

PERFORMANCE AUDIT
OF THE

CHIPPEWA CORRECTIONAL INSTITUTIONS:
CHIPPEWA CORRECTIONAL FACILITY AND
CHIPPEWA TEMPORARY CORRECTIONAL FACILITY

DEPARTMENT OF CORRECTIONS

December 1997

EXECUTIVE DIGEST

CHIPPEWA CORRECTIONAL INSTITUTIONS

INTRODUCTION

This report, issued in December 1997, contains the results of our performance audit* of the Chippewa Correctional Institutions (CCI), Department of Corrections.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency* .

BACKGROUND

CCI, located in Kincheloe, includes the Chippewa Correctional Facility (CCF) and the Chippewa Temporary Correctional Facility (CTCF). The warden is the chief administrative officer for both facilities. The Department director appoints the warden, who is classified under the State civil service system.

The mission* of CCI is to protect society by providing a secure setting for prisoners. CCF opened in 1989 and occupies 52 acres and 13 buildings with approximately 22 acres within a secured, fenced perimeter. CCF houses approximately 1,134 minimum, medium, and close security male prisoners. CTCF opened in 1988 and occupies 28 acres and 9 pole buildings with approximately 24 acres within a secured, fenced perimeter. CTCF houses

* See glossary on page 19 for definition.

approximately 960 medium security male prisoners. The facilities are also responsible for maintaining a 22-acre regional firing range with 2 buildings.

For fiscal year 1995-96, CCI operating expenditures were approximately \$39.8 million. As of July 27, 1997, CCI had 619 employees.

**AUDIT OBJECTIVES
AND CONCLUSIONS**

Audit Objective: To assess the effectiveness of CCI's safety and security operations.

Conclusion: We concluded that CCI's safety and security operations were generally effective in preventing escapes and protecting employees and prisoners from serious injury. However, CCI could improve effectiveness related to firearms qualification, gate manifests* , and metal detector calibration (Findings 1 through 3).

Audit Objective: To assess the effectiveness and efficiency of CCI's prisoner care and maintenance operations.

Conclusion: We concluded that CCI's prisoner care and maintenance operations were generally effective and efficient. However, CCI could improve the effectiveness of fire safety inspections (Finding 4).

Audit Objective: To assess the effectiveness of CCI's fiscal controls.

Conclusion: We concluded that CCI's fiscal controls were generally effective. However, CCI could improve the effectiveness of fiscal controls related to prisoner funds (Finding 5).

* See glossary on page 19 for definition.
47-246-97

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Chippewa Correctional Institutions. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Our methodology included examination of CCI records and activities for the period October 1994 through August 1997. We conducted a preliminary survey of CCI's operations. This included discussions with various CCI staff and review of applicable Department and CCI policy directives and procedures, various committee meeting minutes, and evaluation reports to gain an understanding of CCI activities and to form a basis for selecting certain operations for audit. We analyzed safety and security, prisoner care, maintenance, and fiscal control activities for compliance with applicable policies and procedures and overall program effectiveness. We also analyzed prisoner care and maintenance operations for efficiency.

AGENCY RESPONSES

Our report contains 5 findings and 6 recommendations. The agency indicated that it agrees with all the recommendations and that it has complied with or will take steps to comply with all the recommendations.

This page intentionally left blank

Mr. Kenneth L. McGinnis, Director
Department of Corrections
Grandview Plaza
Lansing, Michigan

Dear Mr. McGinnis:

This is our report on the performance audit of the Chippewa Correctional Institutions, Department of Corrections.

This report contains our executive digest; description of agency; audit objectives, scope, and methodology and agency responses; comments, findings, recommendations, and agency preliminary responses; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

AUDITOR GENERAL

This page intentionally left blank

TABLE OF CONTENTS

CHIPPEWA CORRECTIONAL INSTITUTIONS DEPARTMENT OF CORRECTIONS

INTRODUCTION

	<u>Page</u>
Executive Digest	1
Report Letter	5
Description of Agency	8
Audit Objectives, Scope, and Methodology and Agency Responses	9

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

Safety and Security Operations	11
1. Firearms Qualification	11
2. Gate Manifests	13
3. Metal Detector Calibration	14
Prisoner Care and Maintenance Operations	15
4. Fire Safety Inspections	15
Fiscal Controls	16
5. Prisoner Funds	16

GLOSSARY

Glossary of Acronyms and Terms	19
--------------------------------	----

Description of Agency

The Chippewa Correctional Institutions (CCI), located in Kincheloe, include the Chippewa Correctional Facility (CCF) and the Chippewa Temporary Correctional Facility (CTCF). These facilities are under the jurisdiction of the Department of Corrections. The warden is the chief administrative officer for both facilities. The Department director appoints the warden, who is classified under the State civil service system. The facilities are adjacent to one another and have the same business office, personnel office, records office, school principal, and librarian.

The mission of CCI is to protect society by providing a secure setting for prisoners. CCF opened in 1989 and occupies 52 acres and 13 buildings with approximately 22 acres within a secured, fenced perimeter. CCF houses approximately 1,134 minimum, medium, and close security male prisoners. CTCF opened in 1988 and occupies 28 acres and 9 pole buildings with approximately 24 acres within a secured, fenced perimeter. CTCF houses approximately 960 medium security male prisoners. The facilities are also responsible for maintaining a 22-acre regional firing range with 2 buildings.

The facilities provide academic programs to prisoners including special education, adult basic education, and general educational development (GED) completion. Vocational trade programs include building maintenance, building trades, and building restoration. Also, a correctional industries laundry and garment factory offer work experience for CTCF prisoners.

Other programs provided by CCI include group counseling, substance abuse counseling, Alcoholics Anonymous, and individual and group psychotherapy. Leisure time activities include various types of recreational opportunities, library, hobbycrafts, the Vietnam Veterans of America organization, the Parole Awareness Committee, music groups, religious programming, and cultural organizations.

For fiscal year 1995-96, CCI operating expenditures were approximately \$39.8 million. As of July 27, 1997, CCI had 619 employees.

Audit Objectives, Scope, and Methodology and Agency Responses

Audit Objectives

Our performance audit of the Chippewa Correctional Institutions (CCI), Department of Corrections, had the following objectives:

1. To assess the effectiveness of CCI's safety and security operations.
2. To assess the effectiveness and efficiency of CCI's prisoner care and maintenance operations.
3. To assess the effectiveness of CCI's fiscal controls.

Audit Scope

Our audit scope was to examine the program and other records of the Chippewa Correctional Institutions. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

Audit Methodology

Our audit procedures were conducted during the period April through August 1997 and included examination of CCI records and activities for the period October 1994 through August 1997.

To establish our audit objectives, we conducted a preliminary survey of CCI's operations. This included discussions with various CCI staff regarding their functions and responsibilities and review of program records and Department and CCI policy directives and procedures. In addition, we reviewed CCI's goals and objectives, various committee meeting minutes, and the Commission on Accreditation for Corrections evaluation reports to gain an understanding of CCI activities and to form a basis for selecting certain operations for audit.

To assess the effectiveness of CCI's safety and security operations, we conducted tests of records related to firearms inventories, employee firearm qualifications, and searches of employees. Also, we examined records related to prisoner and cell searches. We reviewed the calibration procedures for metal detectors. On a test basis, we inventoried critical and dangerous tools. In addition, we reviewed guard towers, security cameras, alarm systems, and documentation of items taken into and out of CCI.

To assess the effectiveness and efficiency of CCI's prisoner care and maintenance operations, we conducted tests of records related to preventative maintenance programs, inventory controls, and emergency electrical back-up tests. We tested food service records and procedures related to Statewide menus, production, quality evaluations, employee meals, prisoner medical clearance, inventory rotation, and annual health inspections.

To assess the effectiveness of CCI's fiscal controls, we reviewed and tested the internal controls over the Personnel and Payroll Information System for Michigan (PPRISM), cash receipts, petty cash, and collections from prisoners. We also reviewed and tested the reconciliation of the Resident Accounting Credit Card System (RACCS) to the State's accounting system.

Agency Responses

Our report contains 5 findings and 6 recommendations. The agency indicated that it agrees with all the recommendations and that it has complied with or will take steps to comply with all the recommendations.

The agency preliminary response which follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require the Department of Corrections to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

SAFETY AND SECURITY OPERATIONS

COMMENT

Background: The Chippewa Correctional Institutions (CCI) operate under Department of Corrections policy directives and facility operating procedures. CCI is responsible for providing a safe, secure, and humane environment for staff and prisoners.

The security perimeters are fenced and patrolled by alert response vehicles. Procedures have been implemented to ensure the security of tools, keys, and firearms. CCI staff conduct periodic searches of employees and of prisoners and their cells for contraband* . Visitors entering CCI must go through a metal detector and are subject to search by CCI staff.

Audit Objective: To assess the effectiveness of CCI's safety and security operations.

Conclusion: We concluded that CCI's safety and security operations were generally effective in preventing escapes and protecting employees and prisoners from serious injury. However, CCI could improve effectiveness related to firearms qualification, gate manifests, and metal detector calibration.

FINDING

1. Firearms Qualification

Chippewa Correctional Facility (CCF) assigned custody staff* who were not qualified in the use of a firearm to positions that required such qualification.

Department policy directive 02.05.111 requires that all employees who may use a shotgun, handgun, or rifle in the performance of their duties be qualified with that firearm prior to assignment to that duty. Employees are considered qualified if they have tested as proficient in the use of the firearm in the previous year.

* See glossary on page 19 for definition.

Assignments that may require the use of firearms include officers assigned to the riot squad (shotgun), the riot squad leader position (handgun), the perimeter security vehicles (handgun and shotgun), and the guard tower and roof positions (rifle).

Our review of firearm qualification records for February through July 1997 disclosed the following number and percentage of officers who had not passed the qualification test for the use of firearm(s) required for their assigned duties:

Assigned Duty	Officers Reviewed Who Were Not Qualified	
	Number	Percentage
Riot squad member	32 of 230	14%
Riot squad leader	8 of 71	11%
Perimeter security vehicle driver	4 of 114	4%
Guard tower of roof position	5 of 74	7%

Because CCF did not always assign staff qualified to use firearms to positions that require this qualification, CCF did not have the assurance that adequate protection would exist in the event of a prison disturbance or riot.

RECOMMENDATION

We recommend that CCF assign only custody staff who are qualified in the use of a firearm to positions that require such qualification.

AGENCY PRELIMINARY RESPONSE

CCF agrees and will comply. CCF shift commanders will sign each schedule to indicate that they have checked the firearms qualifications list to ensure that only staff qualified in the use of firearms are placed on assignments requiring such qualification. The Arsenal Sergeant will ensure that updated qualification lists are provided to shift commanders in a timely fashion.

FINDING

2. Gate Manifests

CCI did not effectively prepare and monitor gate manifests to help ensure that the movement of critical and dangerous items into and out of CCI was properly controlled.

CCI's operating procedures URF 01.01.110H and KTF 04.04.110E required the preparation of gate manifests. The manifests provided for extensive documentation of the movement of items into or out of CCI.

Our review of 270 gate manifests for February through April 1997 for CCF and July 1997 for CTCF, including 147 that indicated that the items were also taken out of CCI, disclosed that much information was missing from the manifests:

Type of Information Missing	Manifests With Missing Information	
	Number	Percentage
Signature authorizing items to be taken in or out	33	12%
Date moved	12	4%
Name of person requesting movement	120	44%
Name of person transporting items	92	34%
Check to indicate that items were sent in	29	11%
Source of items	8	3%
Destination of items	14	5%
Gate officer's signature and time of inspection	123	46%
Gate used	45	17%
Name of person who brought items out	100	68%
Date taken out	20	14%
Check to indicate that items were brought out	48	33%

Failure to follow procedures could result in critical and dangerous items entering and being left inside CCI. Examples of items listed on the manifests with missing information included tools, such as screwdrivers, hacksaws, and wire cutters, and medical supplies, such as drugs and syringes. Omitting information from the

manifests would make it difficult to determine if all critical and dangerous items were appropriately accounted for within CCI.

RECOMMENDATION

We recommend that CCI effectively prepare and monitor gate manifests to help ensure that the movement of critical and dangerous items into and out of CCI is properly controlled.

AGENCY PRELIMINARY RESPONSE

CCI agrees and will comply by reminding all appropriate staff of the operational procedure requirements. CCI will also complete weekly security monitoring exercises as well as inspections of all completed gate manifests to ensure compliance.

FINDING

3. Metal Detector Calibration

CTCF did not perform a weekly calibration of its metal detector and record the calibration in the logbook.

A post order approved by the Warden for the Information Desk required the calibration of the metal detector on a weekly basis and the recording of the calibration in the logbook. At the time of our audit, CTCF had not calibrated its metal detector, which is located at the front gate, for three months.

Calibration is important because CTCF relies on the metal detector to assist in screening visitors for contraband, thereby helping to prevent its entry into the facility.

RECOMMENDATION

We recommend that CTCF perform a weekly calibration of its metal detector and record the calibration in the logbook.

AGENCY PRELIMINARY RESPONSE

CTCF agrees and has complied by performing and logging completion of weekly calibrations.

PRISONER CARE AND MAINTENANCE OPERATIONS

COMMENT

Background: CCI has procedures for prisoner care and maintenance operations which include preventative maintenance programs, periodic sanitation and housekeeping inspections, warehouse operations, and food service activities.

Audit Objective: To assess the effectiveness and efficiency of CCI's prisoner care and maintenance operations.

Conclusion: We concluded that CCI's prisoner care and maintenance operations were generally effective and efficient. However, CCI could improve the effectiveness of fire safety inspections.

FINDING

4. Fire Safety Inspections

CCI did not perform the required monthly or quarterly fire safety inspections from June 1996 to June 1997.

Policy directive 04.03.120 and the Statewide Fire Safety Operations Plan require comprehensive monthly fire safety inspections of the facilities, including the fire protection systems and equipment, by staff or by the regional fire safety inspector. Also, the plan requires that quarterly inspections be performed of all fire protection equipment.

Without inspections and coordination of fire safety activities, CCI could not be sure that the fire protection systems and equipment were in working order in the event of a major fire. We noted that CCI began performing monthly fire safety inspections in July 1997.

RECOMMENDATION

We recommend that CCI perform required monthly and quarterly fire safety inspections.

AGENCY PRELIMINARY RESPONSE

CCI agrees and has complied by appointing a staff person to perform monthly and quarterly fire safety inspections in the absence of CCI's Fire Safety Inspector.

FISCAL CONTROLS

COMMENT

Background: CCI has developed fiscal controls over various aspects of operations. These include controls over cash receipts, collections from prisoners, and payroll and other expenditures.

Audit Objective: To assess the effectiveness of CCI's fiscal controls.

Conclusion: We concluded that CCI's fiscal controls were generally effective. However, CCI could improve the effectiveness of fiscal controls related to prisoner funds.

FINDING

5. Prisoner Funds

CCI did not reconcile the Resident Accounting Credit Card System (RACCS) balances to the State's accounting system. Also, CCI did not dispose of inactive negative balances of prisoner funds held by the State that are accounted for on RACCS.

As of June 30, 1997, RACCS contained a net of \$68,000 of prisoner funds for CCI. Our review of RACCS disclosed:

- a. The daily balance of prisoner funds accounted for on RACCS did not agree with the balance recorded in the State's accounting system. During May and June 1997, the RACCS balance was more than the accounting system balance by as much as \$21,900 and less than the accounting system balance by as much as \$17,000. Although CCI had put forth extensive efforts in

attempts to reconcile, CCI had not been able to regularly reconcile the RACCS balances to the State's accounting system since the implementation of the new accounting system on October 1, 1994.

Differences between RACCS and the accounting system were generally caused by timing differences in the recording of transactions and errors in prisoner account balances. The lack of familiarity with the new accounting system resulted in more errors and made it more difficult to identify the errors.

However, based on the number and type of errors disclosed in previous attempts to reconcile, we believe that there were many small undetected errors in prisoner account balances. The lack of reconciliations has allowed an accumulation of undetected errors that makes it very difficult to reconcile. Also, the length of time without a reconciliation makes it very difficult to obtain the appropriate documentation to locate errors and to determine the appropriate corrective action.

- b. CCI did not dispose of approximately 500 RACCS negative account balances for an estimated \$33,600 that were inactive for more than two years as of May 31, 1997. These balances included \$26,100 of accounts with more than a \$100 negative balance. Policy directive 04.02.105 provides that, after two years, inactive negative prisoner balances may be written off and, if they exceed \$100, must be referred to the Department of Treasury for collection.

The large number of negative balances has accumulated because the facilities have not written off negative balances for the six-year period from 1990 to 1995 or referred balances of over \$100 for the eight-year period from 1988 to 1995. Negative balances generally occur because procedures allow prisoners to overspend their account balances for certain expenses, such as postage for legal documents, and because prisoners are assessed for parole loans and damages to State property even if the assessment exceeds their account balance.

The large number of inactive balances makes the operation of RACCS more difficult. Also, collection efforts are not made on the amounts over \$100 when these amounts are not referred to the Department of Treasury.

RECOMMENDATIONS

- (a) We recommend that CCI reconcile the RACCS balances to the State's accounting system.
- (b) We recommend that CCI dispose of inactive negative balances of prisoner funds held by the State that are accounted for on RACCS.

AGENCY PRELIMINARY RESPONSE

- (a) CCI agrees and has complied by reconciling RACCS to the Michigan Administrative Information Network (MAIN) on a daily basis.
- (b) CCI agrees and has complied by disposing of negative prisoner account balances in accordance with Department policy. Prisoner debt holders in excess of \$100 have been referred to the Department of Treasury for collection.

Glossary of Acronyms and Terms

CCF	Chippewa Correctional Facility.
CCI	Chippewa Correctional Institutions.
contraband	Property which is not allowed on a facility's grounds by State law, rule, or Department policy. For prisoners, this includes any property which they are not specifically authorized to possess, authorized property in excessive amounts, or authorized property which has been altered without permission.
CTCF	Chippewa Temporary Correctional Facility.
custody staff	Correction officers and resident unit officers.
effectiveness	Program success in achieving mission and goals.
efficiency	Achieving the most outputs and outcomes practical for the amount of resources applied or minimizing the amount of resources required to attain certain level of outputs or outcomes.
gate manifest	A record used to control materials and supplies entering and leaving the facility through various gates and to control contraband.
mission	The agency's main purpose or the reason the agency was established.

performance audit

An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.

PPRISM

Personnel and Payroll Information System for Michigan.

RACCS

Resident Accounting Credit Card System.