

## **LBA Financial Audit Report Summary:**

### **Department of Corrections (Excluding Correctional Industries and Department Trust and Agency Funds) Audit Report For the Nine Months Ended March 31, 1995**

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The Department of Corrections was established on July 1, 1983 pursuant to RSA 21-H which merged the Departments of Probation and Parole and the New Hampshire State Prison into a single state agency. 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.

The Department is headed by a Commissioner who is appointed by the Governor and serves as the Department's chief administrative officer. The Commissioner is responsible for the management of all Department operations, including the administration and enforcement of all laws by which he or the Department is governed.

For the purpose of this audit and audit report, the reporting entity was the Department of Corrections, including the administratively attached Adult Parole Board and excluding Correctional Industries and the Department's trust and agency funds.

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

#### **Major observations included:**

- lack of segregation of duties over invoice payments and the recording and reconciling of revenue; and
- requesting reimbursement of federal funds for expenditures not yet incurred.

#### **We recommended the Department:**

- segregate the payment voucher cycle from check handling responsibilities and segregate duties related to check handling and receipt preparation from the revenue reconciliation function; and
- apply the timely disbursement and immediate needs criteria when determining the amount to be requested from the federal grantor.

