

EXECUTIVE DIGEST

RESIDENTIAL AND ELECTRONIC PROGRAMS

INTRODUCTION

This report contains the results of our performance audit of the Residential and Electronic Programs, Department of Corrections, for the period October 1, 1992 through January 31, 1995.

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

The Department is responsible for supervising felony offenders who are placed in residential and electronic programs. The four entities within the Field Operations Administration which carry out these responsibilities consist of the Office of Residential and Electronic Programs (OREP) and three regional units.

OREP's mission includes protecting the public from crime by enforcing conditions ordered by the courts and the Department by supervising offenders using the most

appropriate, least restrictive, most cost-effective means. OREP establishes goals, policies, and procedures and monitors program operations. The regional units are responsible for supervising prisoners and electronic monitoring (tether), community correction center (CC), and absconder recovery unit (ARU) operations.

At September 30, 1994, OREP, tether, CC, and ARU operations had 495 employees. Program expenditures were approximately \$37.4 million for the fiscal year ended September 30, 1994.

**AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS**

Audit Objective: To assess the effectiveness of OREP policies and monitoring functions.

Conclusion: Our assessment indicated that OREP policies and monitoring functions were effective. However, we noted reportable conditions in the areas of outcome evaluation processes, cost accounting, and reconciliation of rental collections with State accounting information (Findings 1 through 3).

Noteworthy Accomplishments: In prior audits, we found that the Department was in need of detailed policies and procedures related to residential and electronic monitoring programs. As a result, OREP created necessary policies enabling it to be more effective in its program operations.

Audit Objective: To assess the effectiveness and efficiency of the Department's electronic monitoring (tether) operations.

Conclusion: Our assessment of the Department's tether operations indicated that, overall, the tether program was effective. However, we identified the following material condition regarding the efficiency of the Department's tether operations:

- The Department had not adjusted the rate charged to offenders for equipment rental to reflect all the allowed costs of operating the program. We estimated that an updated rate would have led to an increase in collections of approximately \$2.4 million during our audit period. (Finding 4)

The Department agreed with the corresponding recommendation and noted that it would, in conjunction with Act 153, P.A. 1995, clarify the legislative mandates relative to the issue.

In addition, the Department could improve effectiveness in the areas of offender accountability, violation report follow-up, and community service (Findings 5 through 7).

Noteworthy Accomplishments: During our audit, the Department began testing a new software system for the tether program. The updated software program will accumulate an increased amount of management information.

Audit Objective: To assess the effectiveness and efficiency of the Department's community correction center (CC) operations.

Conclusion: Our assessment indicated that the CC operations were generally effective. However, management needed to improve operational efficiency regarding prisoner charges, prisoner tethering, escape ticket mitigation, and prisoner payment for medical care (Findings 8 through 11).

Noteworthy Accomplishments: Prior to our audit, OREP began the process of implementing an ongoing monitoring process involving self-audits of its CC operations. The Department planned and designed these audits to detect and correct areas of noncompliance.

Audit Objective: To assess the effectiveness and efficiency of the Department's absconder recovery unit (ARU) operations.

Conclusion: Our assessment indicated that ARU operations were generally effective and efficient. However, effectiveness could be improved in the areas of proportionate resource allocation and documentation of investigations (Findings 12 and 13).

**AUDIT SCOPE
AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Department of Corrections' residential and electronic programs for the period October 1, 1992 through January 31, 1995. 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.

We interviewed OREP and regional staff to gain an understanding of operations and practices, background, and responsibilities relative to the audit objectives. Also, we reviewed relevant sections of State statutes and program documents, reports, publications, and policy directives.

Relative to electronic monitoring operations, we reviewed relevant corrections literature, the results of research, and various publications.

We visited 20 field locations to conduct interviews, test records, and assess the specific relevant procedures and controls. We examined Department efforts to pursue and apprehend prison escapees and absconders from parole. Also, we reviewed program revenues and expenditures. In addition, we tested documentation of procedures and controls to supplement interviews with personnel.

**AGENCY
RESPONSES
AND PRIOR AUDIT
FOLLOW-UP**

This report contains 13 findings and recommendations. The Department informed us that it has either already complied or taken steps to comply with all of the recommendations.

Our prior audit had 18 findings and 27 recommendations that were covered in the scope of this audit. The Department complied with 21 of the recommendations.