

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

REVIEW REPORT

OF

PUTNAMVILLE CORRECTIONAL FACILITY

STATE OF INDIANA

March 1, 2002 to June 30, 2006



FILED

10/06/2006

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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Commissioner, Indiana Department of Correction	Evelyn Ridley-Turner J. David Donahue	02-01-01 to 01-09-05 01-10-05 to 01-11-09
Superintendent	Al C. Parke	06-13-99 to 06-30-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF PUTNAMVILLE CORRECTIONAL FACILITY

We have reviewed the receipts, disbursements, and assets of the Putnamville Correctional Facility for the period of March 1, 2002 to June 30, 2006. Putnamville Correctional Facility's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Putnamville Correctional Facility are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

July 20, 2006

PUTNAMVILLE CORRECTIONAL FACILITY
REVIEW COMMENTS
JUNE 30, 2006

RECREATION FUND DOCUMENTATION

The Putnamville Correctional Facility did not maintain proper documentation for Recreation Fund disbursements. Approvals for disbursements were made without adequate documentation as to the purpose of each disbursement. Due to the lack of adequate documentation, we were unable to determine that the purchases were for the direct benefits of the offenders of the institution.

Each Recreation Fund disbursement should be documented with the purpose for the disbursement, person and department requesting the purchase, date requested, date paid, amount of payment, check number, written approval of the superintendent or designee, vendor invoice, and verification that the goods were received. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 13)

UNCLAIMED PROPERTY

The Offender Trust Fund maintained at the Putnamville Correctional Facility had several accounts that were inactive for more than one year. The balances in these inactive accounts were not paid or delivered to the Unclaimed Property Division in the Office of the Attorney General.

Indiana Code 32-9-1.5-20 provides that property becomes abandoned if held by the State or other government, governmental subdivision or agency, or public corporation or other public authority one (1) year after the property becomes distributable.

Indiana Codes 32-9-1.5-26 and 27 require a holder of property presumed abandoned and subject to custody as unclaimed property to report in writing and pay or deliver the property to the Attorney General.

IMPROPER CONTRACT EXPENDITURES

The Indiana Department of Correction (DOC) has contracted with a vendor to provide food services to offenders at all DOC facilities. DOC issued a Request for Proposal in order to obtain bids from prospective vendors. Contained in the RFP was language that stated that: "Vendor(s) may be requested to provide food services for special meetings or events held within the mentioned facilities and at no time will this special service exceed \$2,500 annually." However, this language was not contained in the signed contract between the vendor and DOC. The vendor currently provides all institutions with food services for special occasions up to \$2,500 annually without billing the facility, referring to the practice as the Catering Fund. This is a benefit to the state, provided for in the cost structure of the contract, and therefore should only be used for state related functions.

The Putnamville Correctional Facility had the vendor provide catering for employee appreciation events. The catering was provided using the Catering Fund. This is an inappropriate use of state funds without Budget Agency approval.

According to Financial Management Circular 98-1: "it is important to avoid even the appearance that taxpayers' money is being used inappropriately to provide refreshments or meals at a state sponsored event. Spending taxpayer dollars for meetings or events involving only state employees when no travel is involved is not appropriate. Taxpayer dollars should never be spent on office parties or alcoholic beverages."

PUTNAMVILLE CORRECTIONAL FACILITY
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2006, with Al C. Parke, Superintendent. The official response has been made a part of this report and may be found on pages 6 and 7.



Mitchell E. Daniels, Jr.
Governor

J. David Donahue
Commissioner

PUTNAMVILLE CORRECTIONAL FACILITY
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Al Parke
Superintendent

TO: State Board of Accounts
FROM: Al C. Parke, Superintendent
DATE: August 29, 2006
RE: OFFICIAL RESPONSE

ACP

The purpose of this letter is to respond to the deficiency's noted in the recent State Board of Accounts Audit of the Putnamville Correctional Facility.

RECREATION FUND DOCUMENTATION

It is the policy of the Putnamville Correctional Facility to require justification for any and all purchases made utilizing the Recreation Fund. We will insure in the future that these justifications are filed appropriately with all procurement packages. This facility has designed a new form and submitted it to IDOA for approval that will include all pertinent information concerning these purchases on a single document. A copy of this revised form is attached for your perusal.

UNCLAIMED PROPERTY

This Facility will ensure that all inactive accounts that are one year old as of June 30th of this year are cleared and reported as unclaimed property on November 1, 2006. We have already begun the process of identifying those accounts and sending a letter to the last known addresses to give the individuals an opportunity to claim the property before it is reported to the Attorney General's Office.

IMPROPER CONTRACT EXPENDITURES

This Facility will ensure that all appropriate approvals are solicited from the State Budget Agency prior to utilizing the "Catering Fund" for the Employee Appreciation Week activities.

CC: Connie L. Lloyd, Administrative Support Manager
Velquis Peters, Assistant Business Administrator
File

Attachment





REQ# _____

PO# _____

VOUCHER # _____

Name of facility/ institution:

PUTNAMVILLE CORRECTIONAL FACILITY

QTY	Inventory	DESCRIPTION	UNIT COST			Warehouse use only
	Monthly Useage		VENDOR 1	VENDOR 2	VENDOR 3	Quantity Received

JUSTIFICATION FOR PURCHASE AND VENDOR SELECTION

Is this a QPA purchase? Yes No

VENDOR NAME	MBE/WBE	CONTACT
ADDRESS	TELEPHONE #	
CITY/STATE/ZIP	DATE	
VENDOR NAME	MBE/WBE	CONTACT
ADDRESS	TELEPHONE #	
CITY/STATE/ZIP	DATE	
VENDOR NAME	MBE/WBE	CONTACT
ADDRESS	TELEPHONE #	
CITY/STATE/ZIP	DATE	

Requestor: _____	Date Paid: _____
Date: _____	Check Number: _____
Approval: _____	Receiver: _____
Date: _____	Date: _____