



COMMISSION ON CRIMINAL AND JUVENILE JUSTICE

Management Letter
For the Period July 2005 through June 2006

Report No. 06-MAO-A1

*Keeping Utah
Financially Strong*

AUSTON G. JOHNSON, CPA
UTAH STATE AUDITOR



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REPORT NO. 06-MAO-A1

January 18, 2007

Thomas Patterson, Executive Director
Commission on Criminal and Juvenile Justice
P.O. Box 142330
Salt Lake City, Utah 84114-2330

Dear Mr. Patterson:

We have performed a statewide review of disbursements for propriety and compliance with certain State laws and purchasing policies. Disbursements from the Commission on Criminal and Juvenile Justice (CCJJ) were included in the sample selected for this review for the period July 2005 through June 2006. The procedures performed included a review of disbursements identified as having a match between employee and vendor addresses and/or identification numbers.

Our procedures were more limited than would be necessary to express an audit opinion on compliance or on the effectiveness of CCJJ's internal control or any part thereof. Accordingly, we do not express such opinions. Alternatively, we have identified the procedures we performed and the finding resulting from those procedures. Had we performed additional procedures or had we made an audit of the effectiveness of CCJJ's internal control, other matters might have come to our attention that would have been reported to you.

Our finding resulting from the above procedures is included with this report. We feel that the finding is a significant weakness to CCJJ's disbursements. If this weakness is left uncorrected, an unacceptable amount of errors or misappropriations could occur without detection.

This report is intended solely for the information and use of CCJJ and is not intended to be and should not be used by anyone other than this specified party. However, the report is a matter of public record and its distribution is not limited.

By its nature, this report focuses on exceptions, weaknesses, and problems. This focus should not be understood to mean there are not also various strengths and accomplishments. We appreciate the courtesy and assistance extended to us by the personnel of CCJJ during the course of the

engagement, and we look forward to a continuing professional relationship. If you have any questions, please call Debbie Empey, Audit Director, at 538-1342.

Sincerely,

Auston G. Johnson, CPA
Utah State Auditor

cc: David Walsh, Director of Budgets and Programs
Doug Richins, Director, DAS Division of Purchasing

COMMISSION ON CRIMINAL AND JUVENILE JUSTICE

FINDING AND RECOMMENDATION FOR THE PERIOD JULY 2005 THROUGH JUNE 2006

FAILURE TO FOLLOW STATE PROCUREMENT POLICIES AND PROCEDURES

(Significant Weakness)

Based on a statewide sample of disbursements, we found that the Commission on Criminal and Juvenile Justice (CCJJ) did not follow State procurement policies and procedures when contracting for the design of specialized software. CCJJ, which is a division of the Governor's Office, contracted with another Governor's Office employee to create software used by CCJJ subrecipients to apply for and manage CCJJ grants. According to State policy (FIACCT 04-05.00), the Division of Purchasing retains primary responsibility and control for purchases over \$5,000 and determines the appropriate competitive bid and award process. For the period July 2003 – June 2006, disbursements to the employee for the software totaled \$18,900, with \$5,740 of the total amount being paid in fiscal year 2006. This contract should have been subject to competitive bid requirements and handled by the Division of Purchasing. CCJJ underestimated the cost of this project and believed that it would not be subject to competitive bid requirements; therefore, they did not obtain bids. As a result, the contract is at higher risk for favoritism and an inflated price.

Recommendation:

We recommend that CCJJ follow State procurement policies and procedures.

CCJJ's Response:

We agree with the audit recommendation. CCJJ will ensure that State procurement policies and procedures are followed.