

**STATE OF WEST VIRGINIA**  
**AUDIT REPORT**  
**OF**  
**PRUNTYTOWN CORRECTIONAL CENTER**  
**FOR THE PERIOD**  
**JULY 1, 2003- DECEMBER 31, 2005**



**OFFICE OF THE LEGISLATIVE AUDITOR**  
**CAPITOL BUILDING**  
**CHARLESTON, WEST VIRGINIA 25305-0610**

**PRUNTYTOWN CORRECTIONAL CENTER**

**FOR THE PERIOD**

**JULY 1, 2003 – DECEMBER 31, 2005**

**WEST VIRGINIA LEGISLATURE**  
*Joint Committee on Government and Finance*

Theford L. Shanklin, CPA, Director  
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**CHARLESTON, WEST VIRGINIA 25305-0844**

To the Joint Committee on Government and Finance:

In compliance with the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, we have examined the General Revenue, Inmate Benefit Fund and the BB&T Bank Accounts of the Pruntytown Correctional Center.

Our examination covers the period July 1, 2003 - December 31, 2005. The results of this examination are set forth on the following pages of this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Theford L. Shanklin".

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Theford L. Shanklin, CPA, Director  
Legislative Post Audit Division

TLS/ela

**PRUNTYTOWN CORRECTIONAL CENTER**

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**PRUNTYTOWN CORRECTIONAL CENTER**  
**EXIT CONFERENCE**

We held an exit conference on September 27, 2006 with the Commissioner of the Division of Corrections, the Finance Director of the Division of Corrections, the Warden of the Pruntytown Correctional Center, the Business Manager of the Pruntytown Correctional Center and the Internal Auditor of the Division of Corrections. All findings and recommendations were reviewed and discussed. The above officials' responses are included in bold and italics in the Executive Summary and after our recommendations in the General Remarks section of this report.

## **PRUNTYTOWN CORRECTIONAL CENTER**

### **INTRODUCTION**

The Pruntytown Correctional Center is located at Pruntytown near the city of Grafton in Taylor County. Originally established as the West Virginia Industrial School for Boys in 1891, it remained a juvenile facility until closing in January 1983. At that time, the juveniles were transferred to the West Virginia Industrial Home for Youth near Salem.

The Pruntytown Correctional Center was reopened in 1985, housing minimum custody adult male inmates whose primary work function was to renovate the facility. In November 1988, the Division of Corrections moved 32 State adult female prisoners, who were housed under contract at the Federal Correctional Institute for Women at Alderson, West Virginia, to the Pruntytown Correctional Center making it the state's first adult co-ed correctional facility.

Pruntytown Correctional Center has the capacity to house 81 females all security classifications and 293 minimum and medium custody males. Primarily, female inmates are received from Lakin Correctional Facility in Mason County and males are received from Huttonsville Correctional Center, Denmar Correctional Center and St. Mary's Correctional Center.

Primary emphasis is placed on inmates having work assignments during the day with various counseling and educational opportunities available during the evening hours. Over one-hundred (100) inmates work off-grounds daily for other state, county and municipal agencies such as the Division of Highways and various county solid waste authorities.

**PRUNTYTOWN CORRECTIONAL CENTER**

**ADMINISTRATIVE OFFICERS AND STAFF**

**AS OF DECEMBER 31, 2005**

Jim Rubenstein..... Commissioner, Division of Corrections  
James J. Ielapi ..... Warden  
Debra D. Minnix ..... Deputy Warden  
Linda F. Rubenstein ..... Associate Warden of Operations  
Milton L. Stevens.....Associate Warden of Security  
Sarah E. Trickett .....Associate Warden of Programs  
Debra L. Young ..... Supervisor/Records Department  
Tammy Davis Keough ..... Business Manager  
Jerry D. Miller .....Maintenance Supervisor  
William F. Shahan .....Recreation Supervisor  
Wanda J. Reed ..... Food Supervisor

# PRUNTYTOWN CORRECTIONAL CENTER

## EXECUTIVE SUMMARY

### **Lack of Effective System of Internal Controls**

1. During the course of our post audit, it became apparent to us, based on the observed noncompliance with the West Virginia Code and other rules and regulations, the Pruntytown Correctional Center (PCC) did not have an effective system of internal controls in place to ensure compliance with applicable State laws, rules and regulations.

### **Auditors' Recommendation**

We recommend the PCC comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, and establish an effective system of internal controls that will serve to alert management to areas of noncompliance with the West Virginia Code and other applicable rules and regulations.

### **Spending Unit's Response**

No response by the Pruntytown Correctional Center. *(See pages 12 - 15)*

### **Inmate Trustee Subsidiary Accounts**

2. We were unable to verify the accuracy of individual inmate subsidiary trustee account ending balances due to the trustee accounting system limitations and unexplained adjusting entries. PCC could not access and, as a result, we were unable to review subsidiary ledgers for the period of July 1, 2003 through November 30, 2003. Also, PCC was unable to provide subsidiary ledgers for 43 inmates in our sample during the period of December 1, 2003 through December 31, 2005. Lastly, spending unit personnel were unable to explain two accounting adjustments totaling \$3,889.94 that were posted to the trustee drawing and savings account general ledgers prior to our audit period.

### **Auditors' Recommendation**

We recommend the PCC comply with Chapter 25, Article 1, Section 3a of the West Virginia Code, as amended, and Division of Corrections Policy Directive 119.00. We further recommend PCC keep accurate records of all inmate trustee funds.

### **Spending Unit's Response**

*It is our goal to have a new trustee accounting system in place by 01 January 2007 that will correct the current accounting system limitations. (See pages 15 -18)*

## **Payroll Changes**

3. In order to obtain the required approval for all agency payroll changes, agencies are required to complete and submit Personnel Action Forms (WV-11s) to the State Auditor's Office prior to the effective date of the change. Nevertheless, we noted PCC instituted two payroll changes without obtaining proper approval through the completion of WV-11 forms as required.

### **Auditors' Recommendation**

We recommend the PCC comply with Chapter 5A, Article 2, Section 29 of the West Virginia Code, as amended.

### **Spending Unit's Response**

*We have taken appropriate steps to ensure that no payroll changes will be made in EPICS until approval is gained from the Budget Office as evidenced by a completed WV-11. However, we would like to note that this was not an "unauthorized" payroll change, as we understand the memo, as this employee's salary did not change. (See pages 18 -20)*

## **Negative Inmate Account Balances**

4. On a total of 362 occasions PCC posted unauthorized charges to inmate trustee accounts in excess of available account balances by a combined total of \$3,887.97. Of this amount, \$2,474.25 (63.64%) related to inmate commissary purchases. In addition to the 362 disbursements noted above, there were 58 additional disbursements posted to inmate accounts that exceeded available account balances by a total of \$662.49. However, due to lack of supporting documentation, we were unable to determine what items were purchased or why withdrawals were made and, therefore, we could not determine if PCC had the authority to use trustee monies to pay these 58 disbursements .

### **Auditors' Recommendation**

We recommend the PCC comply with Chapter 25, Article 1, Section 3a of the West Virginia Code, as amended, and ensure inmate account balances are sufficient before charges are allowed to be made.

### **Spending Unit's Response**

*Inmates were authorized to create a negative balance in their drawing account for commissary only if they were inadvertently not paid their turn-in. Since the Institution had not paid them for services performed, it was deemed necessary to allow them their commissary for security reasons, knowing they would be paid the funds owed them on the following turn-in. Any deviations from that resulted in staff being*

*disciplined when it came to the attention of the Business Manager. (See pages 20 - 22)*

### **Cafeteria Food Service Inventory**

5. PCC made cafeteria food purchases totaling \$582,164.34 during our audit period; however, the spending unit does not have an effective inventory system in place to monitor and track its cafeteria food purchases. A Division of Corrections Policy (DOC) Directive requires DOC institutions to establish perpetual inventory systems for all goods purchased for resale for each institutional program.

#### **Auditors' Recommendation**

We recommend the PCC comply with the DOC Directive #119.00 and establish a perpetual inventory system for cafeteria food purchases.

#### **Spending Unit's Response**

*The current Food Service Supervisor has established a perpetual inventory system in QuickBooks and will monitor inventory for spoilage, damage, shortage or unauthorized use. (See pages 23 & 24)*

### **Personal Services**

6. Due to mathematical and procedural errors related to PCC payroll disbursements, we noted payroll overpayments totaling \$2,924.77 and underpayments totaling \$1,751.95 during our audit period. According to the PCC Business Manager, oversight of payroll functions was weak during the duration of our audit period.

#### **Auditors' Recommendation**

We recommend the PCC comply with Chapter 12, Article 3, Section 13 and Chapter 5, Article 5, Sections 2 and 3 of the West Virginia Code, as amended. We also recommend PCC comply with Series I, Section 14.3 of the Division of Personnel's Administrative Rule.

#### **Spending Unit's Response**

*Staffing changes have been made in the personal service functions and steps have been taken to reduce the likelihood of payroll errors including errors in calculation of increment. (See pages 24 - 27)*

### **Processing of Vendor Invoices**

7. PCC paid Equitable Gas Company (Equitable) \$1,703.24 in penalties for late payment of natural gas invoices. For 154 Equitable invoices tested totaling \$345,839.08, the

average processing time from receipt of an invoice until payment was 18 days. We were unable to determine how long 42 Equitable invoices totaling \$72,269.94 were held before they were paid because the invoices were not stamped with the date received. An additional Equitable invoice supporting an \$11,499.27 payment could not be located by PCC.

#### **Auditors' Recommendation**

We recommend the PCC and the DOC Central Office comply with Chapter 5A, Article 3, Section 54 of the West Virginia Code and process invoices within ten days of receipt in order to avoid late charges.

#### **Spending Unit's Response**

*Vendor invoices will be processed within ten days of receipt. (See pages 27 & 28)*

### **Equipment Inventory**

8. During our test of equipment inventory, we were unable to locate a commercial washing machine with an original purchase price of \$2,000.00 and copy machine with an original purchase price of \$800.00. Also, we noted five items with affixed equipment tag numbers and an estimated original purchase price of totaling approximately \$9,000 that were not recorded in the WVFIMS Fixed Asset equipment inventory system. Finally, five guns were not recorded in the equipment inventory system, as required by the Purchasing Division's policies and guidelines.

#### **Auditors' Recommendation**

We recommend the PCC comply with Sections 4.2, 4.7, 3.6 and 3.61 of the Purchasing Division's *Inventory Management and Surplus Property Disposition Policies and Guidelines*.

#### **Spending Unit's Response**

*Pruntytown Correctional Center will comply the Purchasing Division's Inventory Management and Surplus Property Disposition Policies and Guidelines. (See pages 28 - 31)*

### **Payments Made for Professional Services Without Valid Contract**

9. We noted PCC relying on the advice of the DOC Central Office paid \$37,560.00 for professional services during our audit period without processing the purchase through the Department of Administration's Purchasing Division. PCC also did not complete and submit a contract, as required, to the Purchasing Division establishing the terms and conditions of the professional services to be provided.

### **Auditors' Recommendation**

We recommend the PCC comply with Sections 9 and 4.7.1.3 of the West Virginia Purchasing Division's Policies and Procedures Handbook.

### **Spending Unit's Response**

*Our Central Office had advised us payments for inmate alcohol and substance abuse counseling did not require a request for services through Purchasing. It was their understanding that counseling sessions were considered medical/mental health services. (See pages 31 - 33)*

### **Segregation of Duties Over Local Accounts**

10. During our audit period approximately \$3.36 million was disbursed from the four local bank accounts maintained by PCC. In violation of a PCC Policy Directive, the checkbooks for these local accounts were maintained by employees with signature authority over the checks. Although PCC requires checks written on local accounts to have dual signatures, controls over local accounts are diminished when one of the signatures is provided by the employee who also maintains the accounting records for the account.

### **Auditors' Recommendation**

We recommend the PCC comply with Section B, Subsection 4, of the DOC Policy Directive 111.03.

### **Spending Unit's Response**

*As of 30 June 2006, the Trustee Drawing and Trustee Savings Account signature cards were amended to remove signature authority of the individual responsible for the accounting records. The Travel/Discharge account responsibilities have been moved to another staff person not having signature authority. A Request to Close an Outside Bank Account Form will be completed and filed with the West Virginia State Treasurer's Office to close the Commissary account. (See pages 33 & 34)*

### **Inmate Phone Calls**

11. The Division of Corrections has a contract with GTL (formally AT&T) for an inmate phone system, which allows inmates to make collect telephone calls. In accordance with a DOC Legislative Rule, GTL provides for the recording of all inmate phones calls made on the phone system. However, during our audit period we found it was PCC's policy to allow inmates the use of business phones located at the housing units for personal calls. Although mandated by Legislative Rule, none of the inmate calls placed on PCC's business lines were recorded. During our audit period, \$1,465.24 was

reimbursed by inmates to the General Revenue Account (0450-543) for inmate phone calls placed through PCC business phones.

**Auditors' Recommendation**

We recommend the PCC comply with Title 90, Series 5 of the Division of Corrections Legislative Rule.

**Spending Unit's Response**

*Operational Procedure #5.04-1 Inmate Telephone Communications was issued with an effective date of 31 March 2006 prohibiting inmates to place telephone calls on institution telephones. Provisions were made in this Operational Procedure for bona fide emergencies. (See pages 34 - 36)*

**Inmate Payroll**

12. During our audit of PCC, we identified 25 inmate workers who worked over 40 hours during a workweek without documented prior approval, as required. Also, we were told by the PCC Business Manager that timesheets were not kept for inmates working on PCC grounds prior to December 2004. Further, those "timesheets" prepared subsequent to this date do not display the hours worked by inmates. Rather, a checkmark is used to indicate that the inmate worked on a given day. As a result, we were unable to audit inmate pay since the timesheets did not indicate the hours worked each day. The total amount paid to inmates from the General account (0450-543) for our sample of three months work for on-grounds workers totaled \$27,439.00.

**Auditors' Recommendation**

We recommend the PCC comply with Chapter 25, Article 1, Section 3 (a) of the West Virginia Code, and section V. - N. - 2. - b. of the DOC Policy Directive Number 500.00.

**Spending Unit's Response**

*Procedures have been put in place requiring off grounds supervisors to obtain prior approval before working any hours other than those regularly scheduled, including weekends and holidays. (See pages 36 - 39)*

**Staff Purchases of Commissary Goods**

13. PCC violated the State Constitution by extending credit to employees for purchases made at the inmate commissary. During our audit period PCC billed employees for \$11,504.67 in Commissary charges and received payments totaling \$11,493.77. By extending credit to employees, PCC risks not being able to collect amounts due from terminating employees who have outstanding commissary balances.

### **Auditors' Recommendation**

We recommend the PCC comply with Article 10, Section 6 of the Constitution of West Virginia.

### **Spending Unit's Response**

*Staff purchases in the commissary were stopped with the privatization of the commissary in June 2006. (See pages 39 & 40)*

### **Late Deposit of Receipts**

14. We noted several instances where checks and cash received by the PCC Business Office were not deposited within 24 hours of receipt as required by statute. During our audit period, a total of \$16,654.01 received for meal ticket sales and \$11,098.29 received for staff commissary receipts were held an average of 14 and 12 business days, respectively, before they were deposited. Also, other miscellaneous receipts were not consistently deposited with 24 hours of receipt. Good internal control practice dictates that receipts should be deposited as soon as practical in order to minimize the possibility of loss or theft.

### **Auditors' Recommendation**

We recommend the PCC comply with Chapter 12, Article 2, Section 2 of the West Virginia Code.

### **Spending Unit's Response**

*Pruntytown Correctional Center will deposit all receipts within twenty-four hours or as soon as practical to minimize the possibility of loss or theft. (See pages 40 - 42)*

### **Management Oversight of State Purchasing Cards**

15. The State Purchasing Card Program Policies and Procedures require that all purchasing card transactions be recorded on log sheets and the agency purchasing card coordinator sign each log sheet indicating that all purchases have been reconciled and are legitimate. Of the 53 PCC purchasing card disbursements selected for testing during our audit period, we noted the PCC purchasing card coordinator failed to sign the log sheets for 21 (40%) of these disbursements totaling \$8,807.84. As a result, we were unable to assure ourselves that these transactions had received the proper management review in order to minimize fraudulent, improper or abusive purchasing card transactions.

### **Auditors' Recommendation**

We recommend the PCC comply with Sections 7.2 and 3.4 of the State Purchasing Card Program Policies and Procedures.

**Spending Unit's Response**

***State Purchasing Card Program Policies and Procedures will be complied with to include preventing card delegation and reviewing Log sheets timely. (See pages 42 & 43)***

**Annual and Sick Leave**

16. Pruntytown Correctional Center was unable to provide us with annual and sick leave request forms (DOP-L1s) documenting 373.00 hours of annual leave and 275.25 hours of sick leave paid to 11 employees. Therefore, we were unable to verify if the employees properly requested the leave and, if so, did PCC management approve the leave. Another 39.5 hours of annual leave and 33.5 hours of sick leave taken by three employees in our sample were properly requested on DOP-L1s; however, the forms failed to contain the required supervisory approval signatures.

**Auditors' Recommendation**

We recommend the PCC comply with Section V of the DOC Policy Directive 129.08.

**Spending Unit's Response**

***Pruntytown Correctional Center issued Operational Procedure #1.29-8 PCC Employee Leave/Absences effective 31 March 2006. In addition payroll staff have been instructed to ensure all leave is properly approved and due care is used when filing leave slips. (See page 44)***

**PRUNTYTOWN CORRECTIONAL CENTER**  
**GENERAL REMARKS**

**INTRODUCTION**

We have completed a post audit of the Pruntytown Correctional Center (PCC) General Revenue Account (0450-543), Inmate Benefit Fund Unclassified Account (6379-099) Inmate Trustee Drawing local bank account, Inmate Trustee Savings local bank account, Inmate Exchange (Commissary) local bank account, and the Inmate Travel/Discharge local bank account. The audit covers the period July 1, 2003 through December 31, 2005.

**GENERAL REVENUE ACCOUNT**

During the audit period, PCC operated from the following general revenue account:

<b><u>Account Number</u></b> .....	<b><u>Description</u></b>
0450-543 .....	Pruntytown Correctional Center Account

**SPECIAL REVENUE ACCOUNT**

During our audit period, the PCC operated the Inmate Benefit Fund (IBF) special revenue account. This account pays for services or commodities that are beneficial to either a majority of the population or specific group of inmates and is not to be used for essential mandated services or commodities which must be furnished from State appropriation. Revenues were primarily derived from telephone commissions, profits from the Inmate Exchange and commissions received from vending machine sales:

<b><u>Account Number</u></b> .....	<b><u>Description</u></b>
6379-099 .....	Inmate Benefit Fund

**LOCAL ACCOUNTS**

In order to have cash available for specific local operations, local bank accounts are used for managing funds required on a day-to-day basis. These accounts are all held at BB&T Bank in Grafton, West Virginia and are described as follows:

**Warden's Trustee Fund - Savings and Drawing**

Records all moneys received and disbursed by the PCC for deposit and withdraw from inmates' personal accounts:

<b><u>Account Number</u></b> .....	<b><u>Description</u></b>
5271844079 .....	Trustee Drawing Account
5271844109.....	Trustee Savings Account

**Exchange Account**

The Exchange is a retail store on the grounds of the PCC which is operated for the benefit of the inmates for purchases of sundry products for personal use:

<b><u>Account Number</u></b> .....	<b><u>Description</u></b>
5271741458 .....	Commissary/Exchange Account

**Travel/Discharge Account**

An imprest fund at PCC used for expenses related to inmate security travel. Also, funds are expended for parole discharge fees:

<b><u>Account Number</u></b> .....	<b><u>Description</u></b>
5271773414.....	Travel/Discharge Account

**COMPLIANCE MATTERS**

Chapter 28, Article 5 of the West Virginia Code generally governs the PCC. We tested applicable sections of the above, and general State regulations and other applicable chapters,

articles and sections of the West Virginia Code as they pertain to fiscal matters. Our findings are discussed below.

### **Lack of Effective System of Internal Controls**

During the course of our post audit, it became apparent to us, based on the observed noncompliance with the West Virginia Code and other rules and regulations, the PCC did not have an effective system of internal controls in place to ensure compliance with applicable State laws, rules and regulations.

Chapter 5A, Article 8, Section 9(b) of the West Virginia Code, as amended, states in part:

“The head of each agency shall: . . .  
(b) Make and maintain records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the state and of persons directly affected by the agency’s activities. . . .”

This law requires the agency head to have in place an effective system of internal controls in the form of policies and procedures set up to ensure the agency operates in compliance with the laws, rules and regulations which govern it.

During our audit of the PCC, we found the following violations of State laws or other rules and regulations: **(1)** A PCC report provided to us reflected the Trustee Drawing Account and Trustee Savings Account general ledger balances as of December 31, 2005 were \$84,145.29 and \$45,976.04, respectively. Nevertheless, we were unable to verify the accuracy of the individual inmate subsidiary trustee account ending balances due to accounting system limitations and adjusting entries posted to the trustee account general ledgers that could not be explained by PCC staff. **(2)** During our audit period, we found two instances of PCC payroll

changes that were not authorized, as required, by obtaining the proper approval through the use of WV-11 forms. (3) We identified 362 instances where 166 different inmates were permitted to make unauthorized purchases in excess of their available account balances by a combined total of \$3,887.97. (4) The PCC made cafeteria food purchases totaling \$582,164.34 for the period July 1, 2003 through December 31, 2005; however, the spending unit does not have an effective inventory system in place to monitor and track its purchases and inventory. (5) Our tests of personal services revealed payroll overpayments totaling \$2,924.77 and payroll underpayments totaling \$1,751.95. (6) Numerous Equitable Gas Company invoices were not paid by the due date resulting in late payment penalties totaling \$1,703.24. (7) During our test of equipment inventory, we were unable to locate a commercial washing machine with an original purchase price of \$2,000.00 and copy machine with an original purchase price of \$800.00. We also noted that four shotguns, one automatic rifle, and five other tagged equipment items were not recorded in the Fixed Asset Inventory System, as required. (8) During our test of disbursements, we noted PCC paid \$37,560.00 during the 2005 and 2004 fiscal years (\$17,280.00 each fiscal year) to an individual for inmate alcohol and substance abuse counseling; however, the spending unit did not process a request for the services through the State Purchasing Division (Purchasing) as required. We also found PCC failed to complete and submit a contract to Purchasing for the professional services performed during the aforementioned fiscal years even though the services exceeded \$10,000.00 in each fiscal year. (9) Pruntytown Correctional Center allowed local account checkbooks to be maintained by individuals with signature authority over the checks written on the accounts in violation of a Division of Corrections (DOC) Policy Directive. (10) We found it was PCC's policy to allow inmates to use business phones located at the housing units for personal calls even though these calls were not recorded as required by DOC Legislative Rule. (11) We

identified inmates who worked in excess of 40 hours in a workweek without the required prior approval of PCC management. In addition, inmate “timesheets” used for on-grounds inmate employees did not indicate the hours inmates worked. (12) During our audit period, PCC violated the State Constitution by extending a total of \$11,504.67 in credit to PCC employees for purchases made from the inmate commissary. (13) Checks and cash received by the PCC Business Office for purchases of PCC cafeteria meal tickets and payments on account for staff commissary purchases were not deposited within 24 hours of receipt as required by statute. (14) For 21 purchasing card disbursements totaling \$8,807.84, PCC log sheets were not signed by the agency purchasing card coordinator as required by the State Purchasing Division’s Policies and Procedures; (15) For our test of annual and sick leave, PCC was unable to provide us leave request forms documenting 373.00 hours of annual leave and 275.25 hours of sick leave paid to 11 employees. As a result, we were unable to verify if the leave had been properly requested and approved by PCC management.

We recommend the PCC comply with Chapter 5A, Article 8, Section 9 of the West Virginia Code, as amended, and establish an effective system of internal controls that will serve to alert management to areas of noncompliance with the West Virginia Code and other applicable rules and regulations.

**Spending Unit’s Response**

No response by the Pruntytown Correctional Center.

**Inmate Trustee Subsidiary Accounts**

A PCC report provided to us reflected that the Trustee Drawing Account and Trustee Savings Account general ledger balances as of December 31, 2005 were \$84,145.29 and \$45,976.04, respectively. The PCC's policy is to maintain subsidiary ledgers for each individual

inmate which provide detailed information about the composition of the general ledger account balances. However, we were unable to verify the accuracy of the individual inmate subsidiary trustee account ending balances due to accounting system limitations and adjusting entries posted to the trustee account general ledgers that could not be explained to us by PCC staff. Additionally, we were unable to audit certain subsidiary ledger activity for 43 inmates selected for testing because the activity for the time periods requested had been deleted from the system.

Using local bank account records for the Trustee Drawing and Trustee Savings accounts, we were able to determine receipts totaling approximately \$2,202,000.00 and disbursements totaling approximately \$2,211,000.00 were processed during our audit period. All local bank account cancelled checks, deposit receipts, and related bank statements were available for examination; however, some of these checks and deposit tickets reflect activity relating to more than one inmate. We requested the earlier mentioned subsidiary ledgers for the inmates selected for testing and were told by PCC staff that subsidiary ledger activity could not be retrieved for any inmate for the period July 1, 2003 through November 30, 2003 due to accounting system limitations. According to the spending unit's Business Manager, the "DOS" based trustee accounting system only retains inmate trustee account history for two years and hard copies of the subsidiary ledgers are not routinely printed. Using the local bank account records referred to above, we were able to determine receipts totaling approximately \$200,000.00 and disbursements totaling approximately \$340,000.00 were processed during July 1, 2003 through November 30, 2003, the first five months of our audit period.

Two accounting adjustments posted to the trustee accounts also affected our ability to verify the accuracy of the December 31, 2005 balances. The two accounting adjustments had been posted to the Trustee Drawing and Trustee Savings Account general ledgers before the start

of our audit period, but impacted the July 1, 2003 beginning balances. One adjustment decreased the Trustee Drawing Account general ledger book balance by \$1,551.35 and the other adjustment increased the Trustee Savings Account general ledger balance by \$2,338.59. Spending unit personnel were unable to explain why the adjustments were necessary or who authorized them. Without these adjustments the cash balance of each of these accounts on PCC's books would not equal the cash balance of their respective bank accounts.

As part of our examination, we also attempted to trace individual inmate trustee receipts and disbursements to the applicable subsidiary ledger activity after December 1, 2003. We found we were also unable to trace some receipts and disbursements in our sample to the subsidiary ledgers of 43 inmates during the period December 1, 2003 through December 31, 2005. Pruntytown Correctional Center staff told us the subsidiary ledger activity could not be recovered for the accounting quarters requested because the activity had been deleted from the trustee accounting system. According to the spending unit's Business Manager, when inmates are paroled or transferred to another correctional facility and the inmates' accounts were settled and "zeroed out," the inmate is deleted from the system after the end of that particular accounting quarter. When an inmate is deleted from the system, transactions can no longer be posted to their account and only "historical" activity can be retrieved from the trustee accounting system. However, the subsidiary ledger activity relating to the 43 inmates was inadvertently deleted by the trustee accounting staff before the end of the accounting quarter in question and the current activity was lost. As a result, we were unable to trace the individual receipts and disbursements to the inmate Trustee Drawing and Trustee Savings subsidiary ledger activity requested for those time periods.

The warden or administrator of each DOC institution is directed by statute to keep an accurate account of inmate monies while an inmate is domiciled at the institution and to deposit the inmate monies in one or more "trustee accounts." Chapter 25, Article 1, Section 3a of the West Virginia Code, as amended, sets forth the requirements for keeping accurate inmate trustee account records and states in part:

"(a) The commissioner of corrections is authorized to establish at each institution under his or her jurisdiction a "trustee fund".... The warden or administration **shall credit the money and earnings to the inmate entitled to it and shall keep an accurate account of all the money and personal property so received...**" (Emphasis added)

Furthermore, the DOC Policy Directive 119.00, Monitoring of Fiscal Activities, states in part:

- "... A. Each Warden/Administrator shall ensure the complete accountability of all employees supervising the various programs within their institution/facility/center. This shall be accomplished through ongoing monitoring of the institution/facility/center's fiscal activities. . . .
- D. Record keeping for each program shall be maintained through a ledger/computer system which at a minimum, will document:
  - 1. Receipts - a record of all cash, checks, voucher transfers and accounts receivable.
  - 2. Disbursements - a record of all funds paid out. . . ."

The Business Manager recognized the problems with the trustee accounting system and stated that PCC is looking into a new system that will resolve the problems of the past. In addition, the Business Manager said that she was unaware that inmates had been "deleted" from the trustee accounting system before the close of any accounting quarter, but said she will make sure the problem does not reoccur. The Business Manger was unable to address the adjusting entries

made to the trustee account general ledgers because those adjustments were made before her tenure.

We recommend the PCC comply with Chapter 25, Article 1, Section 3a of the West Virginia Code, as amended, and DOC Policy Directive 119.00. We further recommend PCC keep accurate records of all inmate trustee funds.

### Spending Unit's Response

*It is our goal to have a new trustee accounting system in place by 01 January 2007 that will correct the current accounting system limitations. Further, Pruntytown Correctional Center will ensure that complete and accurate records of all inmate trustee funds are kept until which time a new system is implemented.*

### Payroll Changes

Chapter 5A, Article 2 Section 29 of the West Virginia Code, as amended, states in part:

**"A requisition for the payment of personal services shall upon receipt by the director (of the budget) be checked against the personnel schedule of the spending unit making the requisition. The director (of the budget) shall approve a requisition for personal services only if the amounts requested are in accordance with the personnel schedule of the spending unit." (Emphasis added)**

A memorandum from State Auditor Glen B. Gainer III to "All Spending Units" dated February 5, 2004 on the subject of Retroactive Pay states in part:

**"All changes (Personnel Action Form - WV11) to an employee's salary are changes to the expenditure schedule and must have final approval from the Budget Office prior to the effective date of the change." (Emphasis added)**

A Personnel Action Form (WV-11) is the document State agencies use to obtain approval for payroll changes, such as: new hires, suspensions, employee leave without pay, pay raises, promotions/demotions and terminations. During our audit of PCC, we found two instances where payroll changes were made, but not authorized through the completion of a WV-11 form as required.

An employee was suspended for one day on November 8, 2004 and a WV-11 form was properly completed and approved at the time of the suspension. However, when the employee returned to work the next day, a WV-11 form approving his return to work status was not completed. On November 22, 2005, the error was discovered because the employee failed to receive an across-the-board pay raise. By the time the error was discovered (more than a year later) the employee had already received approximately \$32,279.00 in salary payments even though according to the Personnel Action Form on file, the employee should not have even been on the payroll.

Also, another employee was supposed to be removed from payroll for family medical leave without pay for the period of September 16, 2005 through November 1, 2005. However, the WV-11 form necessary to properly approve the employee's leave without pay status (and authorizing the employee's removal from the payroll) was not completed until November 7, 2005 – after the employee returned to work. Although the employee was not compensated during the leave of absence period, the possibility exists that she could have been paid approximately \$3,357.00 since the WV-11 documenting and authorizing her removal from the payroll was never completed until after the employee returned to work.

According to PCC Business Office staff, payroll personnel failed to complete the WV-11s changing the payroll status for these two employees. When the errors were discovered,

the payroll clerk retroactively completed WV-11s to correct the mistakes. Nevertheless, these errors indicate the possibility that an individual could be paid through the EPICS payroll system without being properly authorized to receive that pay.

We recommend the PCC comply with Chapter 5A, Article 2 Section 29 of the West Virginia Code, as amended.

### **Spending Unit's Response**

*We have taken appropriate steps to ensure that no payroll changes will be made in EPICS until approval is gained from the Budget Office as evidenced by a completed WV-11. However, we would like to note that this was not an "unauthorized" payroll change, as we understand the memo, as this employee's salary did not change. He was a permanent employee on the expenditure schedule, however, in a leave without pay status. He returned to work and was placed in active status at that time in EPICS to insure he received his paycheck in accordance with FLSA. His pay was in accordance with the salary set forth in his position on the expenditure schedule, and there was no change in his salary, which is an emphasis as you state in Glen Gainer's February 5, 2004 memorandum. It specifically states, "All changes (Personnel Action Form -WV11) to an employee's salary are changes to the expenditure schedule..." This was not a change to the expenditure schedule. In addition, the Division of Corrections is in the process of developing agency wide payroll procedures.*

### **Negative Inmate Account Balances**

Our review of various trustee reports provided to us by PCC staff revealed inmates were permitted to make charges to their drawing and savings accounts which, in some cases, created negative account balances and, in other cases, increased the deficit in an account that already had a negative balance. We requested a "Low Balance Report" as of December 31, 2005,

the end of our audit period which would show the name and subsidiary account balance of all inmates with less than \$3.00 in either their drawing or savings accounts. However, the PCC staff informed us the report could not be produced as of December 31, 2005. We were, however, provided with a Low Balance Report dated January 30, 2006 which showed various inmate subsidiary accounts had deficits totaling (\$627.83). During our audit period, we noted 362 instances involving 166 different inmates where inmates were allowed to make unauthorized charges in excess of available account balances by a combined total of \$3,887.97. A total of \$2,474.25, or 63.64%, related to Commissary purchases alone. The following schedule categorizes these unauthorized trustee payments:

<u>Description</u>	<u>Number of Charges</u>	<u>Amount Exceeding Account Balances</u>	<u>Percent of Total Dollar Amount</u>
Purchases From Inmate Commissary	292	\$2,474.25	63.64%
Inmate Catalog Purchases	8	567.61	14.60%
Arts and Crafts Purchases	15	283.96	7.30%
Inmate Payment for Use of PCC Business Phones	19	36.21	0.93%
Other Miscellaneous Disbursements	<u>28</u>	<u>525.94</u>	<u>13.53%</u>
TOTALS	<u>362</u>	<u>\$3,887.97</u>	<u>100.00%</u>

We identified an additional 97 trustee account disbursements totaling \$824.75 which also created a negative account balances or increased a deficit. However, 20 of the disbursements totaling \$113.11 related to postage for legal correspondence and 19 of the disbursements totaling \$49.15 were medical co-payments, both of these types of charges are authorized charges. We were unable to determine the justification for 58 of the 97 disbursements due to a lack of supporting documentation. Those 58 disbursements totaled \$662.49

Chapter 25, Article 1, Section 3a of the West Virginia Code, as amended, states in

part:

“(a) The commissioner of corrections is authorized to establish at each institution under his or her jurisdiction a “trustee fund”. The warden or administrator of each institution shall receive and take charge of the money. . . of all inmates. . . .

**(f) The warden or administrator shall deliver to the inmate at the time he or she leaves the institution, or as soon as practicable after departure, all personal property, moneys and earnings then credited to the inmate . . .” (Emphasis added)**

The Inmate Trustee Drawing and Savings Account general ledger balances reflect the cumulative total of all subsidiary inmate accounts and holding accounts (payments due to the Commissary, Post Office, Correctional Medical Services, etc.) regardless of whether they have negative or positive balance. The general ledgers are reconciled to the local bank account statements for each respective account. Consequently, if all inmate accounts were liquidated there may not be sufficient trust account funds to cover the deficits in those inmate accounts.

Additionally, when inmates are permitted to make charges against an account with an insufficient balance, the effect is the same as extending credit to inmates from funds deposited in the trustee accounts by other inmates.

Pruntytown Correctional Center staff allowed one inmate to make 42 charges to his account although the charges and/or disbursements resulted in a negative account balance or increased an already negative balance. None of these charges or disbursements were for postage or medical co-payments. At one point during our audit period, the inmate had a deficit balance totaling (\$283.40). The inmate received pay for washing and detailing vehicles for some correctional center staff and their immediate families. According to the PCC Business Manager, the Trustee Clerk became aware that some staff members owed the inmate money for these

services; therefore, the Trustee Clerk allowed the inmate to purchase items in excess of his available balance. The PCC Business Manager said she was unaware that any staff members owed the inmate money or that the inmate was being permitted to frequently purchase items in excess of his account balance. We were unable to determine why the other inmates were allowed to make charges against accounts with insufficient balances.

We recommend the PCC comply with Chapter 25, Article 1, Section 3a of the West Virginia Code, as amended, and ensure inmate account balances are sufficient before charges are allowed to be made.

### **Spending Unit's Response**

*Inmates were authorized to create a negative balance in their drawing account for commissary only if they were inadvertently not paid their turn-in. Since the Institution had not paid them for services performed, it was deemed necessary to allow them their commissary for security reasons, knowing they would be paid the funds owed them on the following turn-in. Any deviations from that resulted in staff being disciplined when it came to the attention of the Business Manager. That practice stopped with the privatization of the commissary in June 2006. Currently, inmate accounts balances must be sufficient before charges can be made. The implementation of a new trustee system will help to facilitate this.*

### **Cafeteria Food Service Inventory**

West Virginia DOC Policy Directive #119.00 sets forth the inventory system requirements to be maintained by the various programs and accounts within its institutions, facilities, and centers. Section V. PROCEDURE: of this directive states in part:

- “D. Record keeping for each program shall be maintained through a ledger/computer system which at a minimum, will document:...

3. **Inventory - a perpetual inventory of all goods and materials purchased, or acquired, for resale or use in the program will be maintained.** This inventory will include:
  - a. Date of Purchase or Date Acquired
  - b. Quantity
  - c. Description (Color, Size, Model, etc.)
  - d. Cost
  - e. Selling Price, if applicable . . .” (**Emphasis Added**)

The DOC policy directive quoted above dictates that institutional programs and accounts are to maintain a perpetual inventory of all goods and materials purchased for resale or use. Pruntytown Correctional Center made cafeteria food purchases totaling \$582,164.34 during our audit period; however, the spending unit does not have an effective inventory system in place to monitor and track its purchases and inventory.

Pruntytown Correctional Center did not maintain any inventory system to track or monitor cafeteria food purchases until after we discussed the issue with spending unit staff. Based on our discussions, the Cafeteria Supervisor established an inventory spreadsheet for tracking all items “added to” and “removed from” the Cafeteria’s primary storage unit after November 1, 2005. However, items removed from primary storage are often placed into a secondary storage unit and are no longer tracked in the system. Pruntytown Correctional Center personnel also stated that “a physical count of items on hand is performed by the staff for GAAP reporting at the conclusion of each fiscal year.” Nevertheless, without a perpetual inventory system the physical count does not enable PCC to know what the inventory on hand should be at any given time, or provide the spending unit with a mechanism to effectively identify and monitor inventory spoilage, damage, shortage, or unauthorized use.

Without an accurate inventory system, operating costs, shortages, and abnormal shrinkage cannot be determined. The Cafeteria could enhance its established inventory method

by developing a perpetual inventory system, for tracking all food items purchased and currently on hand, to be used in conjunction with a periodic inventory system. A perpetual inventory system, if properly instituted and used, would: 1) better equip management with a more precise measuring tool for determining inventory shrinkage; 2) serve as a theft deterrent; and 3) serve to place PCC in compliance with DOC's policy directives .

We were informed by PCC's Cafeteria Supervisor that she did not previously see the need for an inventory system. However, we were told by the current Business Manager that she understood the problem concerning the lack of cafeteria inventory system and would be addressing this issue.

We recommend the PCC comply with DOC Directive #119.00 and establish a perpetual inventory system for cafeteria food purchases.

#### **Spending Unit's Response**

*The current Food Service Supervisor has established a perpetual inventory system in QuickBooks and will monitor inventory for spoilage, damage, shortage or unauthorized use. Operational Procedure #1.22-2, Central Receiving Departmental Guidelines with an effective date of 15 August 2006 (copy attached) requiring perpetual inventories be kept by all Unit Managers/Department Heads/designees has been put in place. Additionally, agency-wide inventory management procedures are being developed with the goal of implementation by Fiscal Year End 2007.*

#### **Personal Services**

During our audit of personal services, we noted employee payroll overpayments totaling \$2,924.77 and payroll underpayments totaling \$1,751.95. These incorrect payments were due to both mathematical and procedural errors in calculating terminal annual leave

payments, annual increment payments and pro-rated payroll payments in instances where employees worked less than a full pay period. These differences are detailed as follows:

- Overpayments totaling \$1,060.90 were made to six employees and underpayments totaling \$1,095.19 were made to seven employees for pay out of their accrued annual leave balances at the termination of their employment. These errors were largely the result of PCC accruing leave for employees after their effective date of separation, in violation of the Division of Personnel's Legislative rule, and for using incorrect hourly and daily rates in calculating employee leave payout.
- Overpayments to five employees totaling \$1,265.93 and an underpayment totaling \$35.30 to one employee occurred where employees worked less than a full pay period. According to PCC records, one of these employees was overpaid \$866.00 for a pay period for which he was serving a suspension. Other errors were primarily due to PCC using incorrect hourly and daily rates of pay in calculating pay for partial pay periods worked.
- An overpayment of \$79.95 and five underpayments totaling \$459.90 were made in pro-rated increment payments to employees at the termination of their employment. Errors were the result of PCC incorrectly calculating employees qualifying years-of-service credits and in calculating the fractional portion of the fiscal years for prorated increment payments for those employees who worked less than a full year.
- Four overpayments totaling \$300.00 and three underpayments totaling \$150.00 were made for annual increment pay to continuing employees. The errors were the result of either mistakes made in calculating employee years-of-service credits or for not properly adjusting yearly increment earned in cases where employees were on non-military leave-without-pay during the fiscal year in which the increment was accrued.
- One employee was paid \$206.40 for overtime worked. However, time records indicated the employee did not work any overtime for the applicable workweek.
- One employee was overpaid \$11.59 and another employee was underpaid \$11.56 for holiday pay. Incorrect payments were due to errors made in calculating hourly and daily rates used in computing holiday pay.

The overpayments resulted in employees being paid for services before such services were rendered, which is a violation of Chapter 12, Article 3, Section 13 of the West Virginia Code, as amended, which states:

“No money shall be drawn from the treasury to pay the salary of any officer or employee before his services have been rendered.”

Additionally, Chapter 5, Article 5, Section 2 of the West Virginia Code, as amended, states in part:

**“(a) Every eligible employee with three or more years of service shall receive an annual salary increase equal to fifty dollars times the employee’s years of service. In each fiscal year and on the first day of July, each eligible employee shall receive an annual increment increase of fifty dollars for that fiscal year. . . .” (Emphasis Added)**

Section 3, as amended, of the same article states in part:

“Every eligible employee, as defined in section one of this article, at the time his or her active employment ends due to resignation, death, retirement or otherwise, **may be paid in a lump sum amount, at his option, for accrued and unused annual leave** at the employee’s regular rate of pay at such time. . . .” **(Emphasis Added)**

Series I, Section 3.53 of the West Virginia Division of Personnel’s Administrative Rule, defines a State employee’s “last day of work” as:

“. . . 3.53 Last Day of Work: The last calendar date and hour an employee is physically on the job. . . .”

Section 14.3 of this rule states in part:

“. . . (f) Separation from Employment - The appointing authority shall pay an employee who separates from employment for any reason for all accrued and unused annual leave. **An employee does not accrue annual leave after his or her date of separation. . . .” (Emphasis Added).**

According to the PCC Business Manager, oversight of the personal service functions was weak during our audit period. She added that a new employee will take over these duties and management oversight will improve.

We recommend the PCC comply with Chapter 12, Article 3, Section 13 and Chapter 5, Article 5, Sections 2 and 3 of the West Virginia Code, as amended. We also recommend the PCC comply with Series I, Section 14.3 of the Division of Personnel's Administrative Rule.

**Spending Unit's Response**

*Staffing changes have been made in the personal service functions and steps have been taken to reduce the likely hood of payroll errors including errors in calculation of increment. Management oversight has been strengthened. Employees no longer accrue leave after their effective date of separation. In addition, the Division of Corrections is in the process of developing agency wide payroll procedures.*

**Processing of Vendor Invoices**

We determined PCC paid Equitable Gas Company (Equitable) \$1,703.24 in penalties for late payment of natural gas invoices. We analyzed all of the 197 payments totaling \$345,839.08 made to Equitable during our audit period. We were unable to ascertain how long 42 invoices totaling \$72,269.94 were held because the invoices were not stamped with the date received. One invoice supporting an \$11,499.27 payment could not be located. The remaining 154 Equitable invoices supporting payments totaling \$262,087.87 were processed for payment anywhere from seven days to 75 days after receipt. The average processing time was 18 days.

Chapter 5A, Article 3, Section 54, of the West Virginia Code, states in part:

“ . . . (d) The state agency initially receiving a legitimate uncontested invoice shall process such invoice for payment **within ten days from its receipt. . . .**” (Emphasis Added)

According to PCC staff, Equitable invoices are entered into WVFIMS after they have been reviewed and the WVFIMS cover sheet and the original invoice are forwarded to DOC Central Office for additional processing. Members of PCC staff said the invoices are forwarded to the DOC Central Office for payment within a reasonable amount of time. However, Central Office personnel are often unable to complete invoice processing before the required invoice due date because of the large number of billings the Central Office is required to process each month for all DOC institutions. Pruntytown Correctional Center staff were unable to explain why the 42 Equitable invoices had not been date stamped, but stated the invoices were probably just overlooked. The missing invoice supporting the \$11,499.27 payment was, according to PCC staff, most likely misfiled.

We recommend the PCC and the DOC Central Office comply with Chapter 5A, Article 3, Section 54 of the West Virginia Code and process invoices within ten days of receipt in order to avoid late charges.

### **Spending Unit's Response**

*Vendor invoices will be processed within ten days of receipt. The Central Office issued an email to all Business Managers on September 26, 2006, requesting all utility invoices be placed on priority when received and they be mailed in separate envelope to the Central Office finance unit marked Utility payments. The Central Office will handle as priority in processing. It should be noted that utility payment due dates are very narrow in time frame.*

### **Equipment Inventory**

In accordance with DOC Policy Directive 122.01, PCC classifies as reportable items of fixed assets and equipment all “items of property with an original acquisition cost of

\$500.00 or more and a useful life of one (1) year or more. . . .” For our audit of PCC fixed assets and equipment, we randomly selected 25 reportable items and we used auditor judgement in selecting two additional reportable computer equipment items recorded on PCC’s fixed asset inventory list for testing. We attempted to trace each of these items to its physical location by using the inventory identification number and, if applicable, the item’s serial number as recorded on the inventory list. Of the 27 items selected, we were unable to locate a commercial washing machine with an original purchase price of \$2,000.00 and a copy machine with an original purchase price of \$800.00.

Since the equipment could not be located, we requested copies of surplus property forms or other documentation which would explain the equipment’s disposition; however, we learned no transfers or surplus property forms were on file for these items. According to the PCC Business Manager, it was common practice prior to our audit period to “cannibalize parts” from older washing machines for repair purposes rather than retire the item. Pruntytown Correctional Center was unable to explain why the copy machine could not be located.

Section 4.2 of the Purchasing Division’s *Inventory Management and Surplus Property Disposition Policies and Guidelines* state:

“It is important to remember that the Surplus Property Unit must approve all methods of disposition with the exception of “Lost”, “Stolen” or “Destroyed” regardless of the acquisition cost. **ALL** property no longer needed in a department is to be retired to the Surplus Property Unit of the Purchasing Division.”

Further, Section 4.7 of the policies and guidelines state in part:

“. . . Cannibalization of equipment is **strictly prohibited** unless pre-approved by the Surplus Property Unit. . . .”

Also, as part of our test of equipment and fixed assets, we used auditor judgement to select 12 equipment items (excluding firearms) observed throughout the PCC prison grounds in

order to determine if they were properly recorded on the WVFIMS Fixed Asset equipment inventory system. We determined from similar items recorded in the PCC's Fixed Asset System, that the original purchase price of these items should warrant their inclusion in the inventory system. Out of these 12 items selected, we noted five items with equipment tag numbers and an estimated original purchase price of approximately \$9,000 that were not recorded in PCC's inventory system. Pruntytown Correctional Center was unable to explain why these items were not included in the inventory system. These five items are listed in the following schedule:

<u>PCC Equipment ID Tag Number</u>	<u>Description</u>	<u>Location</u>	<u>Estimated Acquisition Price</u>
PCC21860	Ice Maker	Unit 20 A	\$1,638.00
PCC21888	Ice Maker	Unit 20 B	1,638.00
PCC21264	Commercial Washing Machine	Unit 25	2,000.00
PCC21265	Commercial Washing Machine	Unit 25	2,000.00
PCC21267	Commercial Washing Machine	Unit 25	<u>2,000.00</u>
		TOTAL	<u>\$9,276.00</u>

Section 3.6 of the Purchasing Division's *Inventory Management and Surplus Property Disposition Policies and Guidelines* state:

"The Purchasing Division has established a capitalization figure of \$1,000 and a useful life of one (1) year or more as reportable property. This means that **any item which has an original acquisition cost of \$1,000 or more and useful life of one (1) year or more is required to be entered into the WVFIMS Fixed Asset system.** Although not required by the Purchasing Division, agencies may, however, enter property or equipment costing less than \$1,000 in the Fixed Asset system." **(Emphasis Added)**

Finally, we attempted to trace all the firearms located in the gun safe in the PCC Main Control building to the Fixed Assets Inventory Listing. Five of these guns were not

recorded in the Fixed Asset system, as required by the Purchasing Division's policies and guidelines. Although weapons should not be tagged or engraved with identification numbers since this may void manufacturer warranties, weapons should be recorded in the Fixed Asset System with their serial numbers used as the primary identifier. The five guns and their serial numbers are listed in the schedule below:

<u>Description</u>	<u>Serial Number</u>
12 Gauge Remington Shotgun	B698917M
12 Gauge Remington Shotgun	W905751M
12 Gauge Remington Shotgun	W905820M
12 Gauge Remington Shotgun	B690283M
AR- 15 Automatic Rifle	LGC017571

Section 3.61 of the Purchasing Division's *Inventory Management and Surplus Property Disposition Policies and Guidelines* state in part:

“ . . . It is mandatory that all firearms be entered into the WVFIMS Fixed Asset system **regardless of the cost**, making sure serial numbers are entered correctly. . . .”

We were told by the Associate Warden of Operations, who is responsible for PCC equipment inventory management, that she attempts to have reportable property items tagged and included in the Fixed Asset system by June 30 of each year -- the deadline for certification of inventory by the DOC and the Purchasing Division. She also added the PCC Fixed Asset inventory may not be accurate due to a failure of PCC department heads or unit managers to send her an accurate inventory listings for their equipment during the required annual fixed asset inventory verification counts. As a result, items that are no longer on-hand and in use may be

included in the Fixed Asset inventory list. On May 26, 2006, the Associate Warden told us there were approximately 40 to 50 reportable items that had been purchased during the year that she had not yet entered into the Fixed Assets System. Although she said she would try to record these items in the inventory system by June 30, 2006, she added she may not have the time to meet the June 30<sup>th</sup> deadline.

We recommend the PCC comply with Sections 4.2, 4.7, 3.6 and 3.61 of the Purchasing Division's *Inventory Management and Surplus Property Disposition Policies and Guidelines*.

**Spending Unit's Response**

*Pruntytown Correctional Center will comply the Purchasing Division's Inventory Management and Surplus Property Disposition Policies and Guidelines. Operational Procedure #1.22-1 Inventory Control, Property Accountability and Disposal (copy attached) was issued with an effective date of 15 August 2006 to facilitate this.*

**Payments Made for Professional Services Without Valid Contract**

During our test of disbursements, we noted PCC using advice provided by the DOC Central Office paid \$37,560.00 during the 2005 and 2004 fiscal years (\$17,280.00 each fiscal year) to an individual for inmate alcohol and substance abuse counseling; however, the spending unit did not process a request for the services through the Purchasing Division (Purchasing) of the West Virginia Department of Administration as required. We also found PCC failed to complete and submit a contract to Purchasing for the professional services performed during the aforementioned fiscal years, even though the services exceeded \$10,000.00 in each fiscal year.

Prior to our audit period, PCC had a contract with the vendor that was recorded on a Purchasing Division "WV-48" Agreement Form. However, PCC's Business Office said they

did not complete subsequent contracts after the agreement expired because they believed medical services were exempted by Purchasing. Section 9 of the West Virginia Purchasing Division's Policies and Procedures Handbook addresses the purchases and services exempt from the Division's approval process and states in part:

“ . . . if the commodity or service is available from only one known source, that purchase is considered *sole source*. All sole source purchases over \$10,000 must be submitted to the Purchasing Division for approval **unless exempted**.

Below is a list of commodities and services which the Purchasing Division considers to be *sole source* but exempt from the Purchasing Division's approval process....

**9.10 Medical Fees:** Fees for medical services (behavioral and physical). . . **This does not include inmate health care management**, hospital management, consulting, etc. for state agencies. . . .” (**Emphasis Added**)

In addition, Section 4.7.1.3 of the West Virginia Purchasing Division's Policies and Procedures Handbook defines professional services contracts and when they are required. This Section states:

“Professional Service Contracts: **These contracts are used to obtain specific professional expertise** which are not available within state government. Examples of professional services may be legal, architectural, **medical**, dental, engineering, and other consulting services.

All needs for professional services estimated to cost in excess of \$10,000 must be bid through the Purchasing Division, unless specifically exempt.” (**Emphasis Added**)

Although Section 9 exempts certain medical fees from the Purchasing Division's approval process, inmate health care expenditures are not among these exemptions. The vendor invoiced PCC approximately once per month for the counseling services and PCC paid the invoices as either contractual and professional expenditures or medical service payments. The

vendor invoices only indicated the dates of service, the number of hours billed each day, and the charge of \$30.00 per hour. PCC was unable to provide us with any other report, either generated by PCC or the vendor, that provided additional information relating to the inmates that received counseling or the results of the counseling services. PCC was also unable to provide documentation showing the vendor was actually providing counseling services during the hours invoiced. As a result, we were unable to determine if all of the invoices which PCC paid were for counseling services provided to PCC inmates. Professional services costs can be significant to a spending unit and contract monitoring is an integral part of making sure vendors provide the services for which they are paid. Without a contract in place, the terms and conditions defining the services to be provided cannot be formally applied and enforced.

We recommend the PCC comply with Sections 9 and 4.7.1.3 of the West Virginia Purchasing Division's Policies and Procedures Handbook.

#### **Spending Unit's Response**

*Our Central Office had advised us payments for inmate alcohol and substance abuse counseling did not require a request for services through Purchasing. It was their understanding that counseling sessions were considered medical/mental health services.*

*This was a specialized counselor providing this service and not a management company; therefore, the Central Office believed this to be appropriate and is responsible for this finding.*

*Services of this nature have not been utilized since June 2005.*

#### **Segregation of Duties Over Local Accounts**

Section B, Subsection 4, of the DOC Policy Directive 111.03, states in part:

**“. . . a. Persons who sign the checks or reconcile the accounts should not have possession of the checkbook. . . .” (Emphasis Added)**

During our audit of PCC, we became aware that check books for four PCC local bank accounts were maintained by individuals with signature authority over the checks.

Although PCC requires checks written on local accounts to have dual signatures, controls over local accounts are diminished when one of the signatures is provided by the employee who also maintains the accounting records for the account. One of the most fundamental elements of good internal controls is proper segregation of key accounting functions, such as ensuring that all authorized check signers be separate from staff persons who process and record checks.

The four local PCC bank accounts, which were held with BB&T in Grafton, West Virginia, were the Trustee Drawing Account, the Trustee Savings Account, the Commissary Account and the Security Travel/Inmate Discharge Account. Expenditures from these local accounts during our audit period totaled \$3,360,617.29 as detailed as follows:

<u>Local Account</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>7/1/05 -12/31/05</u>	<u>TOTAL</u>
Trustee Drawing Account	\$ 778,284.31	\$ 717,605.73	\$341,521.82	\$1,837,411.86
Trustee Savings Account	88,755.74	92,686.10	52,203.45	233,645.29
Commissary Account	576,856.48	488,696.78	221,878.06	1,287,431.32
Travel/Discharge Account	<u>564.41</u>	<u>820.94</u>	<u>743.47</u>	<u>2,128.82</u>
TOTALS	<u>\$1,446,464.94</u>	<u>\$1,301,814.55</u>	<u>\$616,353.80</u>	<u>\$3,360,617.29</u>

According to PCC personnel, the bank will not honor a PCC local bank account check unless the check has dual signatures. Pruntytown Correctional Center personnel further stated that the second signature on all local account checks is a PCC management employee who does not have access to the accounting records.

We recommend the PCC comply with Section B, Subsection 4, of the DOC Policy Directive 111.03.

**Spending Unit's Response**

*As of 30 June 2006, the Trustee Drawing and Trustee Savings Account signature cards were amended to remove signature authority of the individual responsible for the*

*accounting records. The Travel/Discharge account responsibilities have been moved to another staff person not having signature authority. A Request to Close an Outside Bank Account Form will be completed and filed with the West Virginia State Treasurer's Office to close the Commissary account.*

### **Inmate Phone Calls**

During our review of PCC policies and procedures, we found it was PCC's policy to allow inmates the use of business phones located at the housing units for personal calls. Inmates, in turn, were required to reimburse PCC for the cost of the call at the rate of \$0.25 per minute (with a five minute minimum), unless it was an emergency situation, such as a death in the family, in which case the inmate would not be charged for the call. Phone vouchers were filled out in most cases and forwarded to the Business Office so that the inmate's account could be debited. During our audit period, there was \$1,465.24 reimbursed to the General Revenue Account (0450-543) for inmate phone voucher calls. No calls placed on PCC's business lines by inmates were recorded.

Title 90, Series 5 of the DOC Legislative Rule, states in part:

“. . . 3.2.1. An automated digital recording device, similar in concept and design to those used on "911 emergency systems", shall be installed in a secure, limited access location, and connected to all inmate telephone lines."

"3.2.2. All inmate telephone calls shall be automatically recorded...."

The DOC has a contract with Global Tel Link (GTL) (formally AT&T) for an inmate phone system, which allows inmates to make collect telephone calls. Global Tel Link also provides for the recording of all inmate phones calls made on the phone system. According to the contract, there are 27 inmate phones at Pruntytown and the inmate rule-book states that the inmate phones may be used from 6:00am to 12:00 midnight on weekdays and until 1:00 am on the weekends. Global Tel Link also pays Pruntytown a commission of 46% of gross billable revenues

from the inmate phone system which is deposited in the Inmate Benefit Fund Account (6379). During our audit period, \$246,251.73 in revenue from these phone commissions was deposited in the IBF Account.

In addition, the contract with GTL stipulates GTL is in a position to offer, at the bequest of individual DOC facilities, a “debit” phone system (similar to that which PCC is running on its own). The GTL debit phone system would have the ability, unlike PCC business phones, to record and monitor inmate phone calls.

Since there are no recording devices on PCC business lines, when inmates use the PCC business phones inmate conversations are not recorded as required by Legislative Rule. Therefore, PCC does not have the ability to monitor inmate conversations for investigative purposes when inmates place calls by PCC business phones. Further, as stated earlier, profits from the inmate phone system are deposited in the IBF Account. When inmates use PCC business phones rather than the inmate phone system, the IBF Account is deprived of additional revenue. Additionally, the amount charged inmates for use of business phones are based on estimated cost, actual cost for the calls may differ significantly. Finally, the collection of and accounting for phone voucher receipts creates unnecessary internal control issues, since PCC has an existing inmate phone system designed specifically to handle these calls.

After our inquiries with management concerning the use of business phones by inmates, PCC discontinued the practice of allowing inmates to use business phones.

We recommend the PCC comply with Title 90, Series 5 of the DOC Legislative Rule.

### Spending Unit's Response

*Operational Procedure #5.04-1 Inmate Telephone Communications (copy attached) was issued with an effective date of 31 March 2006 prohibiting inmates to place telephone calls on institution telephones. Provisions were made in this Operational Procedure for bona fide emergencies.*

### Inmate Payroll

Pruntytown Correctional Center requires all eligible and able inmates to have work assignments while they are incarcerated at the institution. There are two major categories of inmate jobs: (1) On-Grounds: Jobs in which inmates work within the confines of the institutions; and (2) Off-Grounds: Jobs in which the inmates work outside the confines of the institution for a not-for-profit agency or organization, such as the West Virginia Department of Highways.

Section V - N - 2 of DOC Policy Directive number 500.00 states in part:

“. . . b. No inmate work over forty (40) hours during a scheduled workweek shall be authorized **without the prior approval** of the Shift/Watch Commander and/or Division Chief. . . .” (**Emphasis added**)

During our audit of PCC, we identified inmates who worked in excess of 40 hours during a workweek without documented prior approval. Due to limitations in inmate pay documentation, as explained later, we were unable to determine each hour an inmate may have worked in excess of 40 hours in a workweek. However, we were able to determine from the inmate payroll documentation total hours worked in any given month by each inmate. Using this information, we identified 25 off-grounds inmate employees that worked 636 hours and were paid \$954.00 for unauthorized hours worked in excess of 40 hours in a workweek. It is probable there were additional hours in our sample that exceeded 40 hours in a workweek; however, due to the method used in documenting inmate work hours, we were unable to identify these additional

hours. Pruntytown Correctional Center was unable to provide any prior authorizations approving any hours worked by inmates in excess of 40 hours in a workweek for our audit period. Division of Corrections personnel stated verbal approval was probably obtained if an inmate worked over 40 hours in one workweek.

Chapter 25, Article 1, Section 3 of the West Virginia Code states in part:

“(a). . .The warden or administrator of each institution shall receive and take charge of the money and personal property, as defined by policy, of all inmates in his or her institution and all money or personal property, as defined by policy, sent to the inmates or earned by the inmates as compensation for work performed...**The warden or administrator shall credit the money and earnings to the inmate entitled to it and shall keep an accurate account of all the money and personal property so received**, which account is subject to examination by the state commissioner of corrections. . .” **(Emphasis Added)**

During our test of inmate pay, we were told by the PCC Business Manager that timesheets were not kept for inmates working on PCC grounds prior to the arrival of their previous Job Coordinator in December 2004. In addition, inmate “timesheets” prepared subsequent to this date do not display the hours worked by inmates; rather, a checkmark is used to indicate that the inmate worked on a given day. As a result, we were unable to audit inmate pay since the timesheets did not indicate the hours worked each day. The total amount paid to inmates from the PCC General Revenue Account (0450-543) for our sample of three months work for on-grounds workers totaled \$27,439.00. Assuming this amount is representative to the total earnings during our audit period on-grounds pay for the period of July 1, 2003 through December 31, 2005 totaled approximately \$274,000.00.

The employment contract used for on-grounds inmate workers stipulates that inmates will be paid on a monthly basis for work performed during the previous month, notwithstanding excess pay required for work performed in excess of 40 hours in a scheduled

workweek. We were informed that prior to December 2004, an inmate employee's supervisor would verbally inform those preparing inmate payroll if an inmate employee was absent from work so that the inmate's pay could be prorated accordingly. Pruntytown Correctional Center's Business Manager told us that due to the lack of documentation supporting inmate hours worked there would be no way to know whether an inmate was paid a full month's pay for a month in which the inmate did not work every scheduled workday. Since no record of inmate time or attendance was prepared prior to about December 2004 and subsequent records do not indicate the hours worked by inmates, we are unable to determine whether inmates received the correct pay for our test sample.

Lastly, we discovered \$456.00 was incorrectly deposited into the IBF Account (6379) instead of the PCC General Revenue Account (0450-543). All inmate payroll is initially paid from this aforementioned PCC general revenue account and the employers of off-grounds inmate workers are subsequently invoiced and the payments received are treated as a reimbursement to this general revenue account. The City of Bridgeport, which occasionally uses inmate workers and reimburses PCC for the wages of these workers, remitted \$456.00 for payment of inmate work for the months of June and July 2005. When the payment was processed by PCC on September 1, 2005, the Bridgeport check was erroneously deposited into the IBF Account. The PCC Business Manager and an accounting technician discovered this error and documented the circumstances surrounding this error prior to the beginning of our audit. However, the error was not corrected until June 2006, after we discussed the incident with the Business Manager.

We recommend the PCC comply with Chapter 25, Article 1, Section 3 (a) West Virginia Code, and Section V. - N. - 2. - b. the DOC Policy Directive Number 500.00.

### Spending Unit's Response

*Procedures have been put in place requiring off grounds supervisors to obtain prior approval before working any hours other than those regularly scheduled, including weekends and holidays. Once this approval is given, it is documented in writing and retained in the payroll file. Hours in excess of 40 are not routinely scheduled for on grounds workers.*

### Staff Purchases of Commissary Goods

Article 10, Section 6, of the West Virginia Constitution states in part:

**"The credit of the state shall not be granted to, or in aid of any county, city township, corporation or person . . ."** (Emphasis Added)

We believe PCC violated the above mentioned section of the State Constitution by extending credit to employees for purchases made at the inmate commissary. Employee commissary purchases and accounts receivables were maintained in a *QuickBooks* accounting program. At the conclusion of each month, the PCC Business Office printed and issued statements to employees with outstanding commissary balances. These statements displayed amounts owed by employees for the month, as well as, any previous outstanding balances they may have owed.

During our audit period, PCC billed employees for \$11,504.67 in Commissary charges and received payments totaling \$11,493.77. At the beginning of our audit period on July 1, 2005, PCC had an outstanding receivables balance of \$498.57 for staff commissary purchases. At the conclusion of our audit period on December 31, 2005, PCC had an outstanding balance of \$509.47.

We randomly selected 50 Staff Commissary receipts for testing and found nine of these receipts could not be verified as paid due to lack of supporting documentation. The average

time between the statement issue date and payment date for the 41 remaining receipts was approximately 23 business days. By extending credit, PCC runs the risk of employees terminating employment and leaving their commissary accounts unpaid.

Pruntytown Correctional Center policy permitted staff members to purchase goods from the Inmate Commissary on credit. The PCC Business Manager agreed that extending credit to employees was not an ideal situation; however, she was of the opinion that collection of cash at the point-of-sale in the commissary would lead to even greater accounting and security problems.

We recommend the PCC comply with Article 10, Section 6 of the Constitution of West Virginia.

#### **Spending Unit's Response**

*Staff purchases in the commissary were stopped with the privatization of the commissary in June 2006. Currently \$5.61 owed by a former employee is all that remains uncollected. Attempts will continue to be made to collect that.*

#### **Late Deposit of Receipts**

During our audit of PCC, we noted that checks and cash received by the PCC Business Office for employee and visitor purchases of PCC Cafeteria meal tickets, and staff payments for staff commissary purchases made on credit, were not deposited within 24 hours of receipt as required by State law. For our test sample of cafeteria meal tickets and staff commissary payments, we determined receipts were held an average of 14 and 12 business days, respectively, before they were deposited. Staff meal ticket purchases totaled \$16,654.01 and accounts receivable payments for staff commissary sales totaled \$11,098.29 during our audit period. When moneys are not deposited timely, there is a greater risk they may be misplaced or stolen.

Our test sample of meal ticket receipts totaled \$4,392.60 for our audit period. We were unable to test receipts prior to July 1, 2004 due to the spending unit's failure to maintain adequate records of the meal tickets sold and moneys received for payment. For the 158 receipts totaling \$1,644.06 we were able to test, we determined there were 146 receipts (92%) totaling \$1,516.86 that were deposited in excess of 24 hours after receipt. These moneys were deposited anywhere from two to 16 business days after receipt, with an average time held before deposit of 14 business days.

Our sample of PCC staff commissary receipts included 50 payments made on accounts for staff commissary purchases. Due to inadequate documentation, we were unable to determine how long nine of these receipts were held before they were deposited. For the remaining 41 receipts totaling \$669.42, we determined 39 receipts (95%) were deposited in excess of 24 hours after they were received. These receipts were deposited anywhere from 2 to 23 business days after they were received with an average time held before deposit of 12 business days.

According to the secretary who receives these payments, meal ticket and staff commissary payments are collected throughout the course of any given month and are maintained in a safe located in PCC's Administration Building II until they are deposited at the conclusion of each month. Meal ticket receipts are deposited into the PCC General Revenue Account (0450-543) and staff commissary payments are deposited into the commissary local bank account.

Additionally, we tested four inmate rent reimbursements totaling \$27,758.57. Three of these deposits totaling \$19,264.94 were held an average of three business days until they were deposited into the PCC General Revenue Account (0450-543). There was one travel reimbursement, totaling \$100.00 that was held three business days until it was deposited into the General Revenue Account. There also were three reimbursements to the General Revenue

Account from the trustee accounts for inmate phone and postage vouchers. These vouchers totaled \$809.86 and they were held an average of three business days until they were deposited. Finally, two IBF receipts totaling \$382.51 were held an average of three business days before they were deposited. Supporting documents for ten of 12 IBF receipts totaling \$9,934.01 were not date stamped, therefore, we were unable to determine how long the receipts were held until they were deposited.

Chapter 12, Article 2, Section 2 of the West Virginia Code, as amended, states in part:

“ . . . All officials and employees of the state authorized by statute to accept moneys due the state of West Virginia...**shall deposit within twenty-four hours with the state treasurer all moneys received or collected** by them for or on behalf of the state for any purpose whatsoever.” **(Emphasis Added)**

According to the Office Assistant responsible for collecting and preparing deposits for miscellaneous receipts, moneys collected for staff meal ticket sales and staff commissary payments on accounts receivable are deposited at the conclusion of each month. The Office Assistant added that other miscellaneous receipts are generally deposited shortly after collection, however, they are not necessarily deposited on the day of or the business day after collection. Good internal control practice dictates that receipts should be deposited as soon as practical in order to minimize the possibility of loss or theft.

We recommend the PCC comply with Chapter 12, Article 2, Section 2 of the West Virginia Code, as amended.

**Spending Unit's Response**

***Pruntytown Correctional Center will deposit all receipts within twenty-four hours or as soon as practical to minimize the possibility of loss or theft.***

## Management Oversight of State Purchasing Cards

Section 7.2 of the State Purchasing Card Program Policies and Procedures, states in part:

“..Each cardholder is required to maintain a log sheet...containing the date, vendor name, and an item description, as well as the appropriate object code for each expenditure...**Log sheets** can be computerized or manual and **must be signed by both the cardholder and the agency coordinator to indicate that all entries have been reconciled and are legitimate . . .**” (Emphasis Added)

For our test of PCC's purchasing card transactions, we randomly selected 50 purchasing card disbursements totaling \$17,457.66 and, using professional judgement, we selected an additional three purchasing card disbursements totaling \$2,004.40. For 21 (40%) of these disbursements totaling \$8,807.84, the PCC log sheets had not been signed by the agency purchasing card coordinator as required by the applicable policy quoted above. Therefore, we were unable to assure ourselves that these transactions had received the proper management review in order to minimize fraudulent, improper or abusive purchasing card transactions. Assuming our sample is representative of the population, approximately 1,100 transactions totaling approximately \$450,000 had not been reconciled and reviewed by the PCC P-card Coordinator during our audit period. According to the PCC Business Manager, who functions as PCC's Purchasing Card Coordinator, other management duties have prevented her from timely reviewing some of the log sheets.

Section 3.4 of the Purchasing Division's State Purchasing Card Program Policies and Procedures, states in part:

3.4 “. . . Card delegation is prohibited . . . Card delegation includes allowing an individual other than the cardholder to:

Have **physical possession of the card** to make payments to point of sale vendors.

**Have access to the card number and expiration date** to make payments via telephone, internet, or in person.

Have access to receipts or invoices that display the card number and expiration date. . . .” (**Emphasis Added**)

We noted one instance where a PCC employee used another employee's purchasing card to buy items costing \$65.43 from Appalachian Tire Company. This employee signed the vendor receipt when the purchase was made. According to PCC Business Office employees, an employee that has not been assigned a purchasing card is sometimes permitted to use another employee's card when procuring items or services for PCC. We were told this form of delegation occasionally occurs when it is not practical for a cardholder to make a purchase at the time an item or service is needed. The Business Manager said she was aware that card delegation should not occur and will take steps to remedy the practice.

We recommend the PCC comply with Sections 7.2 and 3.4 of the State Purchasing Card Program Policies and Procedures.

### **Spending Unit's Response**

***State Purchasing Card Program Polices and Procedures will be complied with to include preventing card delegation and reviewing Log sheets timely.***

### **Annual and Sick Leave**

For our test of annual and sick leave, we requested PCC provide us with leave request forms (DOP-L1s) indicating that paid leave received by these employees had been properly requested and approved. For the 21 PCC employees in our sample, PCC was unable to provide leave requests forms documenting 373.00 hours of annual leave and 275.25 hours of sick leave paid to 11 of these employees. As a result, we were unable to verify if the leave had been

properly requested and approved by PCC management. Another 39.5 hours of annual leave and 33.5 hours of sick leave taken by three employees in our sample was properly requested on DOP-L1s; however, the forms failed to contain the required supervisory approval signatures.

Section V, of the DOC Policy Directive 129.08 states in part:

“ . . . C. . . . 1. Supervisors shall approve/disapprove leave within four (4) calendar days, with a copy returned to the requesting employee.

2. A **record shall be maintained** to include all approved/disapproved leave. . . .” (**Emphasis Added**)

We were told by the Business Manager that the missing leave request forms may have been misfiled. The Business Manager also said that most of the leave request forms that were not approved were primarily for employees that worked under her supervision. She added that the reason she failed to sign the forms was likely because she was distracted by other management responsibilities.

We recommend the PCC comply with Section V of the DOC Policy Directive 129.08.

**Spending Unit's Response**

*Pruntytown Correctional Center issued Operational Procedure #1.29-8 PCC Employee Leave/Absences (copy attached) effective 31 March 2006. In addition payroll staff have been instructed to ensure all leave is properly approved and due care is used when filing leave slips.*

## INDEPENDENT AUDITORS' OPINION

The Joint Committee on Government and Finance:

We have audited the statement of appropriations/cash receipts, expenditures/disbursements and changes in fund balances of the Pruntytown Correctional Center for the period of July 1, 2005 through December 31, 2005 and for the years ending June 30, 2005 and June 30, 2004. The financial statement is the responsibility of the management of the Pruntytown Correctional Center. Our responsibility is to express an opinion on the financial statement based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to obtain sufficient audit evidence in order to satisfy ourselves that inmate trustee receipts and disbursements were properly recorded in the inmate trustee subsidiary ledgers. Specifically, certain accounting system limitations precluded our ability to access subsidiary ledger activity for all inmates for the period of July 1, 2003 through November 30, 2003. According to local bank account records, receipts totaling \$199,795.57 and disbursements totaling \$339,640.83 were processed during the period of July 1, 2003 through November 30, 2003. In addition, we were unable to trace some other receipts and disbursements to the subsidiary ledgers of 43 inmates for the period of December 1, 2003 through December 31, 2005. Also, adjusting entries posted to the trustee account general ledgers totaling \$3,889.94 could not be explained to us.

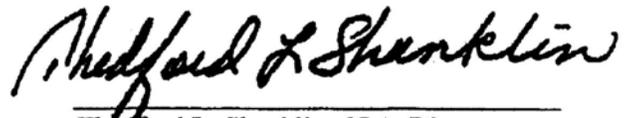
As described in Note A, the financial statement was prepared on the cash and modified cash bases of accounting, which is a comprehensive basis of accounting other than general accepted accounting principles accepted in the United States of America.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine certain evidence regarding entries recorded in trustee account subsidiary ledgers and supporting documentation related to adjusting entries made in the trustee account general ledgers, the financial statement referred to in the first paragraph above presents fairly, in all material respects, the appropriations and expenditures and revenues collected and expenses paid of the Pruntytown Correctional Center for the period of July 1, 2005 through

December 31, 2005 and for the years ending June 30, 2005 and June 30, 2004, on the basis of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement taken as a whole. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information has been subjected to auditing procedures applied in the audit of the basic financial statement and, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine certain evidence regarding entries recorded in trustee account subsidiary ledgers and supporting documentation relating to adjusting entries made in the trustee account general ledgers, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Respectfully submitted,



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Theoford L. Shanklin, CPA, Director  
Legislative Post Audit Division

June 9, 2006

Auditors: Michael A. House, CPA, Audit Manager  
Timothy C. Butler, CPA, Audit Manager  
Stanley D. Lynch, CPA, Auditor-in-Charge  
Debra R. Burkhardt  
Derek A. O'Neal  
Londa M. Sabatino

**PRUNTYTOWN CORRECTION CENTER  
STATEMENT OF APPROPRIATIONS/CASH RECEIPTS,  
EXPENDITURES/DISBURSEMENTS AND CHANGES IN FUND BALANCE**

**JULY 1, 2005 THROUGH DECEMBER 31, 2005**

	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Trust Accounts - Unaudited</u>	<u>Combined Totals</u>
Appropriation/ Cash Receipts:				
Appropriations	\$5,969,952.00	\$ 0.00	\$ 0.00	\$ 5,969,952.00
Other Collections, Fees, Licenses and Income	0.00	60,540.74	0.00	60,540.74
Staff Commissary Sales	0.00	2,191.22	0.00	2,191.22
Repayment of Lankin Correctional Center Commissary Loan	0.00	0.00	0.00	0.00
Transfers from General Revenue Account (0450-543) - Travel Advances	0.00	1,800.00	0.00	1,800.00
Inmate Payroll	0.00	0.00	203,530.31	203,530.31
Non-Payroll Trustee Receipts	0.00	0.00	191,957.30	191,957.30
Interest Earnings	0.00	0.00	17.26	17.26
Miscellaneous Receipts	0.00	272.01	0.00	272.01
	<u>5,969,952.00</u>	<u>64,803.97</u>	<u>395,504.87</u>	<u>6,430,260.84</u>
Expenditures/Disbursements:				
Personal Services	1,507,145.55	2,147.49	0.00	1,509,293.04
Employee Benefits	676,403.45	0.00	0.00	676,403.45
Current Expenses	378,281.17	30,724.95	0.00	409,006.12
Repairs and Alterations	50,816.46	4,832.27	0.00	55,648.73
Assets	17,253.25	806.84	0.00	18,060.09
Medical Service Payments	338.00	0.00	0.00	338.00
Commissary Cost of Goods Sold	0.00	191,598.50	0.00	191,598.50
Commissary Operating Expense	0.00	1,603.56	0.00	1,603.56
Transfers to Gen Revenue (0450-543)- Advance	0.00	1,552.81	0.00	1,552.81
Inmate Withdrawals and Payments	0.00	0.00	83,113.85	83,113.85
Trustee Fund Transfers to Other Correctional Institutions	0.00	0.00	45,560.11	45,560.11
Consumer Sales Tax Remittance	0.00	149.71	13,122.71	13,272.42
Miscellaneous	0.00	1,254.01	374.00	1,628.01
	<u>2,630,237.88</u>	<u>234,670.14</u>	<u>142,170.67</u>	<u>3,007,078.69</u>
Appropriations/Cash Receipts Over/(Under) Expenditures/Disbursements	3,339,714.12	(169,866.17)	253,334.20	3,423,182.15
Expirations and Expenditures After June 30	0.00	0.00	0.00	0.00
Beginning Balance	0.00	117,685.97	79,842.24	197,528.21
Transfers to General Revenue Account (0450-543)	66,746.73	(17,778.89)	(48,967.84)	(0.00)
Transfers to Inmate Benefit Fund Account (6379)	0.00	225,386.12	(225,386.12)	0.00
Transfers to Treasurer's Office Abandoned Property Account (0575)	0.00	0.00	(3,612.61)	(3,612.61)
Ending Balance	<u>\$3,406,460.85</u>	<u>\$155,427.03</u>	<u>\$ 55,209.87</u>	<u>\$3,617,097.75</u>

*See Notes to Financial Statement*

<u>YEAR ENDED JUNE 30, 2005</u>				<u>YEAR ENDED JUNE 30, 2004</u>			
<u>General Revenue</u>	<u>Special Revenue</u>	<u>Trust Accounts- Unaudited</u>	<u>Combined Totals</u>	<u>General Revenue</u>	<u>Special Revenue</u>	<u>Trust Accounts- Unaudited</u>	<u>Combined Totals</u>
\$5,807,088.00	\$0.00	\$0.00	\$5,807,088.00	\$5,651,370.00	\$0.00	\$0.00	\$5,651,370.00
0.00	109,544.93	0.00	109,544.93	0.00	137,870.87	0.00	137,870.87
0.00	5,188.11	0.00	5,188.11	0.00	3,718.96	0.00	3,718.96
0.00	0.00	0.00	0.00	0.00	10,000.00	0.00	10,000.00
0.00	3,600.00	0.00	3,600.00	0.00	5,700.00	0.00	5,700.00
0.00	0.00	391,790.16	391,790.16	0.00	0.00	431,231.81	431,231.81
0.00	0.00	406,236.08	406,236.08	0.00	0.00	432,220.07	432,220.07
0.00	0.00	87.59	87.59	0.00	0.00	116.85	116.85
0.00	<u>1,453.33</u>	<u>0.00</u>	<u>1,453.33</u>	<u>0.00</u>	<u>1,144.38</u>	<u>0.00</u>	<u>1,144.38</u>
<u>5,807,088.00</u>	<u>119,786.37</u>	<u>798,113.83</u>	<u>6,724,988.20</u>	<u>5,651,370.00</u>	<u>158,434.21</u>	<u>863,568.73</u>	<u>6,673,372.94</u>
3,089,191.20	44,893.12	0.00	3,134,084.32	3,062,562.97	84,805.28	0.00	3,147,368.25
1,352,348.87	0.00	0.00	1,352,348.87	1,345,106.93	0.00	0.00	1,345,106.93
1,033,299.17	48,504.64	0.00	1,081,803.81	989,681.86	50,021.24	0.00	1,039,703.10
57,379.03	17,338.21	0.00	74,717.24	45,374.94	9,821.88	0.00	55,196.82
48,558.78	10,302.25	0.00	58,861.03	8,955.39	0.00	0.00	8,955.39
6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00
0.00	440,970.90	0.00	440,970.90	0.00	490,582.78	0.00	490,582.78
0.00	1,715.01	0.00	1,715.01	0.00	2,786.79	0.00	2,786.79
0.00	3,091.27	0.00	3,091.27	0.00	4,845.08	0.00	4,845.08
0.00	0.00	154,695.79	154,695.79	0.00	0.00	146,325.79	146,325.79
0.00	0.00	90,923.55	90,923.55	0.00	0.00	67,743.12	67,743.12
0.00	301.57	17,947.76	18,249.33	0.00	235.27	0.00	235.27
0.00	<u>2,523.41</u>	<u>1,895.25</u>	<u>4,418.66</u>	<u>0.00</u>	<u>1,647.38</u>	<u>5,271.52</u>	<u>6,918.90</u>
<u>5,586,777.05</u>	<u>569,640.38</u>	<u>265,462.35</u>	<u>6,421,879.78</u>	<u>5,451,682.09</u>	<u>644,745.70</u>	<u>219,340.43</u>	<u>6,315,768.22</u>
220,310.95	(449,854.01)	532,651.48	303,108.42	199,687.91	(486,311.49)	644,228.30	357,604.72
(341,286.52)	0.00	0.00	(341,286.52)	(328,472.39)	0.00	0.00	(328,472.39)
0.00	112,061.74	123,979.82	236,041.56	0.00	141,603.20	64,658.71	206,261.91
120,975.57	(34,492.80)	(86,482.77)	0.00	128,784.48	(36,828.27)	(91,956.21)	0.00
0.00	489,971.04	(489,971.04)	0.00	0.00	492,462.45	(492,462.45)	0.00
0.00	0.00	(335.25)	(335.25)	0.00	0.00	(488.53)	(488.53)
<u>\$ 0.00</u>	<u>\$117,685.97</u>	<u>\$ 79,842.24</u>	<u>\$ 197,528.21</u>	<u>\$ 0.00</u>	<u>\$110,925.89</u>	<u>\$123,979.82</u>	<u>\$ 234,905.71</u>

**PRUNTYTOWN CORRECTIONAL CENTER**

**NOTES TO FINANCIAL STATEMENT**

**Note A - Accounting Policy**

Accounting Method: The modified cash basis of accounting is followed for the General Revenue Fund. The major modification from the cash basis is that a 31-day carry-over period is provided at the each of each fiscal year for the payment of obligations incurred in that year. All balances of the General Revenue Fund appropriations for each fiscal year expire on the last day of such fiscal year and revert to the unappropriated surplus of the fund from which the appropriations were made, except that expenditures encumbered prior to the end of the fiscal year may be paid up to 31 days after the fiscal year-end; however, appropriations for buildings and land remain in effect until three years after the passage of the act by which such appropriations were made. The cash basis of accounting is followed for other funds. Therefore, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statement is not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

Expenditures paid after June 30, in the carry-over period and expirations were as follows:

	<u>Expenditures Paid</u>		<u>Expiration</u>	
	<u>After June 30,</u>		<u>July 31,</u>	<u>July 31,</u>
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General Revenue Fund:				
Pruntytown Correctional Center	<u>\$324,534.37</u>	<u>\$340,578.78</u>	<u>\$3,938.02</u>	<u>\$707.74</u>

Combined Totals: The combined totals contain the totals of similar accounts of the various funds. Since the cash receipts of certain funds are restricted by various laws, rules, and regulations, the totaling of the accounts is for memorandum purposes only and does not indicate that the combined totals are available in any manner other than that provided by such laws, rules and regulations.

**Note B - Pension Plan**

All eligible employees are members of the West Virginia Public Employees' Retirement System. Employees' contributions are four and one-half percent of the annual compensation and employees have vested rights under certain circumstances. Pruntytown Correctional Center matches contributions at 9.5% of the compensation on which the employees made contributions.

Pruntytown Correctional Center pension expenditures were as follows:

	<u>July 1, 2005 - December 31, 2005</u>	<u>Year Ended June 30,</u>	
		<u>2005</u>	<u>2004</u>
General Revenue	<u>\$153,953.25</u>	<u>\$329,175.16</u>	<u>\$327,871.42</u>

**Note C - Intra-Account Transfers**

The following intra-account transactions have been eliminated:

	<u>July 1, 2005 - December 31, 2005</u>	<u>Year Ended June 30,</u>	
		<u>2005</u>	<u>2004</u>
Special Revenue	\$10,000.00	\$10,000.00	\$ 46,422.91
Trust Funds	<u>26,198.48</u>	<u>54,858.44</u>	<u>63,280.96</u>
	<u>\$36,198.48</u>	<u>\$64,858.44</u>	<u>\$109,703.87</u>

**SUPPLEMENTAL INFORMATION**

**PRUNTYTOWN CORRECTIONAL CENTER**  
**STATEMENT OF APPROPRIATIONS AND EXPENDITURES**  
**GENERAL REVENUE**

<u>State of West Virginia Division of Corrections - Pruntytown Account – Account Number 0450-543</u>	<b>July 1 - December 31, <u>2005</u></b>	<b><u>Year Ended June 30,</u> <u>2005</u>                      <u>2004</u></b>	
Appropriations	\$5,969,952.00	\$5,807,088.00	\$5,651,370.00
Expenditures:			
Personal Services	1,489,366.66	3,171,196.03	3,156,534.07
Employee Benefits	676,403.45	1,395,735.94	1,394,494.24
Current Expenses	329,313.33	1,086,165.77	1,007,019.78
Repairs and Alterations	50,816.46	76,256.98	61,170.13
Assets	17,253.25	60,763.83	28,213.76
Medical Service Payments	<u>338.00</u>	<u>16,261.71</u>	<u>0.00</u>
	<u>2,563,491.15</u>	<u>5,806,380.26</u>	<u>5,647,431.98</u>
	3,406,460.85	707.74	3,938.02
Transmittals Paid After June 30	<u>0.00</u>	<u>340,578.78</u>	<u>324,534.37</u>
Balance	<u>\$3,406,460.85</u>	<u>\$ 341,286.52</u>	<u>\$ 328,472.39</u>

**PRUNTYTOWN CORRECTIONAL CENTER**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS**  
**AND CHANGES IN CASH BALANCE**  
**SPECIAL REVENUE**

<b>Pruntytown Inmate Benefit Fund - <u>Account Number 6379-099</u></b>	<b>July 1 – December 31, <u>2005</u></b>	<b>Year Ended June 30, <u>2005</u>      <u>2004</u></b>	
Cash Receipts:			
Other Collections, Fees, Licenses and Income	\$70,570.74	\$119,544.93	\$177,895.12
Disbursements:			
Personal Services	2,147.49	44,893.12	78382.37
Current Expenses	30,724.95	48,504.64	50021.24
Repairs and Alterations	4,832.27	17,338.21	9821.88
Assets	<u>806.84</u>	<u>10,302.25</u>	<u>0.00</u>
	<u>38,511.55</u>	<u>121,038.22</u>	<u>138,225.49</u>
Cash Receipts Over/(Under) Disbursements	32,059.19	(1493.29)	39669.63
Beginning Balance	<u>60,143.09</u>	<u>61,636.38</u>	<u>21,966.75</u>
Ending Balance	<u>\$92,202.28</u>	<u>\$ 60,143.09</u>	<u>\$ 61,636.38</u>

**PRUNTYTOWN CORRECTIONAL CENTER**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS**

**AND CHANGES IN CASH BALANCE**

**SPECIAL REVENUE**

<b>Inmate Trustee Savings Account - <u>Account Number 6379-099</u></b>	<b>July 1 - December 31, <u>2005</u></b>	<b>Year Ended June 30, <u>2005</u></b>	<b><u>2004</u></b>
Cash Receipts:			
Transfers from the Inmate Trustee			
Drawing Account	\$23,685.08	\$52,407.24	\$57,917.24
Mail Receipts, Intake Receipts and Inmate Sales	18,158.66	33,662.11	38,881.27
Interest	<u>17.26</u>		<u>56.03</u>
	41,861.00	86,123.68	96,854.54
Disbursements:			
Inmate Withdrawals	30,153.26	46,988.65	53,821.29
Transfers to Other Institutions	19,536.79	43,246.25	29,546.48
Transfers to Treasurer's Office Unclaimed			
Property Division	233.74	57.94	1.23
Transfers to Inmate Benefit Fund	0.00	0.00	24.25
Transfers to Trustee Drawing Account	<u>2,513.40</u>	<u>2,451.20</u>	<u>5,363.72</u>
	<u>52,437.19</u>	<u>92,744.04</u>	<u>88,756.97</u>
Cash Receipts (Under)/Over Disbursements	(10,576.19)	(6,620.36)	8,097.57
Beginning Balance	<u>45,078.86</u>	<u>51,699.22</u>	<u>43,601.65</u>
Ending Balance	<u>\$34,502.67</u>	<u>\$45,078.86</u>	<u>\$51,699.22</u>

**PRUNTYTOWN CORRECTIONAL CENTER**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS**

**AND CHANGES IN CASH BALANCE**

**LOCAL ACCOUNT**

**UNAUDITED**

	<b>July 1 – December 31, <u>2005</u></b>	<b>Year Ended June 30, <u>2005</u></b>	<b><u>2004</u></b>
<b>Inmate Trustee Drawing Account - <u>BB&amp;T Account Number -5271844079</u></b>			
Cash Receipts:			
Inmate Payroll	\$203,530.31	\$391,790.16	\$431,231.81
Transfers from the Inmate Trustee	2,513.40	2,451.20	5,363.72
Mail Receipts, Intake Receipts and Inmate Sales	173,798.64	372,573.97	393,338.80
Interest		<u>33.26</u>	<u>60.82</u>
	379,842.35	766,848.59	829,995.15
Disbursements:			
Commissary	225,356.12	489,971.04	492,438.20
Inmate Withdrawals/Payments	52,960.59	107,707.14	92,504.50
Transfers to General Revenue (0450-453) -	45,723.38	79,401.33	85,956.96
Transfers to General Revenue (0450-453) -	1,816.28	3,944.37	3,805.31
Transfers to General Revenue (0450-453)-	824.00	2,371.00	1,144.00
Transfers to General Revenue (0450-453) -	107.00	233.00	96.00
Transfers to General Revenue (0450-453) -	177.25	380.97	907.02
Other Transfers to General Revenue (0450-543)	319.93	152.10	46.92
Transfers to Other Correctional Institutions	26,023.32	47,677.30	38,196.64
Transfers to Trustee Savings Account	23,685.08	52,407.24	57,917.24
Consumer Sales Tax	13,122.71	17,947.76	0.00
Transfers to Unclaimed Property Division	3,378.87	277.31	487.30
Car Wash Supplies	0.00	334.46	276.73
Transfers to Life Enrichment Local Account	0.00	0.00	113.00
Transfers to Inmate Benefit Fund	30.00	0.00	0.00
Other Miscellaneous Transfers		<u>1,560.79</u>	<u>4,881.79</u>
			<u>778,771.61</u>
Cash Receipts (Under)/Over Disbursements	(14,056.18)	(37,517.22)	51,223.54
Beginning Balance			<u>21,057.06</u>
Ending Balance	<u>\$ 20,707.20</u>	\$	<u>\$ 72,280.60</u>

**PRUNTYTOWN CORRECTIONAL CENTER**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS**  
**AND CHANGES IN CASH BALANCE**  
**LOCAL ACCOUNT**

	<b>July 1- December 31, <u>2005</u></b>	<b>Year Ended June 30, <u>2005</u></b>	<b><u>2004</u></b>
<b>Inmate Travel/Discharge Account - <u>BB&amp;T Account Number 5271773414</u></b>			
Cash Receipts:			
Transfers from General Revenue Account 0450-543) -	\$1,800.00	\$3,600.00	\$5,700.00
Miscellaneous	<u>0.01</u>	<u>10.02</u>	<u>0.00</u>
	1,800.01	3,610.02	5,700.00
Disbursements:			
Inmate Transport	138.19	586.22	557.39
Inmate Discharge	0.00	0.00	41.00
Transfers to General Revenue Account (0450-543) -	652.81	1,291.27	2,186.08
Transfers to General Revenue Account (0450-543) -	900.00	1,800.00	2,659.00
Miscellaneous	<u>0.00</u>	<u>10.00</u>	<u>0.00</u>
	<u>1,691.00</u>	<u>3,687.49</u>	<u>5,443.47</u>
Cash Receipts Over/(Under) Disbursements	109.01	(77.47)	256.53
Beginning Balance	<u>743.47</u>	<u>820.94</u>	<u>564.41</u>
Ending Balance	<u>\$ 852.48</u>	<u>\$ 743.47</u>	<u>\$ 820.94</u>

**PRUNTYTOWN CORRECTIONAL CENTER**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS**  
**AND CHANGES IN CASH BALANCE**

**LOCAL ACCOUNT**

	<b>July1- December 31, <u>2005</u></b>	<b>Year Ended June 30, <u>2005</u></b>	<b><u>2004</u></b>
<b>Life Enrichment Account - <u>BB&amp;T Account Number - 5172534750</u></b>			
Cash Receipts:			
Sale of Pop Cans and Donations	\$272.00	\$557.60	\$ 976.70
Disbursements:			
Fees for Speaking Engagements	0.00	129.00	343.00
Videos/Music and Books	0.00	284.63	361.65
Transfer to Inmate Benefit Fund (6379)	368.42	0.00	0.00
Miscellaneous	<u>0.00</u>	<u>297.06</u>	<u>343.88</u>
	<u>368.42</u>	<u>710.69</u>	<u>1,048.53</u>
Cash Receipts (Under) Disbursements	(96.42)	(153.09)	(71.83)
Beginning Balance	<u>96.42</u>	<u>249.51</u>	<u>321.34</u>
Ending Balance	<u>(\$ 0.00)</u>	<u>\$ 96.42</u>	<u>\$ 249.51</u>

**PRUNTYTOWN CORRECTIONAL CENTER**  
**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS**  
**AND CHANGES IN CASH BALANCE**

**LOCAL ACCOUNT**

	<b>July- December 31, <u>2005</u></b>	<b><u>Year Ended June 30,</u></b>	
		<b><u>2005</u></b>	<b><u>2004</u></b>
<b>Commissary Local Bank Account - <u>BB&amp;T Account Number - 5271741458</u></b>			
Cash Receipts:			
Inmate Sales	\$225,356.12	\$489,971.04	\$492,438.20
Staff Sales	2,191.22	5,188.11	3,718.96
Repayment of Lakin Commissary Loan	0.00	0.00	10,000.00
Miscellaneous	<u>0.00</u>	<u>885.71</u>	<u>167.68</u>
	227,547.34	496,044.86	506,324.84
Disbursements:			
Cost of Goods Sold	191,598.50	440,970.90	490,582.78
Reimbursement to Gen Revenue (0450-543)for Commissary Officer Wages	17,778.89	34,492.80	36,828.27
Reimbursement to IBF Account (6379) for Commissary Officer Wages	0.00	0.00	6,422.91
Transfers of Commissary Profit to IBF Account (6379)	10,000.00	10,000.00	40,000.00
Commissary Operating Expense	1,603.56	1,715.01	2,786.79
Consumer Sales Tax	149.71	301.57	235.27
Miscellaneous	<u>747.40</u>	<u>1,216.50</u>	<u>0.46</u>
	<u>221,878.06</u>	<u>488,696.78</u>	<u>576,856.48</u>
Cash Receipts Over/(Under) Disbursements	5,669.28	7,348.08	(70,531.64)
Beginning Balance	<u>56,702.99</u>	<u>49,354.91</u>	<u>118,750.70</u>
Ending Balance	<u>\$ 62,372.27</u>	<u>\$ 56,702.99</u>	<u>\$ 48,219.06</u>

**PRUNTYTOWN CORRECTIONAL CENTER**

**RECONCILIATIONS**

**DECEMBER 31, 2005**

**Life Enrichment Account**

Balance per Bank and Book \$ 249.51

**Exchange Account**

Balance Per Bank \$62,396.45

Less: Outstanding Checks

Check No.	7668	24.18
	7690	1,718.78
	7691	10.00
	7692	844.75
	7693	3,500.00
	7694	175.12
	7695	1,516.88
	7696	985.00
	7697	4,165.31
	7698	542.50
	7699	232.72
	7700	1,208.81
	7701	412.61
	7702	456.92
	7703	975.00
	7704	39.40
	7705	25.88
	7706	1,279.13
	7707	260.10
	7708	17.36
	7709	904.80
	7710	1,500.94
	7711	75.88
	7712	672.60
	7713	5,094.48
	7714	5,834.76
	7715	1,071.25

**PRUNTYTOWN CORRECTIONAL CENTER**

**RECONCILIATIONS**

**DECEMBER 31, 2005**

Check No.	7716	1,295.39
	7717	428.95
	7718	1,374.41
	7719	1,656.11
	7720	5,338.15
	7721	193.70
	7722	<u>3,075.31</u>
		46,907.18
Add: Deposits in Transit		<u>469.70</u>
Balance Per Books		<u><u>\$15,958.97</u></u>
<b><u>Travel Discharge Account</u></b>		
Balance Per Bank		\$ 879.66
Less: Outstanding Checks		
Check No.	3251	5.29
	3259	4.44
	3266	2.50
	3275	5.08
	3281	2.50
	3282	4.87
	3283	<u>2.50</u>
		27.18
Balance Per Books		<u><u>\$ 852.48</u></u>

**PRUNTYTOWN CORRECTIONAL CENTER**

**RECONCILIATION**

**DECEMBER 31, 2005**

**Trustee Savings**

Balance Per Bank \$47,662.40

Less: Outstanding Checks:

Check No.	9282	0.03
	9284	0.03
	9285	0.02
	9286	0.01
	9287	0.03
	9288	0.02
	9289	0.04
	9290	0.03
	9291	0.02
	9292	0.01
	9293	0.02
	9294	0.01
	9295	0.02
	9297	0.61
	9298	0.02
	9299	0.01
	9301	0.60
	9302	7.20
	9336	0.20
	9338	0.60
	9374	2.90
	9375	0.60
	9376	0.60
	9377	1.20
	9484	0.60
	9516	0.60
	9517	0.60
	9519	0.04
	9522	0.22
	9523	1.20
	9525	0.60
	9609	11.90
	9610	0.60
	9611	5.00
	9614	5.52
	9615	28.81
	9617	0.60
	9618	1.01
	9628	0.50

**PRUNTYTOWN CORRECTIONAL CENTER**

**RECONCILIATION**

**DECEMBER 31, 2005**

	9643	14.65
	9646	7.20
	9663	0.01
	9664	1.25
	9699	85.00
	9728	0.01
	9740	0.50
	9742	1.30
	9746	1.34
	9816	3.60
	9818	<u>28.54</u>
		216.03
Add: Deposits in Transit		<u>868.26</u>
Balance Per Book		<u>\$48,314.63</u>

**PRUNTYTOWN CORRECTIONAL CENTER**

**RECONCILIATION**

**DECEMBER 31, 2005**

**Trustee Drawing Account**

Balance per Bank \$70,535.16

Less: Outstanding Checks:

Check No.	21876	37.00
	21877	15.00
	21894	5.40
	21897	6.00
	21907	43.20
	21998	7.41
	22020	6.00
	22027	6.00
	22107	4.64
	22155	6.01
	22166	0.31
	22168	6.00
	22172	5.62
	22207	13.00
	22338	15.37
	22352	16.00
	22361	8.40
	22430	10.00
	22453	0.01
	22457	5.97
	22465	0.04
	22466	13.03
	22467	0.02
	22468	0.05
	22469	0.03
	22471	0.01
	22472	0.02
	22476	0.05
	22478	0.03
	22479	0.01
	22481	0.02
	22482	0.02
	22484	0.02
	22486	0.02
	22488	0.02
	22489	0.04
	22492	0.01
	22493	0.02
	22495	24.19
	22497	0.01

**PRUNTYTOWN CORRECTIONAL CENTER**

**RECONCILIATION**

**DECEMBER 31, 2005**

22498	0.03
22502	1.04
22668	0.06
22674	1.98
22675	0.92
22678	2.04
22752	1.60
22802	15.96
22812	1.18
22813	0.34
22955	0.22
22956	142.02
22968	5.40
22973	0.15
22975	33.45
22978	5.32
22980	72.90
22982	52.15
22984	0.46
22991	1.66
22993	0.02
22994	0.02
22997	6.94
23012	15.78
23050	25.00
23079	1.33
23093	1.77
23246	86.00
23264	0.20
23300	0.89
23323	0.52
23404	0.08
23405	0.03
23406	0.12
23408	0.17
23431	10.00
23512	46.99
23523	2,147.89
23535	50.00
23536	50.00
23537	3.99
23538	16.00
23540	3.00
23544	98.55
23545	2.66

**PRUNTYTOWN CORRECTIONAL CENTER**

**RECONCILIATION**

**DECEMBER 31, 2005**

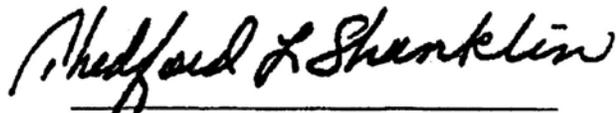
23547	18.62
23555	3.00
23563	131.16
23564	3.99
23565	22.68
23569	57.86
23591	7.00
23593	5.00
23594	18.00
23599	15.00
23608	100.00
23609	30.00
23610	110.00
23611	37.75
23612	50.00
23613	32.00
23615	<u>264.00</u>
	4,067.89
Add: Bank Deposits	<u>16,126.67</u>
Balance Per Book	<u>\$82,593.94</u>

**STATE OF WEST VIRGINIA**

**OFFICE OF THE LEGISLATIVE AUDITOR, TO WIT:**

I, Thedford L. Shanklin, CPA, Director of the Legislative Post Audit Division, do hereby certify that the report of audit appended hereto was made under my direction and supervision, under the provisions of the West Virginia Code, Chapter 4, Article 2, as amended, and that the same is a true and correct copy of said report.

Given under my hand this 16<sup>TH</sup>, day of October, 2006.

  
\_\_\_\_\_  
Thedford L. Shanklin, CPA, Director  
Legislative Post Audit Division

Copy forwarded to the Secretary of the Department of Administration to be filed as a public record. Copies forwarded to the West Virginia Department of Military Affairs and Public Safety; West Virginia Division of Corrections; Pruntytown Correctional Center; Governor; Attorney General; State Auditor; and, Director of Finance Division, Department of Administration.