

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

REVIEW REPORT

OF

NORTHEAST JUVENILE CORRECTIONAL FACILITY

STATE OF INDIANA

July 1, 2006 to May 29, 2010



FILED
11/12/2010

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AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Commissioner, Indiana Department of Correction	J. David Donahue	01-10-05 to 07-31-08
	Edwin B. Buss	08-01-08 to 01-13-13
Superintendent	David Hartzler	07-01-06 to 08-15-08
	Troy Smith	08-16-08 to 09-17-08
	Donna Carneyee	09-18-08 to 05-29-10



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NORTHEAST JUVENILE CORRECTIONAL FACILITY

We have reviewed the receipts, disbursements, and assets of the Northeast Juvenile Correctional Facility for the period of July 1, 2006, to May 29, 2010. The Northeast Juvenile 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 Northeast Juvenile 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

October 21, 2010

NORTHEAST JUVENILE CORRECTIONAL FACILITY
REVIEW COMMENTS

NORTHEAST JUVENILE CORRECTIONAL FACILITY CLOSURE

The Northeast Juvenile Correctional Facility was closed on May 29, 2010. All inmates were transferred to different facilities. The accounting records that were to be reviewed for the period July 1, 2006, until closure were not available because they were misplaced at the time of the closure. The Inmate Trust Fund was the only fund on hand on May 29, 2010. The individual balances of the inmates were transferred to the new facilities where the inmates were placed. There was a balance on hand that was not reconciled to a particular inmate. See separate comment concerning this balance. At the end of the last review there was a SDO Fund and a Recreational Fund. The SDO account was closed to the Auditor of State on March 3, 2009. The Recreational Fund was transferred to the Chain of Lakes Recreational Fund on January 21, 2009. Documentation was gathered to verify that these funds were closed properly; however, there was no documentation to verify receipts or disbursements from the last review and until the time of their closure.

DOCUMENT RETENTION

All documents selected for our audit could not be located. The facility was closed on May 29, 2010, and documentation was misplaced.

Due to the lack of documentation, the validity and accountability for monies received (disbursed) could not be established.

Public officials or agencies may not dispose of government records except under an approved Records Retention Schedule or with the written consent of the Indiana Commission on Public Records. Also, they must maintain, and make available for audit, documentation supporting the validity and accountability of monies received or disbursed. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Organizational Overview and 11.2.1.2)

NORTHEAST JUVENILE CORRECTIONAL FACILITY
REVIEW COMMENTS
(Continued)

UNCLAIMED PROPERTY

The Northeast Juvenile Correctional Facility's account had 128 checks which have been outstanding for over one year totaling \$1,945.72.

IC 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.

IC 32-9-1.5-26 and IC 32-9-1.5-27 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.

BANK ACCOUNT RECONCILIATIONS

Records were not available to verify that the Inmate Trust Fund was reconciled to the Bank or to the balances of the Inmates' individual accounts during review period. State employees were in the process of trying to perform this reconciliation. As of August 31, 2010, the bank and the total of Inmates' individual account balances had a difference of \$3,643.20. The bank and the ledger at August 31, 2010, had a difference \$1,797.92. According to the Regional Finance Director this Fund will not be closed out until all differences are reconciled.

Each agency is responsible for maintaining an effective and accurate accounting system for subsidiary and supplementary records. At all times, the agency's manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank or Auditor's balance should agree. If reconciled bank or Auditor's balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Organizational Overview and 12.3.2)

NORTHEAST JUVENILE CORRECTIONAL FACILITY
EXIT CONFERENCE

The contents of this report were discussed on October 21, 2010, with Carmen Babb, Regional Finance Director.