

FINANCIAL-COMPLIANCE AUDIT

Department of Corrections

For the Two Fiscal Years Ended June 30, 2014

OCTOBER 2014

14-15

REPORT SUMMARY

The Department of Corrections manages approximately 13,000 male and female offenders through various facilities. In fiscal years 2013 and 2014, approximately 88 percent of the department’s funding is from the General Fund. In fiscal year 2014, this equates to approximately \$181 million in expenditures; which is roughly 8 percent of the total state General Fund expenditures.

Context

The Department of Corrections (department) supervises offenders through five prisons, three youth facilities, seven treatment programs, three assessment and sanction centers, and six prerelease centers. Offenders may engage in various skill development programs at the prisons. Some of these programs include furniture, a print and sign shop, dog training program, ranching, dairy operations, lumber processing, firefighting, motor vehicle maintenance, and cooking.

We reviewed the department’s internal controls. In addition, we performed tests over transactions related to personal services and contract bed expenditures, agency fund activity, and various revenues. We also tested the department’s compliance with various state laws and policies.

Results

This audit contains four recommendations. During the audit, we identified internal control deficiencies. For example, the department does not have adequate controls

in place to prevent, or detect and correct, procard transaction errors or inappropriate procard use. The department also does not have procedures in place to ensure the revenue submitted by the vendor responsible for processing online payments to inmate trust accounts on behalf of the department is complete.

Audit work also identified non-implementation of a prior audit recommendation pertaining to the License Plate Internal Service Fund. We determined license plate fees are not commensurate with costs and the ending fund equity is not reasonable. In addition, we identified instances of noncompliance with state laws.

Recommendation Concurrence	
Concur	4
Partially Concur	0
Do Not Concur	0
Source: Agency audit response included in final report.	