



## Internal Audit Department

O R A N G E C O U N T Y

AUDIT HIGHLIGHT

NOVEMBER 3, 2011

INTERNAL CONTROL AUDIT:  
SHERIFF-CORONER AND HEALTH CARE AGENCY  
CONTRACT ADMINISTRATION  
U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT  
Audit No. 1126

**WHY IS THIS AUDIT IMPORTANT?**

Over a five year term of the IGSA, this contract is estimated to generate approximately **\$150 million in revenue to the County**. Revenues are earned based on a fixed rate per unit for detention services and cost reimbursement for prescription medication. During the 12-month audit period, the Sheriff-Coroner and Health Care Agency **billed \$27.2 million** for detention services and prescription medication reimbursement. The Sheriff-Coroner and Health Care Agency provide detention and medical care for detainees in the County jail system. The Sheriff-Coroner and Health Care Agency on behalf of the County entered in an Inter-Governmental Service Agreement (IGSA) with U.S. Immigration and Customs Enforcement (ICE) on July 20, 2010. The IGSA provides for a total of **838 beds** to be used for ICE detainees, with 472 beds located in the Theo Lacy Facility in Orange and 366 beds in the James A. Musick Facility in Irvine.

**WHAT THE AUDITORS FOUND?****Successes**

Our audit found that internal controls and processes in the Sheriff-Coroner and Health Care Agency are adequate and effective to ensure proper billings to ICE and on-going compliance with standards and requirements in the ICE Agreement. We utilized a Business Process Maturity Model to evaluate processes to ensure on-going compliance with all ICE Agreement requirements, and to determine if risks of non-compliance have been identified, monitored, and adequately managed. We assessed the processes for ensuring compliance with contract requirements are at the highest level, **Stage 5 - Strategically Managed**, indicating their established process has well defined criteria and standards that are clearly documented, adhered to, and communicated. The process has comprehensive performance measures to monitor and ensure consistent and predictable results.

**Audit Findings and Control Recommendations**

We identified two (2) **Control Findings** to enhance existing controls in the areas of Sheriff-Coroner written policies and procedures for preparing the monthly billings to ICE, and the Health Care Agency performing supervisory reviews of prescription medications submitted for reimbursement. Both the Sheriff-Coroner and the Health Care Agency agreed with the findings and recommendations.