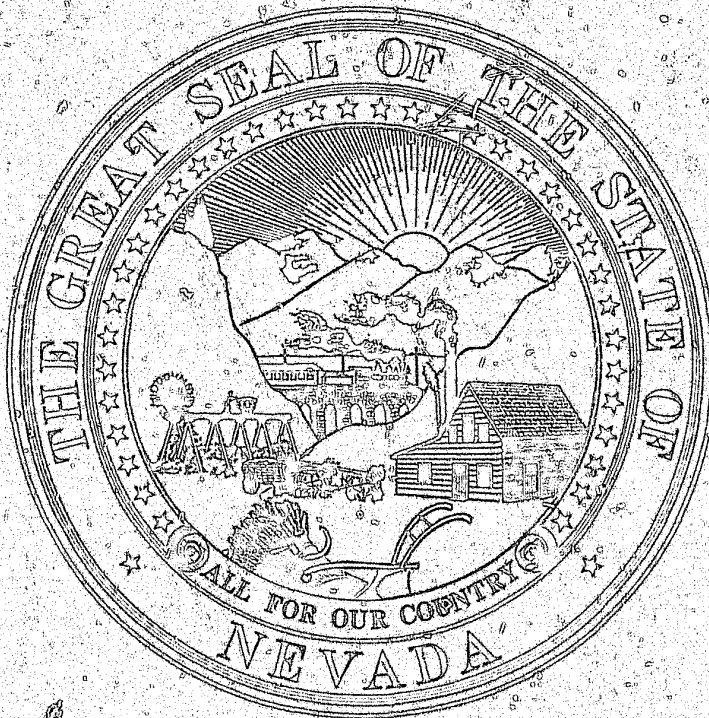


NEVADA LEGISLATURE

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION
AUDIT REPORT
FISCAL YEAR ENDED JUNE 30, 1978



LEGISLATIVE AUDITOR
CARSON CITY, NEVADA

68249

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

NCJRS

JUN 5 1980

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STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

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STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE BUILDING
CAPITOL COMPLEX
CARSON CITY, NEVADA 89710



LEGISLATIVE COMMISSION (702) 885-5627

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Arthur J. Palmer, *Director, Secretary*

INTERIM FINANCE COMMITTEE (702) 885-5640

FLOYD R. LAMB, *Senator, Chairman*
Ronald W. Sparks, *Senate Fiscal Analyst*
William A. Bible, *Assembly Fiscal Analyst*

ARTHUR J. PALMER, *Director*
(702) 885-5627

FRANK W. DAYKIN, *Legislative Counsel* (702) 885-5627
JOHN R. CROSSLEY, *Legislative Auditor* (702) 885-5626
ANDREW P. GROSE, *Research Director* (702) 885-5637

Legislative Commission
Legislative Building
Carson City, Nevada

We have completed a legislative audit of the Department of Prisons as authorized by the Legislative Commission.

The purpose of a legislative audit is to furnish the members of the legislature with factual information concerning the financial operations and compliance with laws and regulations of the activities and programs of the agencies of Nevada State Government.

We have examined the various General Fund budget accounts of the Department of Prisons, administered by the Director's Office, for the fiscal year ended June 30, 1978. Our examination was made in accordance with Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, except as noted, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The scope of our present audit program does not provide assurance that resources are managed or utilized in an economical or efficient manner, or that goals are effectively achieved.

The financial statements of the Department of Prisons for the fiscal year ended June 30, 1977, have not been presented due to a change in the reporting of General Fund budget accounts for the fiscal year ended June 30, 1978. Accordingly, the financial statements for the two years are not comparable.

In our opinion, the accompanying financial statements present fairly the amounts lapsed in the General Fund and the balances carried forward to the new year in the various budget accounts at June 30, 1978, and their recorded receipts and disbursements for the fiscal year then ended, in accordance with generally accepted accounting principles.

Respectfully presented,



John R. Crossley, C.P.A.
Legislative Auditor

Robert O. Dimmick
Deputy Legislative Auditor

December 4, 1978
Carson City, Nevada

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

SUMMARY OF RECOMMENDATIONS

<u>Page</u>		<u>Requires Legislative Action</u>	<u>Implementation Status Per Reply</u>			
			<u>Accom- plished</u>	<u>To Be</u>	<u>Deferred</u>	<u>Rejected</u>
9.14	Establish documented control over the cash receiving function.....	_____	_____	X	_____	_____
9.14	Segregate duties of receiving cash, recording accounts, and preparing bank deposits.....	_____	_____	X	_____	_____
9.15	Place restrictive endorsement on checks.....	_____	X	_____	_____	_____
9.15	Document and communicate employees' duties in writing to them.....	_____	_____	X	_____	_____
9.16	Establish documented procedures for control over check signature plates...	_____	X	_____	_____	_____
9.16	Require an additional employee to be present during use of signature plates.....	_____	X	_____	_____	_____
9.17	Provide a system to accurately reflect location and control over fixed assets.....	_____	_____	X	_____	_____
9.17	Affix or engrave State identification numbers on assets.....	_____	_____	X	_____	_____

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

SUMMARY OF RECOMMENDATIONS
(continued)

<u>Page</u>		<u>Requires Legislative Action</u>	<u>Implementation Status Per Reply</u>			
			<u>Accom- plished</u>	<u>To Be</u>	<u>Deferred</u>	<u>Rejected</u>
9.17	Report and identify donated assets to State Purchasing...			X		
9.17	Appoint a staff person to maintain the inventory cards.....			X		
9.17	Appoint a supervisor to review the cards.....			X		
9.18	Establish procedures for adequate docu- mentation in support of agency generated revenues.....			X		
9.18	Establish uniform worksheet support for grant revenues and expenditures...			X		
9.20	Designate independent person to distribute payroll checks.....		X			
9.20	Require payroll clerk to review bi-weekly time exception reports.....		X			
9.20	Require direct super- visor approval of payroll exception items.....			X		
9.20	Standardize recording practices for incident overtime..			X		

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

SUMMARY OF RECOMMENDATIONS
(continued)

<u>Page</u>		<u>Requires Legislative Action</u>	<u>Implementation Status Per Reply</u>			
			<u>Accom- plished</u>	<u>To Be</u>	<u>Deferred</u>	<u>Rejected</u>
9.20	Process timely billings to the Statutory Contingency Fund.....	_____	_____	_____	_____	(1)
9.21	Require adequate workpaper support to account for expenses of out-of-state inmates held in Nevada.....	_____	_____	X	_____	_____
9.23	Amend NRS to establish a separate fund for the farm operation.....	X	_____	_____	_____	_____

(1) Billings are processed on an as needed basis by the Department at the end of the fiscal year.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

EXHIBIT A

GENERAL FUND BUDGET ACCOUNTS
FOR INSTITUTIONAL OPERATIONS
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1978

FUNDING	Administration	Northern Nevada Correctional Center	Nevada State Prison	Nevada Women's Correctional Center	Southern Nevada Correctional Center (Note 3)	Las Vegas Pre Release Center	Prison Honor Camp	Total
REVENUE								
General Fund Appropriation	\$1,056,938	\$3,672,599	\$2,951,398	\$544,079	\$1,163,023	\$ —	\$147,904	\$ 9,535,941
Board of Examiners Augmentation	—	70,000	259,088	—	—	—	—	339,441
Agency Generated Revenue	94,413	310,438	29,507	10,353	945	3,288	18,952	457,543
Grant Revenue	16,598	—	—	—	—	32,400	—	49,006
Total Revenue	<u>1,167,949</u>	<u>4,053,037</u>	<u>3,239,993</u>	<u>554,432</u>	<u>1,163,968</u>	<u>35,696</u>	<u>166,856</u>	<u>10,381,931</u>
BALANCE FORWARD FROM PRIOR YEAR	3,997	—	—	—	—	25,560	—	29,557
Total Funding	<u>1,171,946</u>	<u>4,053,037</u>	<u>3,239,993</u>	<u>554,432</u>	<u>1,163,968</u>	<u>61,256</u>	<u>166,856</u>	<u>10,411,488</u>
EXPENDITURES								
Personnel Services	753,575	2,567,591	2,179,387	334,011	810,437	37,117	90,719	6,772,837
Out-of-State Travel	2,966	—	—	—	—	—	—	2,966
In-State Travel	13,579	—	—	—	—	199	—	13,778
Operating	291,950	1,234,584	877,933	167,525	344,998	23,595	38,400	2,978,985
Equipment	71,023	159,395	52,508	11,492	459	—	35,448	330,325
Total Expenditures	<u>1,133,093</u>	<u>3,961,570</u>	<u>3,109,828</u>	<u>513,028</u>	<u>1,155,894</u>	<u>60,911</u>	<u>164,567</u>	<u>10,098,891</u>
Funding in Excess Of Expenditures	38,853	91,467	130,165	41,404	8,074	345	2,289	312,597
LESS: LAPSED IN GENERAL FUND	<u>(32,480)</u>	<u>(88,881)</u>	<u>(130,165)</u>	<u>(41,404)</u>	<u>(8,074)</u>	<u>(345)</u>	<u>(2,289)</u>	<u>(303,638)</u>
BALANCE FORWARD TO NEW YEAR	<u>\$ 6,373</u>	<u>\$ 2,586</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,959</u>

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

EXHIBIT B

PRISON GRANT ACCOUNT
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1978

FUNDING

Grant Revenue	<u>\$109,765</u>
Total Funding	<u>109,765</u>

EXPENDITURES

Personnel Services	51,071
Out-of-State Travel	401
In-State Travel	1,728
Operating	35,084
Equipment	<u>9,367</u>
Total Expenditures (Note 5)	<u>97,651</u>

FUNDING IN EXCESS OF EXPENDITURES
FORWARD TO NEW YEAR

\$ 12,114

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

EXHIBIT C

SOUTHERN NEVADA CORRECTIONAL CENTER
EQUIPMENT ACCOUNT
STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 1978

FUNDING

Balance Forward From Previous Year	<u>\$143,956</u>
Total Funding	<u>143,956</u>

EXPENDITURES

Operating Expenses	1,940
Equipment Purchases	
Office Furniture and Equipment	6,429
Other Fixtures and Equipment	<u>53,278</u>
Total Expenditures	<u>61,647</u>

FUNDING IN EXCESS OF EXPENDITURES
FORWARD TO NEW YEAR (Note 4)

\$ 82,309

The accompanying summary of significant accounting policies and notes to financial statements are an integral part of these statements.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The recording of revenue and expenditures of the Department of Prisons' institutional operations is made in the Controller's FMIRS System. While expenditures are not recorded until disbursements are actually made and revenue is not recorded until actually received, the use of the year end cut-off period provides for the accrual of receivables and payables for use in reporting transactions on the accrual basis.

Equipment

Equipment is recorded at cost as an expenditure at the date of acquisition which is in accordance with generally accepted governmental accounting principles.

Change in Budget Accounts

Current year statements are presented without reference to prior year amounts as the reporting budgets have been changed. Formerly, all the operating institutions and the grant accounts were combined into the administrative budget account. For the fiscal year ended June 30, 1978, each institution has been set up in a separate budget account, a budget account has been established to administer the various grants, and a separate fund has been established to account for the Prison warehouse operations.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS
(continued)

NOTES TO FINANCIAL STATEMENTS

Note 1 - Annual and Sick Leave

Consistent with the budgetary policies of the State of Nevada, annual and sick leave are neither accrued nor funded. If the annual and sick leave are not taken as they are earned, they accumulate to be carried over to the next year. An exception to this is annual leave in excess of 30 days. No more than 240 hours (30 days), per employee, may be retained past December 31. Accumulated annual leave is payable upon termination but sick leave is not. However, employees with 15 or more years of service are partially compensated for unused sick leave upon retirement, to a maximum of \$2,500.

Note 2 - Retirement Plan

Substantially all permanent employees participate in the retirement plan administered by the Nevada Public Employees' Retirement System. The State agencies and their employees each currently contribute 8% of total annual wages to the plan, except for public safety employees who contribute 8.5%. NRS 286.110 provides that participating public employers, which includes State agencies, are not liable for any obligation of the Public Employees' Retirement System. Current contribution rates and income of the Public Employees' Retirement System are actuarially projected to fully fund its obligations over a 40 year period beginning July 1, 1976.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO FINANCIAL STATEMENTS
(continued)

NOTES TO FINANCIAL STATEMENTS (continued)

Note 3 - Southern Nevada Correctional Center

The Southern Nevada Correctional Center was opened to inmates in February 1978. Various housing units were completed and opened while construction continued on the remaining units. Most of the planned facility services were also operating as of June 30, 1978. Therefore, the financial statements reflect less than a full year's operations for the Southern Nevada Correctional Center.

Note 4 - Southern Nevada Correctional Center
Equipment Account

The unexpended balance is carried forward to the new year to purchase necessary fixtures and equipment, incidental to the uncompleted areas currently under construction at the Southern Nevada Correctional Center.

Note 5 - Prison Grant Account

Total disbursements include the following amounts which are identified with the following specific grants:

National Institute of Corrections	\$22,068
Title I	\$19,103
ACA Culture Grant	\$ 3,616
Comprehensive Employment and Training Act	\$ 4,391

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

GENERAL

Article 13, Section 2 of the Constitution of the State of Nevada provides, in part, for the establishment and maintenance of a State Prison. Article 5, Section 21 appoints the Governor, the Secretary of State, and the Attorney General as members of the Board of State Prison Commissioners, which is responsible for supervision of all matters connected with the State Prison. NRS 209.111 states:

"The board has full control of all grounds, buildings, labor, and property of the department, and shall:

1. Purchase, or cause to be purchased, all commissary supplies, materials and tools necessary for any lawful purpose carried on at any institution of the department.
2. Sell all manufactured articles and collect the money for their sale.
3. Contract with tax-supported, nonprofit government agencies for any labor of offenders and collect money therefor. All state agencies shall cooperate with the department in carrying out the provisions of this subsection to the extent consistent with their other lawful duties.
4. Regulate the number of officers and employees of the department.
5. Prescribe regulations for carrying on the business of the board and the department."

To accomplish these goals, the administration of the institution has been accounted for through the use of the budget accounts as described in the accompanying financial information. Also, there has been established a separate fund for the operation of the Prison warehouse and a fund for the operation of the Prison residences, as reflected in separate reports. The Prisoners' Store Fund and Prisoners' Personal Property Fund are also being reported on in a separate audit report.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

GENERAL
(continued)

NRS 209.201 established the Prison Revolving Account in the amount of \$1,500. Frequent use of the account is made to provide release money for inmates leaving the institutions and to provide for purchases of small items during periods of immediate necessity.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

INTERNAL CONTROL

CASH RECEIVING FUNCTION

All money received by the Department of Prisons is transmitted to the accounting office. Numerical sequence of receipts issued, voided, and unissued is not accounted for. Also, the cash receipt logs which are prepared for the Prisoner's Funds are not transmitted to Prison accounting. Thus, a comparison of the log, the cash receipt, and the deposit slip is not being made.

RECOMMENDATION

The Department of Prisons establish an adequate system for cash receipts to be controlled systematically, reviewed routinely, and used in verification of cash entering the accounting system.

SEGREGATION OF CASH DUTIES

One individual receives cash, records the accounting transactions, and makes the deposit of cash for the Prison administration revolving account.

RECOMMENDATION

The Department of Prisons segregate the duties of receiving cash, recording the accounting transactions, and preparing bank deposits.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

INTERNAL CONTROL
(continued)

RESTRICTIVE ENDORSEMENT OF CHECKS

In several of its offices, the Department of Prisons is not immediately placing a restrictive endorsement upon the back of checks.

RECOMMENDATION

The Department of Prisons place a restrictive endorsement on all checks immediately upon receipt.

EMPLOYEES' DUTIES

Employees' responsibilities are not documented in writing and communicated to them. Job duties are thus not adequately described.

RECOMMENDATION

The Department of Prisons document employees' responsibilities in writing and communicate these job duties to them.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

INTERNAL CONTROL
(continued)

CHECK SIGNATURE PLATES

Signature plates for the check writer are maintained in the Prison administration's vault. Access to the plates is at will of the user during the day. The checks used are logged-in, but little other control is exerted.

RECOMMENDATION

The Department of Prisons:

1. Maintain check signature plates under lock and key with the keys to be available only upon administrative approval.
2. Require an additional employee to be in the presence of the user at all times with the user signing a log verifying his use.

FIXED ASSET CONTROL

During our review of fixed assets, we noted the following problems:

1. Assets are not controlled by institution, because they are often transferred without adequate notification to the Prison administration as to which items are involved.
2. Property identification numbers are not routinely affixed to state assets.
3. Donated assets are often not reported to State Purchasing so that identification numbers may be obtained.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

INTERNAL CONTROL
(continued)

FIXED ASSET CONTROL (continued)

RECOMMENDATION

The Department of Prisons:

1. Provide a system of adequate control and reporting of State assets as to their location by institution.
2. Affix or engrave State property identification numbers on all State-owned assets.
3. Report donated assets to State Purchasing so that identification numbers may be assigned and attached.

WAREHOUSE INVENTORY CARDS

Inventory cards which are periodically posted to reflect changes in inventory levels, are maintained by inmates at the Southern Nevada Correctional Center and at the maintenance warehouse at the Northern Nevada Correctional Center.

In some areas adequate supervision has not been maintained to assure that these inventory cards accurately reflect amounts on hand.

RECOMMENDATION

The Department of Prisons appoint:

1. A staff person to maintain the inventory cards.
2. A supervisor to review the cards for accuracy, but not make actual postings to the cards.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

ACCOUNTING

ACCOUNTING FOR AGENCY GENERATED REVENUES

Farm sales, coupon sales, and related agency generated revenues reported to the Prison's accounting office lack adequate supporting documentation. As a result, the accounting office is unable to verify that all items which are sold are reported.

RECOMMENDATION

The Department of Prisons establish uniform reporting procedures and forms to be prepared by the revenue producing areas in the institution, and to be verified by the Prison's accounting office upon submission.

GRANT REVENUE ACCOUNTING

Files are presently maintained in support of each grant provided to the institution but worksheets are not maintained which support billings made to the grantor.

RECOMMENDATION

The Department of Prisons establish a standard worksheet to account for revenue earned, expenditures incurred, current billings, and unearned grant revenue.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

ACCOUNTING
(continued)

PAYROLL PROCEDURES

A payroll clerk has been appointed to process the bi-weekly payroll. This clerk prepares transmittals of information for the payroll system and prepares adjustment documents and changes in employee information forms. In addition to those duties, this clerk receives and distributes paychecks, except for paychecks going directly through the mail to the Southern Nevada Correctional Center, without comparing net paychecks with the payroll registers.

The payroll clerk does not review all line item entries on the employees' bi-weekly time exception reports. The institutions' supervisors do not review the detail on the bi-weekly time exception reports on a shift basis. Department of Prisons' policy does not require backup data for the payrolls beyond the employee's signature and his supervisor's signature, to verify the validity of the employee's claim. We do not feel that this offers enough support data in view of the variable shifts and overtime worked by Prison employees, and the number of employees which a supervisor may have under his control. We believe that additional authorization should be required on the BTA, as overtime, compensatory time earned and taken, and leave taken are approved by supervisors up to 12 days after the transaction occurs.

Incident overtime is required to be noted by employees working extra hours for riots and return of escaped inmates. Separate lists are also to be maintained by shift supervisors. Situations were

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

ACCOUNTING
(continued)

PAYROLL PROCEDURES (continued)

noted where incident overtime reported by the employees on their bi-weekly time exception reports did not agree with the overtime lists.

Incident overtime is to be paid from the Statutory Contingency Fund in accordance with NRS 212.040. Billing to the Statutory Contingency Fund was not made for the fiscal year ended June 30, 1978, although a list of salary amounts incurred was prepared. Because this extraordinary expense is not offset by a like amount of revenue, operating costs of the Department are overstated in relation to revenue.

RECOMMENDATION

The Department of Prisons:

1. Designate an individual, other than the payroll clerk, to distribute the paychecks.
2. Require a review of the bi-weekly time exception reports to be made, by the payroll clerk, for all employees.
3. Require direct supervisors to approve, by shift, all exception items reported on the bi-weekly time exception reports by initialing each line.
4. Prescribe standard reporting practices to be followed for the recording of incident overtime.
5. Process timely billings to the Statutory Contingency Fund in compliance with NRS 212.040.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

ACCOUNTING
(continued)

ACCOUNTING FOR OUT-OF-STATE INMATES

Inmates are often housed in Nevada under reciprocal agreements with other states. In exchange, those states house inmates for Nevada. Exceptional expenses, such as excessive medical costs, are the only items billed to the other states.

Nevada also houses inmates for other states and the Federal Government under full cost reimbursement agreements, based on average daily inmate costs.

Situations were noted where Nevada housed more inmates than the exchanged state and other situations exist where other states have been billed for their inmates for periods in which the inmate had been returned to the state.

RECOMMENDATION

The Department of Prisons require adequate workpaper support and review be made to ascertain that proper billings and fair exchanges are in effect at all times.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

ACCOUNTING
(continued)

WAREHOUSE FUND LOAN

On December 8, 1977, a loan of \$312,000 was made to the Warehouse Fund by charging the budget accounts of three of the institutions for goods not shipped to them. This was done in order to provide the Warehouse Fund with needed operating cash and was concurred in by the Budget Division. The following schedule sets forth the amounts which were loaned by the institutions:

Northern Nevada Correctional Center	\$140,400
Nevada State Prison	140,400
Nevada Women's Correctional Center	<u>31,200</u>
Total	<u>\$312,000</u>

This loan was repaid by not charging the institutions for items ordered from the Warehouse until such time as the obligation was fulfilled. The \$312,000 had been repaid by the close of fiscal year 1977-78.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

STATUTORY REVISION

FARM OPERATION

The results of operations of the farm are not readily determinable, as the farm transactions are included in the Northern Nevada Correctional Center budget. No provision is made for the decline in useful value of farm equipment. As a result, pricing of farm products may not be providing for all associated costs.

RECOMMENDATION

Legislation be requested to establish an enterprise fund to account for the results of operations of the farm and to provide for accumulation of fund balance for the purchase of equipment.

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

DISPOSITION OF RECOMMENDATIONS PRESENTED IN
AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 1975

Page No.	Recommendation	No Action	Implemented	
			Partially	Fully
35.5	Request legislation to amend or repeal the applicable sections of NRS Chapter 209 to provide for modern business practices. <u>AGENCY COMMENT: Chapter 47 and Chapter 430, Statutes of Nevada, 1977 incorporate this audit recommendation.</u>	_____	_____	X
35.5	Comply with all appropriate statutory financial provisions in the NRS. <u>AGENCY COMMENT: The Department is unaware of any violations of the provisions of the NRS in any areas.</u>	_____	_____	X
35.13	A modern accounting system, including an encumbrance system, be installed, utilized, monitored and documented. <u>AGENCY COMMENT: The Department's financial reports are those issued by the State Controller's Office excepting for the Inmate Trust Fund and the Prisoner's Store Fund.</u>	_____	_____	(1)X

STATE OF NEVADA
DEPARTMENT OF PRISONS
ADMINISTRATION

DISPOSITION OF RECOMMENDATIONS PRESENTED IN
AUDIT REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 1975
(continued)

Page No.	Recommendation	No Action	Implemented	
			Partially	Fully
35.14	Establish effective controls over payroll function to provide the following:			
	1. Proper recording of attendance;		(2)X	
	2. Proper payment of regular, overtime, and holiday hours;		(2)X	
	3. Proper accumulation of sick leave, annual leave and compensatory time;		(2)X	
	4. Proper determination of termination pay.			X
	AGENCY COMMENT: <u>The computerized payroll system of the Personnel Division of the Department of Administration is used by the Department.</u>			
35.14	Restrict revolving fund to uses specified in NRS 209.190.			X
	AGENCY COMMENT: <u>The revolving account is used in accordance with NRS 209.201.</u>			
	Totals	0	3	5

(1) Recommendation modified and repeated in current audit report for Prisoners' Store Fund and Prisoners' Personal Property Fund.

(2) Recommendation modified and repeated in this audit report.

STATE OF NEVADA
DEPARTMENT OF PRISONS

BOARD OF PRISON COMMISSIONERS
ROBERT LIST, GOVERNOR
RICHARD BRYAN, ATTORNEY GENERAL
WM. D. SWACKHAMER, SECRETARY OF STATE



CHARLES L. WOLFF, JR.
DIRECTOR
ADMINISTRATIVE OFFICE
P.O. Box 607
CARSON CITY, NEVADA 89701
PHONE (702) 882-9202

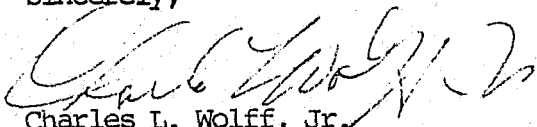
May 2, 1979

John R. Crossley, C.P.A.
Legislative Auditor
Audit Division
Legislative Building
Carson City, Nevada
89701

Dear Mr. Crossley:

I have reviewed the Legislative Audit Report of the Department's various General Fund Budget accounts for the fiscal year ended June 30, 1978 and am pleased to note that statements present fairly the accounts activity in accordance with generally accepted accounting principles. The report details areas in need of improvement which have been implemented or are being implemented except as noted on the Summary of Recommendations. This report reflects the need for continued effort but is a measure of the improvements made by the Department from the conditions reflected in the 1975 Legislative Audit Report. Your staff conducted the audit in a professional manner, provided assistance and were most courteous.

Sincerely,


Charles L. Wolff, Jr.
Director

CLW/MM/cm

END