

GENERAL DISTRIBUTION

**WEST VIRGINIA
DIVISION OF CORRECTIONS
& REHABILITATION**

NUMBER: 121.00

DATE: 12 October 2020

SUBJECT: FINANCIAL AUDITS

POLICY DIRECTIVE

PURPOSE:

To ensure independent financial audits are conducted as required by statute or other regulations.

REFERENCE:

148CSR24 Title 148 Legislative Rule of the Department of Administration.

RESPONSIBILITY:

No additional written instructions on this subject are required.

CANCELLATION:

Any previous written instruction on the subject including DOC Policy Directive 120.00, dated 01 January 2004; DJS Policy 119.00, dated 01 January 2016; DJS Policy 120.00, dated 01 October 2007; and RJA Policy 2012, dated 15 May 1997.

APPLICABILITY:

All facilities and work units within the Division of Corrections and Rehabilitation. This Policy is available for general distribution.

DEFINITIONS:

None.

POLICY:

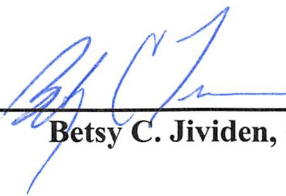
- I. The DCR shall ensure that an independent financial audit is conducted annually or as required by statute or regulation.

- A. The objective of the audit is to review financial statements for conformity with accounting principles generally accepted in the United States. The audit will examine:
 - 1. Evidence supporting the amounts and disclosures in financial statements.
 - 2. The appropriateness of accounting policies used and the reasonableness of significant accounting estimates.
 - 3. The overall presentation of the financial statements.
 - B. The audit will obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the DCR or to acts by management or employees acting on behalf of the DCR.
 - C. The DCR is responsible for making all financial records and related information available to the independent auditors and for the accuracy and completeness of that information.
 - D. A detailed report of the independent audit shall be provided to the Commissioner.
- II. Financial information shall be reported to the Financial Accounting and Reporting Section of the Finance Division within the Department of Administration in accordance with the following schedule.
- A. Drafts of financial statements are due by 15 September of each year.
 - B. The final financial statements are due by 15 October of each year.
- III. The audit section of the DCR shall be responsible for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; that applicable laws and regulations are followed; and ensuring that management and financial information is reliable and properly reported. This shall be accomplished through:
- A. On-going evaluations of all fiscal account records and fiscal affairs to minimize abuse, fraud, and waste.
 - B. Analyzing data obtained to ensure proper internal controls are in place and compliance with standard financial management and accounting procedures, as well as all established policies of the DCR and other state agencies as appropriate.
 - C. Detailed reports shall be provided to the Commissioner and the facility superintendent or other work unit director as appropriate.

ATTACHMENT(S):

None.

APPROVED SIGNATURE: _____



Betsy C. Jividen, Commissioner

9-25-20

Date