EXECUTIVE SUMMARY

DEPARTMENT OF CORRECTIONS
NORTHERN STATE PRISON
July 1, 2015 to December 31, 2017

We found that the financial transactions included in our testing were related to the prison’s programs, were reasonable, and were recorded properly in the accounting systems. Additionally, we found the prison was generally compliant with department requirements. In making this determination, we noted deficiencies concerning employee overdrawn leave balances, compliance requirements related to employee outside activity/employment guidelines, and internal control deficiencies over procurement that merit management’s attention.

AUDIT HIGHLIGHTS

• Procedures for tracking employee overdrawn leave balances need to be strengthened. The assigned payroll clerk manually prepares the employee debt calculations, collects the overpayment from the employee, and enters the recoupment to the leave records. There was also no supervisory approvals for this process. Our tests found errors resulted because of these issues.

• All Department of Corrections employees, when initially hired, every three years, or when there is a change in outside activity or employment, must complete the New Jersey Department of Corrections Questionnaire for Approval for Outside Activity or Employment form. In October 2018, the department provided us with data showing that only 35 percent of the prison’s employees submitted a completed questionnaire.

• Internal controls over procurement need improving. In our random sample of 34 expenditure transactions, we found 10 (29 percent) had the same person both requesting the items and/or services and directly receiving them. One of the credit card (P-card) users makes both P-card purchases and processes the payments. In addition, there are no supervisory approvals over these P-card transactions. We also found the prison’s maintenance department does not analyze or approve the monthly water bills prior to their payment or determine if water consumption was reasonable based on monthly meter readings. The prison utilizes a postage meter machine that is periodically replenished electronically. Furthermore, we found postal charges totaling $98,600 for fiscal years 2013 to 2018 were incorrectly charged to another state department and not detected by the Department of Corrections’ fiscal management.

AUDITEE RESPONSE

The department concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click here.