Tennessee Corrections Institute

For the Years Ended
June 30, 1996, and June 30,1995

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July 31, 1997

The Honorable Don Sundquist, Governor
and
Members of the General Assembly
State Capitol
Nashville, Tennessee 37243
and
Dr. R. Douglas Morgan, Executive Director
Tennessee Corrections Institute
8th Floor, Andrew Jackson Building
Nashville, Tennessee 37243

Ladies and Gentlemen:

We have conducted a financial and compliance audit of selected programs and activities of the Tennessee Corrections Institute for the years ended June 30, 1996, and June 30, 1995.

We conducted our audit in accordance with generally accepted government auditing standards. These standards require that we obtain an understanding of management controls relevant to the audit and that we design the audit to provide reasonable assurance of the Tennessee Corrections Institute's compliance with the provisions of laws, regulations, contracts, and grants significant to the audit. Management of the Tennessee Corrections Institute is responsible for establishing and maintaining the internal control structure and for complying with applicable laws and regulations.

Our audit resulted in no audit findings.

We have reported other less significant matters involving the department's internal controls and/or instances of noncompliance to the Tennessee Corrections Institute's management in a separate letter.

Very truly yours,

W. R. Snodgrass
Comptroller of the Treasury

WRS/cr
97/062

State of Tennessee

Audit Highlights

Comptroller of the Treasury | Division of State Audit

Financial and Compliance Audit
Tennessee Corrections Institute
For the Years Ended June 30, 1996, and June 30, 1995

AUDIT SCOPE

We have audited the Tennessee Corrections Institute for the period July 1, 1994, through June 30, 1996. Our audit scope included a review of management's controls and compliance with policies, procedures, laws, and regulations in the areas of correctional facilities' inspections, disbursements, and equipment. The audit was conducted in accordance with generally accepted government auditing standards.

AUDIT FINDINGS

Our audit resulted in no audit findings.

"Audit Highlights" is a summary of the audit report. To obtain the complete audit report which contains all findings, recommendations, and management comments, please contact

Comptroller of the Treasury, Division of State Audit
1500 James K. Polk Building, Nashville, TN 37243-0264
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Audit Report
Tennessee Corrections Institute
For the Years Ended June 30, 1996, and June 30, 1995

TABLE OF CONTENTS

	Page
INTRODUCTION	1
Post-Audit Authority	1
Background	1
AUDIT SCOPE	1
OBJECTIVES, METHODOLOGIES, AND CONCLUSIONS	3
Inspection of Local Correctional Facilities	3
Disbursements	3
Equipment	4
PRIOR AUDIT FINDINGS	4
Resolved Audit Finding	4
APPENDIX	5
Allotment Code	5

Tennessee Corrections Institute
For the Years Ended June 30, 1996, and June 30, 1995

INTRODUCTION

POST-AUDIT AUTHORITY

This is the report on the financial and compliance audit of the Tennessee Corrections Institute. The audit was conducted pursuant to Section 4-3-304, *Tennessee Code Annotated*, which authorizes the Department of Audit to "perform currently a post-audit of all accounts and other financial records of the state government, and of any department, institution, office, or agency thereof in accordance with generally accepted auditing standards and in accordance with such procedures as may be established by the comptroller."

Section 8-4-109, *Tennessee Code Annotated*, authorizes the Comptroller of the Treasury to audit any books and records of any governmental entity that handles public funds when the Comptroller considers an audit to be necessary or appropriate.

BACKGROUND

The Tennessee Corrections Institute (TCI) provides support services for local penal systems in Tennessee. TCI educates local correctional staff in areas such as legal issues, report writing, communications, and security measures. TCI also establishes standards that it uses to inspect and certify local adult correctional facilities in areas such as physical environment, medical services, and inmate supervision. TCI also responds to requests for technical assistance from correctional facilities and governmental agencies.

An organization chart of the department is on the following page.

AUDIT SCOPE

We have audited the Tennessee Corrections Institute for the period July 1, 1994, through June 30, 1996. Our audit scope included a review of management's controls and compliance with policies, procedures, laws, and regulations in the areas of correctional facilities inspections, disbursements, and equipment. The audit was conducted in accordance with generally accepted government auditing standards.

OBJECTIVES, METHODOLOGIES, AND CONCLUSIONS

INSPECTION OF LOCAL CORRECTIONAL FACILITIES

Our objectives in reviewing controls and compliance with policies, procedures, laws, and regulations for the inspection of local correctional facilities were to determine whether

- institute procedures were in compliance with *Tennessee Code Annotated*, Section 41-4-140, and

- local correctional facilities were inspected as required by *Tennessee Code Annotated*, Section 41-4-140.

We interviewed key institute personnel to gain an understanding of the institute's procedures and controls over the inspection of local correctional facilities. We reviewed inspection logs and files for calendar years 1994, 1995, and 1996 to determine the number of facilities that required and received an initial inspection. Additionally, a sample of facility inspections from each calendar year was tested to determine that the inspections and reinspections (if applicable) were in compliance with *Tennessee Code Annotated*.

We noted no significant deficiencies.

DISBURSEMENTS

Our objectives in reviewing disbursement transactions were to determine whether

- disbursements for goods and services were authorized and the goods or services were received,

- payments were made in a timely manner,

- institute records were reconciled with reports from the state's accounting system,

- disbursements were in accordance with state regulations,

- contracts were made in accordance with state regulations, and

- contract payments were in compliance with contract terms and purchasing guidelines and were properly approved and recorded against the contract.

We discussed disbursement, contract, and reconciliation procedures with key institute personnel to gain an understanding of the institute's procedures over these areas. We reviewed supporting documentation and tested a sample of transactions to determine that the institute has complied with the state's rules and regulations.

We noted no significant discrepancies.

EQUIPMENT

Our objectives in reviewing the institute's equipment were to determine whether equipment

- is properly safeguarded,
- is properly recorded on the property listing, and
- can be located.

We tested a sample of equipment on the property listing to ensure that the information on the listing agreed with the actual item. For a sample of equipment items in the office, we determined that the items and their related information were on the property listing.

We noted no significant discrepancies.

PRIOR AUDIT FINDINGS

Section 8-4-109, *Tennessee Code Annotated*, requires that each state department, agency, or institution report to the Comptroller of the Treasury the action taken to implement the recommendations in the prior audit report. The Tennessee Corrections Institute filed its report with the Department of Audit on February 13, 1996. A follow-up of all prior audit findings was conducted as part of the current audit.

RESOLVED AUDIT FINDING

The current audit disclosed that the Tennessee Corrections Institute has corrected the previous audit finding concerning the failure to inspect all local correctional facilities at least once a year.

APPENDIX

ALLOTMENT CODE

The Tennessee Corrections Institute allotment code is 316.09.