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PART I: INTRODUCTION

1.1 Intent

To provide each LIDS user with record keeping guidelines, audit tests and performance rating criteria.

1.2 Responsibility

The primary responsibility for application of these guidelines rests with the sheriff/superintendent or each chief executive officer of the jail, regional jail or jail farm.

PART II: JAIL ADMINISTRATION

Article 1 - Good Business Practices for Jails

Good business practices for jails require that adequate operational and financial controls be in place and maintained to ensure efficient management of the facility. This is accomplished through effective procedures, training of personnel, and management review of operations including financial controls.

2.1 Jail Internal Policies and Procedures Manual

We recommend that you develop and maintain a manual of standard operating procedures for your facility. Such a manual should be available 24 hours a day to all staff.

The facility's policy and procedures manual should be reviewed every 12 months by the administration to take into consideration changes in law and LIDS that affect the monthly reimbursement request.

The intent of these standard operating procedures relates to LIDS. They should be clearly written to ensure compliance with the following guidelines. You may wish to take the following into consideration as you write specific policies and procedures for your manual:

LIDS is a financial reimbursement system

The jail is a revenue center.

LIDS is a computerized per diem reimbursement system that functions as a billing system for the jail.

Local jail management systems that interface with LIDS should have the same financial controls as required for LIDS.

LIDS is a data collection system

Data from LIDS is used in establishing the staffing levels for the Jail by the Compensation Board.

Data is recorded to a standardized statewide database of inmate information. Activities affect the money provided to the locality.

LIDS data is used to:

Forecast State Beds requirements

Post Jail Contract Beds activity

Post Court Order activity

Forecast Local Bed usage

Collect sentencing information

LIDS data is sent to the Social Security Administration

The locality receives a finder's fee of \$200 to \$400 from the Social Security Administration for identifying inmates whose Social Security Payments benefits may be terminated while incarcerated.

Shared Activity

Ability to share prisoner information on a statewide basis

Capability to locate offenders wanted on warrants residing in other jails.

Reports revenue received in a more efficient manner.

Ability to verify and/or prepare invoices for payments of prisoners held for federal, state, non-local, and local entities.

Training of LIDS Technicians and Jail Staff

(see LIDS Technician in the Compensation Board Operating Manual)

All LIDS technicians and/or staff assigned to processing LIDS activity should be trained in the basic LIDS features and operation.

It is recommended that one person who works each shift is experienced and competent in LIDS operations.

The sheriff/superintendent should ensure that when there is a turnover of the LIDS technician or staff responsible for LIDS occurs, the incumbent is adequately trained.

There should be an employee trained in LIDS activities that can fill in when the LIDS technician is on vacation, sick leave, training or otherwise not available.

Establishment of Internal Control for LIDS

Jail management is responsible for maintaining sufficient internal controls of financial functions to ensure that requests for financial reimbursement and statistical data recorded in LIDS are accurate. Appendix B contains recommended tools for your use.

Internal controls should ensure:

Integrity of data that is batch up loaded to LIDS from a local jail management system.

Integrity of supporting documentation processed by jail staff is recorded properly in LIDS.

Daily “head counts” are compared to the Local Management System and LIDS.

2.4 Local Managerial Responsibilities for LIDS

Management is responsible to review LIDS activity to ensure that policies and procedures are being followed.

Management is responsible to ensure that all changes in the local procedures are communicated to all employees in a timely manner and to ensure the accuracy of data in LIDS.

Management is responsible to ensure that all personnel providing documents, data, or other interfaces with LIDS do so in a timely, efficient, and accurate manner.

The accuracy of LIDS data is the responsibility of jail personnel. They should:

Ensure appropriate documentation is obtained and maintained (see Part III, 4.3-3).

Ensure procedures are followed.

Seek more efficient operation methods.

Management is responsible to ensure that procedures are in place to provide for the support of their reimbursement request when documentation of inmate activity is absent.

Article 2 - LIDS Access Security

2.5 Access Accountability

It is the jail’s management responsibility to protect the jail’s access to LIDS. Each person that has authority to access the LIDS system is accountable for their access to the system.

When a SecurID keyfob has been supplied to an individual authorized to access LIDS it should not be provided to others.

Security Identification and passwords are essentially a signature of the person assigned access. Therefore, the assignee is responsible for protecting their access and password to the system.

Unauthorized access to the state computer system is a criminal offense. Security over the access must be maintained to prohibit unauthorized access to Commonwealth of Virginia computer systems.

The Compensation Board must be notified when jail staff authorized to access LIDS is re-assigned or when turnover occurs. The purpose of the notification is to document the re-assignment of the SecurID keyfob.

It is the jail’s management responsibility to place LIDS terminals at locations that prohibit unsupervised access by unauthorized personnel.

If it is discovered that individual password security has been compromised, the Compensation Board must be contacted so that a new password can be assigned.

PART III: STANDARD COMPENSATION BOARD AUDIT TESTS

Article 3 – Introduction

The following is a detailed listing of items you will be asked to provide and of tests that Compensation Board auditors will likely perform during a LIDS audit.

Article 4 - Documentation Requested During Audit

Overall LIDS related standard operating procedures.

Organization Charts

Assignment of LIDS responsibilities

Job description – LIDS Technician

Ensure data integrity

Data is complete

Data is accurate

Data is timely

Ensure accurate financial reporting within LIDS

Accuracy of Per Diem Payments to localities and regional authorities.

To be knowledgeable of legislative changes, system changes, and policy changes that affect LIDS

Training of other LIDS users in the facility

Ensuring adequate internal controls over interfacing systems with LIDS

Method of delegating Chief Executive Authority

Letters authorizing access to LIDS.

Letters delegating the Chief Executive authority to certify and approve monthly reimbursement request.

Management Review of Records Activity

Review of LIDS Reconcilements

Weekly

Bi-weekly

Monthly

Review of LIDS Error Reports

Weekly

Bi-weekly

Monthly

Review of “Possible Local Ordinances recorded as Misdemeanor Report”.

Review of “Possible Duplicate Report”.

Review of LIDS invoice for certification and approval.

4.3 LIDS Audit Tests

The facility should maintain a record and make available to the Compensation Board auditor(s) tests (see Appendix B) completed throughout each month.

The test and records should demonstrate that sufficient verification procedures have been conducted to ensure accuracy of data entered into LIDS. They should also enable the Certifier to verify that inmate activity as submitted to the Compensation Board is accurate for reimbursement.

LIDS audit test

Review jail management system of internal control

LIDS Standard Operating Procedures Documentation

Review reconciliation Procedures and Practices test.

Select a sample of the jail’s reconcilements and test the accuracy the records.

Reconcile Local management system with LIDS

Reconcile physical headcount with LIDS

Reconcile physical headcount with Local management system headcount

Identify and report unresolved discrepancies.

Compensation Board auditors develop a statistical sample of LIDS data for the audit period and perform the following test:

LIDS Demographic Sample Test

Typically, the sample will be provided to the jail when the auditor’s arrive on site.

Compare the sample record source document data to LIDS data entered on the LIDS system for accuracy of entry.

Name Spelling
Correct SSN
Committal Date & Time
Reason Confined
Offense Type
Offense Code
All offense Codes Recorded Correctly
Sentence Length Recorded Correctly
Total days Incarcerated Correct
Dollars Reimbursed Correct for Number Days Incarcerated.
Reason Released Code Correct
Date Released
Sentence Offense Code
Sentence Date
Offense Date
Jurisdiction Code
Bonus Start Date
Felon Days
Felon Dollar Payment
Transfer Code
Pending Charges
Total State Days
Total State Dollars Payment
Jail Cost Bed Days
Jail Cost Dollars Payment
Identify and report unresolved discrepancies.

The following audit tests are similar in nature and lists containing possible inmate record discrepancies are prepared and forwarded to the jail prior to the auditor's arrival:

Possible ordinances recorded as misdemeanors
Possible duplicated record entries
Financial Adjustments not made tests
Prior Period Adjustments (Need Adjustment) not made test
Suspect Inmate Test

For items a through e, perform the following tests:

Compare the record source document data to LIDS data entered on the LIDS system for accuracy of entry.
Identify and report unresolved discrepancies

Compensation Board Auditors may conduct all or some of the above tests and may investigate other records as deemed necessary to determine the impact, if any, on the request for reimbursement.

Additionally, the sample size may be expanded or decreased as the situation warrants.

PART IV: PERFORMANCE RATING AND AUDITING REPORTING

5.1 Performance Rating Matrix

Annual

Percent

Missed

Ordinance
Duplicated
Unrecorded
Late

Rating
Of Claim
Release
Recording
Commitment
Commitment
Certification
Clerical

Errors
Errors
Errors
Errors
Errors

Errors

Dollars 1
Percent 2
Percent 3
Percent 2
Percent 1
Months 4

Percent 3

Exceptional

=<1

<=1

<=4

<=1

<=1

-0-

<=5

Satisfactory

<=3

<=3

<=7

≤ 3

≤ 3

-2-

≤ 10

Adequate

< 5

≤ 5

> 10

≤ 5

≤ 5

-3-

> 10

Unsatisfactory

>5

>5

>15

>5

>5

>4

>15 or greater

1 The dollar value of reimbursement errors found divided by the annualized reimbursements for the audit period.

2 The number of errors found divided by the number of commitments for the audit period.

3 The number of errors found divided by the number of items sampled.

4 Within the audit period.

When a location's performance shows a mixture of clerical, reimbursement errors and/or internal control issues, the rating shall be designated taking into consideration the level of errors and internal controls noted throughout the audit period.

Article 6 - Exit Conference and Report Distribution

6.1 Findings and Recommendations

At the end of testing, an Audit Finding Worksheet will be prepared.

At that time the Jail contact person will be asked to review the findings with the auditor and agree or disagree with the findings.

The decision will be noted on the "Audit Finding Worksheet".

It is the purpose of this procedure to obtain agreement between the Jail contact person and the CB auditor concerning the facts presented in the body of each recommendation.

Upon resolution of the "Audit Finding Worksheet(s)", an exit conference will be scheduled with the Sheriff, Chief Jailer or other person designated by the Sheriff to act on his behalf.

6.2 Summary of Findings

A Summary of Findings will be prepared showing a summary of the statistical and financial discrepancies found during the audit.

An "Overall Conclusion Section" showing each activity performance rating with an "Overall Rating" for the jail.

Exit conference

The draft audit report will be discussed with the Jail staff prior to the exit conference.

At the exit conference a draft of the audit report and summary of findings will be reviewed with jail management or their designee.

An exit conference participation form will be completed.

The purpose of the form is show that the exit conference occurred.

Article 7 - Issuance and Distribution of Report

Report Issuance

It is customary to issue the report within 3 weeks following the audit to the Sheriff or Regional Jail Administrator.

A copy of the report will be sent to the City Manager, County Administrator, Chairman of the Regional Jail Board, Department of Corrections, and Compensation Board Management.

Close-out of the Audit

Audit Action Plan Requested

When an action plan is requested, the Sheriff or Regional Jail Administrator must respond in writing providing the action(s) to be taken by Jail staff to correct the deficiency noted in the finding section of the audit report.

Upon receipt of the action plan and acceptance of the actions noted therein, a follow-up audit would be planned to determine the effectiveness of the action taken.

The follow up audit may include:

A full audit since the last audit date

A specific audit of just the finding issues noted in the previous audit.

In some cases, a 100% file review may be required where a systemic problem has been found.

Upon completion of the follow up audit and the acceptance of the verification of the action plan effectiveness, the audit file will be closed.

No Action Plan Requested

Audit is closed upon issuance of report.

Article 8 - Frequency of Audit

The frequency of the audit of each jail is dependent on the Performance Ratings each jail received in the previous audits. The following criteria will be used.

Exceptional, Satisfactory, and Adequate rating

Once every 18 - 24 months.

Unsatisfactory rating

Once every 6 months.

PART V: APPENDIX A

Glossary

The following words and terms when used in these guidelines have the following meanings unless the context clearly indicates otherwise:

“Administrative segregation of duties” means a separation of duties between the employee who inputs LIDS data, approves LIDS data, and Certifies LIDS monthly reimbursement requests.

“Chief Executive” - the elected or appointed individual who by law or position has the overall responsibility for the facility’s administration and operation.

“Detainee” - is someone who has been arrested but not committed to the jail by the magistrate or court.

“Inmate File” - used by the jail to hold all jail, magistrate and court(s) generated documents related to an inmate’s incarceration. Normally, it includes the:

Commitment order(s),

Continuance order(s),

Release order(s),

Disposition notice(s) and/or Court order(s),

Transport authorizations including receipt documentation

Any and all other documents which authorize or acknowledge inmate activity that has been authorized by local, state or federal law enforcement officers.

The intent is to maintain in one place all documentation that supports the sheriff’s authorization to detain, incarcerate and release an individual.

“Local Charged Offender” - means an individual who has been charged under a local ordinance and who is not a state offender in accordance with §53.1-20 of the Code of Virginia.

“Process Only” - is a detainee that has been arrested, taken before the magistrate or court, and released on their own recognizance. The magistrate or court has not committed the detainee to jail.

“State Offender” - means an individual sentenced to a term of incarceration in accordance with Sections § 53.1-20, 53.1-20.1 of the Code of Virginia. This category also includes individuals awaiting trial or serving local time on state charges. For the purpose of § 4.10 and § 4.11 relative to work release, educational release or rehabilitative release, a state offender should be defined in terms of the intake schedule pursuant to § 53.1. -20.

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PART V: APPENDIX B

Tools

Reconciliation of Inmate Activity

Reconciliation between the Jail’s official record system(s) of inmate activity and the approved LIDS monthly reimbursement request should be conducted.

The tools needed to complete this have been supplied and are available through the Main Menu Option 8 - “Reconciliation Tools”

1. “LIDS - Overall Head Count”
2. “Financial Count by Payment Category”.

3. Frequency of LIDS Reconcilements

Weekly
Bi-weekly
Monthly

The reconciliation should show the following:

Beginning of Month confined inmate count per LIDS.
Total number of inmates confined during the month per LIDS.
Total number of inmates released during the month per LIDS.
Ending of Month confined inmate count per LIDS.
Local Jail Management system's beginning inmate count, total confinements; total releases and ending inmate count.
The differences between LIDS activity counts and the Local Jail System's activity count.
The reasons that caused the differences between the two to occur.

This information is supplied through the "Main Menu Option 8 - Reconciliation Tools",
(1) - "LIDS - Overall Head Count" and (2) "Financial Count by Payment Category".

The first step in reconciling each head count is to supply LIDS with the beginning and ending date and time for the period. The range can be from - one day to one year or any period in between. The reconciler can request from LIDS, the detail, by inmate, that equals the category amount using the view/print options provided at the bottom of the screen. As a result, LIDS is providing to the user all information needed to reconcile to your Jails head count records at any day and time. (See Screen presentation for category definitions**)

We also recommend that a reconciliation be completed related to the LIDS days by category in the same manner used to complete the head count reconciliation. Option 2 of the "Reconciliation Tools" screen takes the user to the Financial Summary Screen by Payment Category for the period.
Reconciliation of Inmate Activity (continued)

The first step in reconciling each Payment Category Days is to supply LIDS with the beginning and ending date and time for the period. The range can be from one day to one year or any period in between. The reconciler can request from LIDS, the detail, by inmate, that equals the category amount using the view/print options provided at the bottom of the screen. As a result, LIDS is providing to the user all information needed to reconcile to your Jails records at any day and time to LIDS.

The second step with either the LIDS Head Count or Payment Category reconciliation is to, focus on 1 category at a time. The purpose would be to agree each category number to your jail (head count or payment category days) amount for the period you are reconciling (day, month or year). Any difference(s) between each should be explained and adjusted as needed.

For Batch Jails, we recommend that the head count reconciliation be completed after each batch up-load and a Financial Payment by Category reconciliation be completed every other week before the data is used for the bi-monthly "Tuesday Report".

For On-line Jails, we recommend that the head count reconciliation be completed on an every other week basis along with a Financial Payment by Category reconciliation before the data is used for the bi-monthly "Tuesday Report".

Review of LIDS Error Reports:

1. Weekly
2. Bi-weekly
Monthly

Review of “Possible Errors” Report. This report can be found under the Forms Maintenance Menu – Off-line reports, queries and files (option “B”). The specific option for this report is “F”. Additionally, jails sending batch files to LIDS will receive this report as part of the download when their file submissions are error-free. This report lists possible integrity errors including:

Duplicate Data Entry
Ordinances recorded as Misdemeanors
Prior Period Adjustments
Suspect Inmates (inmates in a pre-trial status for more than 9 months)
Potential SSN Errors
Review of LIDS monthly submission for certification and approval.

1. Possible ordinances recorded as misdemeanors
2. Possible duplicated record entries
3. Financial Adjustments not made tests
4. Prior Period Adjustments (Need Adjustment) not made test
5. Suspect Inmate Test
6. For items a through e, perform the following tests:

Compare the record source document data to LIDS data entered on the LIDS system for accuracy of entry. Identify and report unresolved discrepancies.

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Normal
Normal
Heading 1
Heading 1
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Heading 5
Heading 5
Heading 6
Heading 6
Heading 7
Heading 7
Default Paragraph Font
Default Paragraph Font
Document Map
Document Map
Body Text 2
Body Text 2
Header
Header
Body Text Indent
Body Text Indent