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

Department of Corrections
Northern State Prison

July 1, 2004 to August 31, 2006

Richard L. Fair
State Auditor
The Honorable Jon S. Corzine  
Governor of New Jersey

The Honorable Richard J. Codey  
President of the Senate

The Honorable Joseph J. Roberts, Jr.  
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 of July 1, 2004 to August 31, 2006. If you would like a personal briefing, please call me at (609) 292-3700.

Richard L. Fair  
State Auditor  
February 9, 2007
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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, 2004 to August 31, 2006. Our audit included financial activities accounted for in the state's General Fund. We did not audit transactions maintained in "off-line" accounts which includes the Inmate Trust Fund and the Welfare Fund. These funds have been audited by the Department of Corrections through fiscal year 2005. Annual expenditures of the agency during the period were $80 million. The prime responsibility of the Northern State Prison is to provide custody and related services for adult male offenders.

Objectives

The objectives of our audit were to determine whether the financial transactions were related to the agency's programs, were reasonable, and were recorded properly in the accounting system.

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 agency. 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 agency personnel to obtain an understanding of the programs and the internal controls.
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. Sample populations were sorted and transactions were judgmentally selected for testing.

**Conclusions**

We found that the financial transactions included in our testing were related to the facility's programs, were reasonable, and were recorded properly in the accounting system.