



Michigan  
*Office of the Auditor General*  
**REPORT SUMMARY**

*Performance Audit*

Report Number:  
471-0130-08

*Bureau of Correctional Industries*

*Department of Corrections*

Released:  
June 2009

*The Bureau of Correctional Industries (BCI), Department of Corrections (DOC), employs prisoners to produce products and provide services for sale to governmental entities and nonprofit organizations in Michigan and other states. BCI goals include providing professional growth opportunities for staff and marketable job skills to prisoners of DOC.*

***Audit Objective:***

To assess the effectiveness of BCI's efforts to efficiently provide products and services.

***Audit Conclusion:***

We concluded that BCI's efforts to efficiently provide products and services were not effective. We noted one material condition (Finding 1) and three reportable conditions (Findings 2 through 4).

***Material Condition:***

BCI needs to initiate further measures to ensure that it operates as a total self-supporting system (Finding 1).

***Reportable Conditions:***

BCI had not developed and implemented a comprehensive business plan (Finding 2).

BCI did not efficiently schedule and utilize its trucks and drivers for delivery of products and services (Finding 3).

BCI had not established comprehensive policies and procedures for setting prices and discounts for products and services (Finding 4).

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***Audit Objective:***

To assess the effectiveness of BCI's efforts to provide marketable job skills to prisoners.

***Audit Conclusion:***

We concluded that BCI's efforts to provide marketable job skills to prisoners were moderately effective. We noted one reportable condition (Finding 5).

***Reportable Condition:***

BCI had not established a comprehensive continuous quality improvement (CQI) process to evaluate and improve the effectiveness of its operations (Finding 5).

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**Audit Objective:**

To assess the effectiveness of BCI's efforts to market products and services.

**Audit Conclusion:**

We concluded that BCI's efforts to market products and services were moderately effective. We noted one reportable condition (Finding 6).

**Reportable Condition:**

BCI had not developed a comprehensive marketing strategy (Finding 6).

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**Audit Objective:**

To assess the effectiveness of BCI's efforts to provide products and services of a quality that meets or exceeds customer expectations.

**Audit Conclusion:**

We concluded that BCI's efforts to provide products and services of a quality that meets or exceeds customer expectations were moderately effective. We noted one reportable condition (Finding 7).

**Reportable Condition:**

BCI had not actively surveyed its customers to determine whether its products and services met or exceeded customer expectations (Finding 7).

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**Agency Response:**

Our audit report includes 7 findings and 7 corresponding recommendations. DOC's preliminary response indicated that it agrees and will comply with all of the recommendations.

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A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



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