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AUDITOR GENERAL

**STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL**

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

October 11, 2005

Dora B. Schriro, Director
Arizona State Department of Corrections
1601 West Jefferson Street
Phoenix, Arizona 85007

Subject: Procedural Review Letter

Dear Ms. Schriro:

We have performed a procedural review of the Arizona Department of Corrections' internal controls in effect as of July 8, 2005. Our review consisted primarily of inquiries, observations, and selected tests of internal control policies and procedures, accounting records, and related documents. The review was more limited than would be necessary to give an opinion on internal controls. Accordingly, we do not express an opinion on internal controls or ensure that all deficiencies in internal controls are disclosed.

Specifically, we reviewed cash receipts and cash disbursements for the Activities and Recreations Fund, inmate labor, capital assets, and central office disbursements and bidding.

Our review found no significant deficiencies in internal controls that we should report to you. However, our review disclosed isolated or less significant deficiencies that we have communicated directly to your staff.

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

Should you have any questions concerning our procedural review, please let us know.

Sincerely,

Dennis L. Mattheisen, CPA
Financial Audit Director

cc: Douglas Macfarlane, Division Director of Support Services
Judith M. Kilgus, Chief Financial Officer, Financial Services Bureau