

The October 2020 Arizona Department of Corrections, Rehabilitation and Reentry—Capital Projects Funding and Department Finances performance audit found that the Department spending we reviewed was consistent with statutory and other requirements, but the Department has received a small percentage of its requested capital funding and has not addressed outstanding reconciliations of inmate account and bank statement balances. We made 3 recommendations to the Department, and its status in implementing the recommendations is as follows.

Status of 3 recommendations

Implemented 3

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the Department's efforts to implement the recommendations from the October 2020 report.

Chapter 2: Although most inmate trust account (ITA) deductions we reviewed were accurate and supported, Department has not reconciled ITA and bank statement balances since November 2019, which increases the risk of incorrect ITA balances or unaccounted-for monies

1. To ensure compliance with State policy, the Department should continue to resolve its data conversion issues and complete the reconciliations for those months that have not been fully reconciled.

Implemented at 8 months

2. To ensure compliance with State policy, the Department should develop and implement a strategy and time frame to resolve the outstanding unreconciled items from previous reconciliations and resolve them in accordance with this strategy and time frame. The Department should work with ADOA, as needed, to determine how to address unreconcilable items. Going forward, the Department should ensure that it resolves anomalies, deficiencies, imbalances, and errors detected through reconciliations generally within 30 days.

Implemented at 24 months—The Department developed and implemented a strategy and time frame for resolving outstanding unreconciled items from the Department's previous reconciliations of its Inmate Trust Account and was able to investigate and resolve many of these outstanding items. The Department also hired an independent consultant to review Inmate Trust Account activity on the Department's current accounting system and, based on its review, the independent consultant determined that inmate account balances reconciled to bank balances. Based on its and the independent consultant's reviews, the Department determined that any remaining unreconciled items did not impact the cash balances on its new system and notified ADOA of its decision to not further investigate any remaining unreconciled items from its prior system. It has also continued to implement its reconciliation procedures that require all reconciling differences—such as anomalies, deficiencies, imbalances, and errors—to be resolved within 30 days after the reconciliation date.

3. To ensure compliance with State policy, the Department should retain all historical supporting documentation for each monthly reconciliation in accordance with its record retention policy.

Implemented at 8 months