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**COUNTY of LUZERNE**  
P E N N S Y L V A N I A  
ESTABLISHED 1 7 8 6  
**OFFICE OF THE CONTROLLER**

***Luzerne County Correctional Facility***  
***Work Release***

***For the period***  
***January 1, 2014 to December 31, 2014***

**Fieldwork performed by:**

**Martin G. Moughan**

**Nancy L. DeFluri**

**Michelle A. Bednar**

**Luzerne County Controller**

**December 1, 2015**

**Objective:**

The Controller's Office is required by the Commonwealth Administrative code, Title 37, Section 95.239 to perform an annual audit of the Prison Commissary Funds. The audit was completed in October of 2015.

The objective of this audit is to determine if inmate financial transactions are accurately processed, recorded and maintained at the Work Release facility.

**Description:**

The work release program allows inmates to be employed while still serving their sentence. Trusted inmates continue to be monitored during this phase of incarceration, and must return to the prison at the end of their work day.

The salaries earned by inmate workers are sent directly to the facility, and are deposited into the inmate fund checking account. The work release bookkeeper has the responsibility of collecting and depositing inmate payroll checks to their individual account. The bookkeeper is also responsible for processing all disbursements from those accounts, as directed by the courts and the inmates.

Inmates authorize each expenditure made from their account in writing via pre-numbered payment request forms supplied by the facility. The bookkeeper processes each check and then forwards it to the appropriate payee.

Types of withdrawals processed on behalf of the inmates include Work Money, Room and Board, Act 84, Service Fees, money sent home and any other personal expenses.

- **Work Money**

Inmates are allowed to have "work money" for daily expenses on the job. The work release bookkeeper fills out a pre-numbered payment request form to be signed by the inmate. Once all of the requests have been received, the bookkeeper totals the receipts, and writes a check for that amount. She cashes the check and distributes the money to the inmates. The inmates must sign the form as proof that they received their money. This procedure is monitored and verified by management. A list is produced from the signed authorization forms and the amounts are deducted from the individual inmate accounts.

- **Act 84**

The County correctional facility to which the offender has been sentenced is authorized to make monetary deductions for Act 84. A percentage of the inmates assets are garnished for restitution, reparation, fees, costs, fines and penalties, then forwarded to Probation Services.

## **Testing Methodology:**

We interviewed the work release bookkeeper to gain an understanding of the Work Release program, and how the administration of inmate finances are handled. We formulated a plan to test the accuracy of record keeping and implemented the same.

We selected a sampling of checks written on behalf of the inmates from the checking statement, and traced each to a paid invoice. The invoices are marked with a receipt number which corresponded to the pre-numbered authorization slip which was signed by the inmate.

We then selected 5 inmate accounts at random and requested a detailed printout of each. We traced payments made on behalf of those inmates back to their authorization receipts and their individual accounts to see that the amounts were disbursed properly. We tested withdrawals for Act 84, money sent home, room and board, service fees and personal expenses.

## **Conclusion:**

During our testing we observed that the work release bookkeeper was issuing receipts to inmates for Act 84 payments. Probation Services generated "bulk receipts" for payments made by the correctional facility and kept them on file. Probation Services agreed to supply work release the file of receipts.

We believe that our audit provides a reasonable basis for our findings.

## **Recommendation #1**

The Controller Office recommends that the Luzerne County Correctional Facility administration contact Probation Services and have individual receipts for Act 84 payments issued to the inmates.

## **Recommendation #2 (This is a continuing issue through the end of 2014)**

Currently, one individual is responsible for writing checks for inmate expenditures, preparing deposits and bank account reconciliation. This same individual is the only signor for these expenditures. This gives concern due to a lack of separation of duties where having more than one person complete a single task would lessen the chance of error or fraud.

Absent having a second employee performing tasks, we recommend that these transactions be reviewed regularly by management and require a second signature on all checks, as directed by the Luzerne County Home Rule Charter Section 5.13.


Please Note:

**Luzerne County Home Rule Charter: Section 3.08 (C.) 3.**

*The audited entity shall respond in writing, specifying agreement with the audit findings and/or recommendations or the reasons for disagreement with the findings and/or recommendations, along with any plans and timetable for implementing remedies. The response shall be provided to the Controller within 14 days after the audited entity's receipt of the draft audit. The Controller shall include the audited entity's response in his/her final audit report.*


**Fourteen Days from the Audit Date: December 15, 2015**

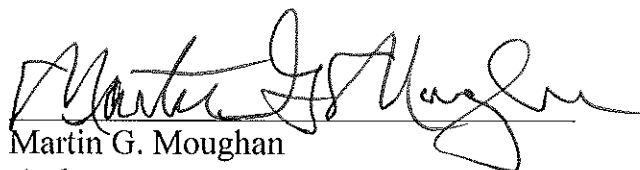
Please respond to this audit as prescribed:


  
Michelle A. Bednar  
Controller

  
Robert C. Lawton  
Luzerne County Manager

  
Nancy L. DeFluri  
Internal Auditor

  
Allen Nesbitt  
Director of Correctional Services

  
Martin G. Moughan  
Auditor

  
Stacey McGovern  
Bookkeeper

Please complete and sign below.

I **AGREE** with the findings of the Luzerne County Controller's Office.

W. J. Cummings

12/15/15  
Date

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I **DISAGREE** with the findings of the Luzerne County Controller's Office.

\_\_\_\_\_

\_\_\_\_\_  
Date

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*Please attach any additional written responses to the audit.*

The Audit of  
Luzerne County Correctional Facility  
Work Release

Report Distribution  
For the period  
January 1, 2014 to December 31, 2014

This report was distributed to:

Mr. Robert C. Lawton

Luzerne County Manager

Linda McCloskey Houck

County Council, Chair

J. Allen Nesbitt

Director, Correctional Services

This report is a matter of public record and is available online at <http://www.luzernecounty.org>, found under Audit Reports on the Luzerne County Controller's section of the website. A hardcopy is also available for review at the Luzerne County Controller's Office.

Media questions about this report may be directed to the Luzerne County Controller's Office at 20 North Pennsylvania Blvd., Suite 213, Wilkes-Barre, PA 18701 or via e-mail to [Controllers.Office@luzernecounty.org](mailto:Controllers.Office@luzernecounty.org)