

LBA Financial Audit Report Summary:

Department of Corrections, Correctional Industries Audit Report For the Nine Months Ended March 31, 1995

The Department of Corrections was established on July 1, 1983 pursuant to RSA 21-H. The Department is charged with maintaining and administering correctional facilities and programs for the benefit and rehabilitation of inmates. In addition, the Department is responsible for the supervision of all individuals placed on probation or released on parole and acts as an advisor to law enforcement agencies and communities in the prevention of crime.

Correctional Industries is an organization within the Bureau of Training, Industries and Education in the Division of Adult Services of the Department of Corrections. The mission of Correctional Industries is "to enhance public order and safety by integrating effective and efficient training and education for its inmates. This process will reduce inmate idleness, enhance job seeking and keeping skills and provide opportunities for self improvement."

Correctional Industries consists of ten shops including: Sign, Print, Wood, Plate, Farm, Data Processing, Off-Highway Recreational Vehicle (OHRV), Electronic, Furniture, and Tailor and a business office. Also in the Bureau are the vocational education and training shops including: Auto Mechanics, Small Engines, Auto Body, Building Trades, Culinary Arts, Technical Education, Horticulture, and Business Office Occupations.

Our report included eight observations regarding weaknesses in the internal control structure, three regarding noncompliance with state laws and regulations, and seven management issues.

Major observations included:

- lack of internal controls over accounts receivable, allowing overdue account balances; and
- inadequate detail listings and schedules supporting equipment and depreciation amounts.

We recommended the Department:

- should review and revise as necessary its policies and procedures for controlling accounts receivable; and
- perform a complete inventory of equipment purchased from the revolving account and develop and implement a system to ensure new equipment is handled properly.