

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

Jeffrey R. Smith, Warden

Annual Financial Statement Audit

For the Year Ended December 31, 2019



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

REPORT 21-06

Contents

Report Distribution List	1
Internal Auditor's Report	2
Financial Statement	
Statement of Receipts, Disbursements and Changes in Cash Balance - Cash Basis	4
Notes to Financial Statement	5
Internal Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	7
Schedule of Prior Year Audit Findings and Recommendations	9

Report Distribution List

1. Jeffrey R. Smith, Warden
2. Christian Y. Leinbach, Berks County Jail System Board Member and County Commissioner Chair
3. Kevin S. Barnhardt, Berks County Jail Board Chairman and County Commissioner
4. Michael Rivera, Berks County Jail System Board Member and County Commissioner
5. Sandra M. Graffius, Berks County Jail System Board Secretary and Controller
6. Eric Weaknecht, Berks County Jail System Board Member and Sheriff
7. John Adams, Berks County Jail System Board Vice Chairman and District Attorney
8. Scott Lash, Berks County Jail System Board Member and Judge
9. Christine Sadler, Berks County Jail System Board Solicitor
10. Ronald Seaman, Chief Administrative Officer
11. Timothy L. DeFoor, Pennsylvania Auditor General
12. Reinsel, Kuntz, Leshar LLP, Certified Public Accountants
13. Audit File



COUNTY OF BERKS, PENNSYLVANIA
Office of the Controller

Services Center, 12th Floor
633 Court Street
Reading, PA 19601-4311

Phone: 610.478.6150
Fax: 610.478.6890

Sandra M. Graffius, Controller
Tony Distasio, Esq., Solicitor

Internal Auditor's Report

Jeffrey R. Smith, 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, 2019.

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

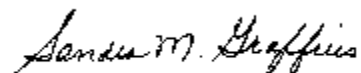
In our opinion, the financial statement referred to above presents fairly, in all material respects, its cash receipts, disbursements and cash balance for the year ending December 31, 2019 in accordance with the cash basis of accounting described in Note 1.

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 August 18, 2021 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
August 18, 2021

**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, 2019**

Receipts

Honor Guard Income	3,785
Coke Machine Commission	3,696
Badge Deposit	2,637
Memorial Service Income	1,250
Vending Machine Deposit	992
Reimbursement from County of Berks	493
Refund to BOJE	306
Interest Income	6
Total Receipts	13,165

Disbursements

Honor Guard	4,322
Memorial Service Expense	2,476
Badge Expenses	2,109
EMT-Employee Morale Team	1,197
Reimbursement from COB	942
Sponsor Event	606
BCJS Academy Expense	312
Catered Lunch	179
NSF Deposit and Fee	97
Total Disbursements	12,240

Cash receipts in excess of disbursements	925
Cash account balance as of January 1	12,128
Cash account balance as of December 31	\$ 13,053

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, 2019**

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, 2019 to December 31, 2019.

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	13,053	13,053
		\$ 13,053	\$ 13,053

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, 2019

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, 2019.

Note 4: Subsequent Events

Management has evaluated subsequent events through August 18, 2021, which is the date the financial statement was available to be issued.



COUNTY OF BERKS, PENNSYLVANIA
Office of the Controller

Services Center, 12th Floor
633 Court Street
Reading, PA 19601-4311

Phone: 610.478.6150
Fax: 610.478.6890

Sandra M. Graffius, Controller
Tony Distasio, Esq., Solicitor

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

Jeffrey R. Smith, 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, 2019, 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.

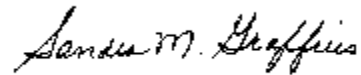
Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 August 18, 2021.

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.

A handwritten signature in black ink that reads "Sandra M. Graffius". The signature is written in a cursive style.

Sandra M. Graffius, Controller
August 18, 2021

**Berks County Jail System- Berks Organization of Jail Employees (BOJE) Account
County of Berks, Pennsylvania
Schedule of Prior Year 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.

Resolution: This is no longer a Significant Deficiency for Audit Year 2019.