



Department of
Rehabilitation & Correction

John R. Kasich, Governor
Gary C. Mohr, Director

OFFICE OF
INSPECTOR GENERAL

2015 JUL 10 AM 11:08

July 10, 2015

Randall J. Meyer
Ohio Inspector General
30 East Broad Street, Suite 2940
Columbus, Ohio 43215-3414

Dear Inspector General Meyer:

This letter is in response to investigative file #2014-CA00008 submitted to the Ohio Department of Rehabilitation and Correction by your office on May 14, 2015 with a finding of "reasonable cause to believe that a wrongful act or omission occurred in this instance." The following details the response by this agency regarding recommendations made by your office.

Recommendation #1:

Review the actions of the individuals named in this report and determine if administrative action or additional training is warranted.

No administrative investigation was initiated due to the fact that employee Steven Davenport resigned January 28, 2014 and Craig Rich resigned June 4, 2014.

DRC has initiated more systematic efforts in policy to insure training of employees who process financial transactions. Policy 22-BUS-11, Internal Control of Fiscal Activity within the Department, effective May 13, 2015, requires Business Administrators and Fiscal Officers to complete the course entitled "Overview of Business" and all new Business Administrators and Fiscal Officers to complete the course within six (6) months of hire. Annually, all employees of the Division of Business Administration and the Business and Cashiers' Officers must complete the course entitled "Business/Cashier Office Fiscal Training." It is our opinion that these trainings are sufficient to meet the intent of this recommendation.

Recommendation #2:

Reconcile differences between OAC §5120-5-06(C)(6) and the Cashier's Manual governing the preparation and review of profit and loss statements for Industrial Arts programs.

DRC is revising the existing Cashiers' Manual to reflect the requirements in OAC §5120-5-06(C)(6) for preparation of a monthly profit and loss statement for Industrial Arts programs by the Cashier's Office, rather than the

project supervisor. Required changes to the Cashiers' Manual will be submitted through our policy review process within 60 days of this response.

Recommendation #3:

Ensure profit and loss statements are prepared monthly for all of the Industrial Arts programs.

This was incorporated into the Cashier Manual, effective April 8, 2015, and is being tested by Ohio Standard 13-03, Industrial Arts, as part of all 2015 Internal Management Audits. Noncompliance with Ohio Standards requires a formal response from a facility's representative detailing a plan of action for future compliance, including tasks, responsible agency, assigned staff, and anticipated completion date; a waiver request; or appeal of finding noncompliance. Follow-up inspections are completed for institutions found noncompliant.

Recommendation #4:

Revise agency policies regarding when and how receipts are to be prepared.

DRC is revising the existing policies and manuals to provide direction regarding when and how receipts are to be prepared. Required changes to policies and manuals will be submitted through our policy review process within 60 days of this response.

Recommendation #5:

Revise agency policies and procedures to include a requirement for reconciliation between the sales documents and deposits as recorded in CACTAS for all funds.

DRC is revising the existing policies and manuals to require reconciliation between sales documents and deposits as recorded in CACTAS for all funds. Required changes to policies and manuals will be submitted through our policy review process within 60 days of this response.

Recommendation #6:

Revise agency policies and procedures to state checks used to replenish the inmate lockbox should be made payable to "Inmate Personal/Trust" and not in the cashier's name.

DRC considered changing policy and procedure to state that checks be made payable to "Inmate Personal/Trust" in place of the cashier's name. This recommendation was not incorporated for the following reasons: 1) experience shows that not all banks will allow a check to be cashed if it is not made payable to the cashing individual and 2) allowing checks be cashed in the employee's name provides an audit trail for transactions.

Recommendation #7:

Revise the voucher form to include a "prepared by" signature line.

DRC Form 1711, Voucher, is being revised to include a "prepared by" name / signature line. This will be completed within 60 days.

Thank you for the opportunity to respond to your recommendations. Should you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,



Gary C. Mohr
Director

Cc: Connie Treece, CFO
Roger Wilson, Chief Inspector
Stephen Gray, Chief Counsel
Stuart Hudson, Managing Director of Fiscal Operations