



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-0269
PHONE (615) 401-7841

April 22, 2008

The Honorable George Little, Commissioner, Department of Correction
The Honorable Kelly Dishman, Van Buren County Mayor
The Honorable Barney Evans, Van Buren County Sheriff

To the Commissioner, County Mayor, and Sheriff:

Our office recently completed a review of Van Buren County's participation in the County Correctional Incentive Program for the year ended June 30, 2006.

The finding and recommendation and the summary of adjustments to costs and days, as a result of our review, are presented in detail in the enclosed report. The following is a summary of the results of our review:

1. Net operating costs were not properly reported on the Final Cost Settlement Report.
2. Our review resulted in several adjustments to the Final Cost Settlement Report that decreased the average daily cost from \$28.37 to \$28.21 per inmate day. In addition, we discovered six overreported felon days. The net effect of these adjustments resulted in an overpayment of \$396 to Van Buren County. Since this overpayment was after the final cost settlement, an adjustment should be made in subsequent monthly payments.

Please contact me if you have any questions regarding our review of Van Buren County's participation in the County Correctional Incentive Program.

Sincerely,

James R. Arnette, Director

cc: Judith Lambert, Judicial Cost Accountant

**VAN BUREN COUNTY, TENNESSEE
REPORT ON THE REVIEW OF THE
COUNTY CORRECTIONAL INCENTIVE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2006**

This report reviews Van Buren County's participation in the County Correctional Incentive Program for the year ended June 30, 2006.

As a result of our review, adjustments were made to the Final Cost Settlement Report that decreased the county's average daily cost from \$28.37 to \$28.21 per inmate day. In addition, we discovered six overreported inmate and felon days. The net effect of these adjustments resulted in an overpayment of \$396 to Van Buren County. Since this overpayment was after the final cost settlement, an adjustment should be made in subsequent monthly payments.

The objectives of the review were:

1. to determine the reasonableness and allowability of costs reported on the Final Cost Settlement Report submitted to the Tennessee Department of Correction,
2. to determine if prisoners were properly listed on the State Prisoner (Convicted Felon) Reports,
3. to determine if inmates were accurately reported on the Correction Facility Summary Reports, and
4. to recommend appropriate actions to correct any deficiencies.

SCOPE OF THE REVIEW

In performing our review, we tested the county's financial records and other supporting records pertaining to the Final Cost Settlement Report for the year ended June 30, 2006. We determined the reasonableness and allowability of reported costs by tracing reported expenditures to the correctional facility's ledgers and worksheets. Additional testwork was performed on selected reported expenditures by tracing information to other supporting documentation.

Furthermore, we evaluated procedures related to the counting and reporting of the total inmate population as reported on the Correction Facility Summary Reports and the Final Cost Settlement Report. We also performed testwork on selected days to determine that the number of prisoners reported on the cost reports agreed with counts of prisoners actually incarcerated at the facility.

In addition, we tested the proper classification of convicted felons listed on the State Prisoner Reports to ensure accurate reporting. Testwork included tracing information from the reports to the actual case files to verify the listed offenses, trial dates, and incarceration periods.

FINDING AND RECOMMENDATION

The finding and recommendation, as a result of our review, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. Officials offered an oral response to the finding and recommendation; however, this oral response has not been included in this report.

FINDING 1 **NET OPERATING COSTS WERE NOT PROPERLY REPORTED ON THE FINAL COST SETTLEMENT REPORT**

The Final Cost Settlement Report for the year ended June 30, 2006, contained several overreported and underreported costs and did not include some revenues. The following is a summary of the adjustments made to the cost report submitted by the county as a result of our review:

The following costs were overreported:	
Depreciation	\$ 5,653
Indirect Costs	33
The following costs were underreported:	
Salaries and Benefits	1,967
Medical and Dental	1,226
Supplies and Materials	794
The following revenue was underreported:	
Vending	106

The net effect of the aforementioned adjustments was to decrease net operating costs by \$1,805.

RECOMMENDATION

Management should ensure that the Final Cost Settlement Report submitted to the state accurately reflects the net operating costs as defined in the regulations for the County Correctional Incentive Program.

**VAN BUREN COUNTY, TENNESSEE
SUMMARY OF ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

The following is a summary of adjustments made to the costs and days as settled in the desk review by the Tennessee Department of Correction. The adjustments, as a result of our review, are discussed in detail in the Finding and Recommendation section.

	Operating Costs	Inmate Days	Felon Days
As Settled in the 2006 Desk Review	\$ 287,905	10,147	1,418
Adjustments from Field Review:			
Overreported Cost:			
Depreciation	(5,653)		
Indirect Cost	(33)		
Underreported Cost:			
Salary and Fringe Benefits	1,967		
Medical and Dental Services	1,226		
Other Supplies and Materials	794		
Underreported Revenue:			
Vending	(106)		
Overreported Felon Days			(6)
Overreported Inmate Days		(6)	
Total Adjusted Costs and Days	\$ 286,100	10,141	1,412

The net effect of these adjustments to the Final Cost Settlement Report was to decrease Van Buren County's cost from \$28.37 to \$28.21 per inmate day. We also discovered that six felon days were overreported. The net effect of these adjustments resulted in an overpayment of \$396 to Van Buren County. Since this overpayment was after the final cost settlement, an adjustment should be made in subsequent monthly payments.