

Status of Resolution of Audit Findings

December 2010

Department of Corrections (DOC)

Agency: 310

Audit Report: 1002601

Finding Number: 001

Finding: The Department does not have adequate internal controls over Voyager fuel cards to prevent or detect misappropriation of public funds.

Resolution: In July 2009, the Department transitioned to the new Comdata fuel card. In addition to limiting transactions to fuel only and "pay at the pump" only, the Department also implemented limits on single transaction amounts and the number of transactions allowable per day.

Monthly, business staff in all institutions and community corrections regions select the 15 fuel cards with the highest monthly charges, as well as 5 randomly selected fuel cards, and review all transactions and related vehicle logs to verify the charges are properly logged, vehicle usage logs are completed consistent with Department policy, and fuel card usages are consistent with the use of the state vehicle. These audits also detect other exceptions: fuel type purchase exceptions are referred to managers to remind staff that premium fuel purchases are not allowed, and transactions that show as "miscellaneous" are referred to the Department's Comdata administrators for further research and resolution.

Completed audits are submitted to Internal Audit and regional business managers for review monthly. On a yearly basis, the comptroller or designee randomly audits documentation maintained by regional business managers.

The 367 unutilized cards cited in the audit report are in active vehicles that are currently at locations with department gas pumps. However, these vehicles may need to leave the facility at any time and need gas cards attached to keys. Keys and gas cards are stored in a secure location with limited access.

Staff was reminded of the Department's fuel card policy, and business staff was trained in the review process.

In light of the facts that the Department's resources are limited and fuel charges are low dollar value items, the Department must consider the cost/benefit of additional controls. That said, the Department will ask its Internal Audit manager to consider what additional controls could be added to minimize risk.

Agency Contact: Brian Tinney
Department of Corrections
PO Box 41106
Olympia WA 98504-1106
(360) 725-8519
bmtinney@doc1.wa.gov

Status of Resolution of Audit Findings

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Department of Corrections (DOC)

Agency: 310

Audit Report: 1002601

Finding Number: 002

Finding: The Department does not have adequate controls over cash receipting in the mailrooms at the prisons to prevent or detect misappropriation.

Resolution: In response to the finding, the Department took or will take the following steps:

- Provided each employee with a unique logon to the receipting system and instructed them to follow agency policy not to share logons.
- Implemented a requirement that two staff are present at all times when mail is opened, logged, and receipted.
- Implemented a requirement that mailroom logs be signed when transferring funds from one person to another, acknowledging responsibility for the funds.
- Initiated daily reconciliations of the Trust Accounting System deposit records to the bank deposits.
- Will update cash-receipting system when funds are available. This will provide new software that can limit the ability to permanently delete a transaction. Staff will also have assigned roles with limited access, resulting in improved internal controls.

These procedures and the Department's expectations were communicated to staff.

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