

REPORT SUMMARY

Department of Corrections

This financial-compliance audit report contains the results of our audit of the Department of Corrections for the two fiscal years ended June 30, 2008. We issued an unqualified opinion on the financial schedules contained in this report. This means the reader can rely on the financial information presented and the supporting detailed information on the state's accounting records.

This report contains 14 recommendations. The recommendations relate to the department's control structure, contract administration, various aspects of financial accountability, and the department's compliance with state laws, state policies, and its own policies.

The prior audit report contained 12 recommendations. The department implemented five recommendations, partially implemented four recommendations, and did not implement three recommendations.

The listing below serves as a means of summarizing the recommendations contained in the report, the department's response thereto, and a reference to the supporting comments.

Recommendation #1

We recommend the department complete implementation of state accounting policy concerning internal control. 10

Department response: Concur B-3

Recommendation #2

We recommend the department:

- A. Provide training to its contract liaisons to improve contract administration.
- B. Incorporate contract administration in its internal control documentation. 11

Department response: Concur B-3

Recommendation #3

We recommend the department:

- A. Implement procedures to ensure it spends within its appropriation authority as required by law.
- B. Provide budget training to fiscal staff. 13

Department response: Concur B-4

Recommendation #4

We recommend the department monitor controls over medical claims to ensure they continue to work as intended. 14

Department response: Concur B-4

Recommendation #5

We recommend the department deposit inmate room and board fees in the General Fund as required by state law. 15

Department response: Concur B-4

Recommendation #6

We recommend the department implement procedures to ensure prescription drug orders received by correctional facilities are accurate and complete. 15

Department response: Concur B-5

Recommendation #7

We recommend the department monitor the progression of the general appropriations bill to ensure all approved internal service fund rates are included. 16

Department response: Concur B-5

Recommendation #8

We recommend the department exhaust all available state special revenue fund authority before spending General Fund money as required by state law. 17

Department response: Concur B-5

Recommendation #9

We recommend the department record its production livestock assets as noncurrent assets in accordance with state law. 18

Department response: Concur B-5

Recommendation #10

We recommend the department:

- A. Comply with state law concerning acceptance of federal assistance and recovery of indirect costs.
- B. Modify and document its indirect cost rate development procedures to help ensure the rates are properly calculated. 20

Department response: Concur B-6

Recommendation #11

We recommend the department:

- A. Adopt administrative rules in accordance with state laws relating to monitoring of level three sexual offenders, prison industries training program, and electronic records of youth.
- B. Ensure the WATCH facility restricts offenders to the courtyard in accordance with administrative rule. 21

Department response: Concur B-6

Recommendation #12

We recommend the department comply with state law and its operating procedures concerning probation and parole officer training.22

Department response: ConcurB-6

Recommendation #13

We recommend the department implement procedures to ensure confiscated cash is deposited in accordance with state law.23

Department response: ConcurB-7

Recommendation #14

We recommend the department:

- A. Document its consultations with prison inmates concerning the use of inmate welfare funds to ensure compliance with state law.
- B. Document approval of expenditures from inmate welfare funds as required by department policy.....24

Department response: ConcurB-7