New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor

Department of Corrections
Northern State Prison

July 1, 1999 to November 30, 2001

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State Auditor
The Honorable James E. McGreevey  
Governor of New Jersey

The Honorable John O. Bennett  
President of the Senate

The Honorable Richard J. Codey  
President of the Senate

The Honorable Albio Sires  
Speaker of the General Assembly

Mr. Albert Porroni  
Executive Director  
Office of Legislative Services

Enclosed is our report on the audit of the Department of Corrections, Northern State Prison for the period July 1, 1999 to November 30, 2001. If you would like a personal briefing, please call me at (609) 292-3700.

May 1, 2002
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Department of Corrections
Northern State Prison

Scope

We have completed an audit of the Department of Corrections, Northern State Prison for the period July 1, 1999 to November 30, 2001. Our audit included the financial activities accounted for in the state’s General Fund, and the institution’s Inmate Trust Fund, Commissary Fund and Welfare Fund.

The prime responsibility of the Northern State Prison is to provide custody, care, discipline, training, and treatment of persons committed to the correctional institution. The department also provides educational and other programs to aid in inmate rehabilitation.

Annual General Fund expenditures of the facility were $70 million. Expenditures of the Inmates Trust Fund and the Commissary Fund were $2.6 million and $1.4 million, respectively. Expenditures for the Welfare Fund were $13,600. Revenue amounts for these non-general fund activities were similar to expenditures.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the facility’s programs, were reasonable and were recorded properly in their accounting system. We also tested for resolution of significant issues noted in our prior audit report.

This audit was conducted pursuant to the State Auditor’s responsibilities as set forth in Article VII, Section 1, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.
In preparation for our testing, we studied legislation, administrative code, circular letters promulgated by the State Comptroller, and policies of the facility. Provisions that we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our samples of financial transactions. We also read the budget message, reviewed financial trends, and interviewed personnel to obtain an understanding of the facility’s programs and internal controls. We also reviewed audit reports issued by the department’s internal audit unit.

A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions about the validity of transactions as well as internal control and compliance attributes. Transactions were either randomly or judgmentally selected.

To ascertain the status of findings included in our prior report, we identified corrective action, if any, taken by the facility and walked through the system to determine if the corrective action was effective.

**Conclusions**

We found that the financial transactions included in our testing were related to the facility’s programs, were reasonable, and were properly recorded in the accounting system. We found that the facility had resolved the significant issues noted in our prior report.