In addition, there were 5 instances where proper paperwork to document check signer approval of badge purchases was either not completed or not retained.

Recommendation: We recommend that the Berks County Jail System- Berks Organization of Jail Employees (BOJE) management examine and create an effective system of controls to adequately account for badge purchases, approvals, and reimbursements.

Management's Response: The "Condition" report first describes a "lack of controls..." regarding the purchase and reimbursement of badges. It further assumes that "monetary reimbursement was not made into the BOJE account" in the amount of \$534.00.

The current Business Manager assumed her position on September 20, 2017 with no prior experience at the jail and without cross-training from the prior Manager who left employment in July 2017.

The Business Manager recognized the "lack of controls" relevant to tracking of badge purchases and reimbursements and took steps to correct this deficiency in 2019, with further enhancement in 2020. Therefore, as of 2020, corrective action has been taken.

The \$534.00 discrepancy may be reflective of the cash-basis accounting method used in this account. If only one year is reviewed at a time, there may be instances where the deposit to cover a badge expense will be recorded in one calendar year, but the associated expense will not be completed until the subsequent year. While I understand that the use of cash basis accounting may be an acceptable basis for the preparation of these financial statements, it is important to note that the same issue may occur in future years unless this factor is considered. As a result, it is even more important to have a separate and specific record of badge expenses and reimbursements by name, so any discrepancy within one calendar year is easily tracked and reconciled.

**Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account
County of Berks, Pennsylvania
Schedule of Audit Findings and Recommendations - Continued**

The Business Manager progressively made corrections to this process. At this time, every deposit made into the account will be listed by officer name and date funds were received. The badge company will no longer charge the credit card account. Instead, the company will send an invoice itemized by officer name to the Business Manager. The Manager will verify that the invoice matches the name/number of badges from the prior deposit. All documents will be attached to a purchase requisition for review by an authorized check signer and a check will then be issued.

Auditors Response: We appreciate the Jail taking proactive steps to improve the tracking of the badge purchases and reimbursements. During our audit we spoke with the Business Manager who had already recognized the “lack of controls” and was already working to improve the process. The nature of audits is a look back to a certain time frame and in this case 2018. Due to corrective actions taking place by the Jail in 2019 and 2020 we will evaluate the controls in future audits.