

EXECUTIVE DIGEST

STATE FACILITIES' FOOD SERVICE, CLOTHING, AND TIME REPORTING PRACTICES

INTRODUCTION

This report, issued in February 1999, contains the results of our performance audit* of State Facilities' Food Service, Clothing, and Time Reporting Practices.

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 State of Michigan maintains ninety-five 24-hour facilities, 15 in the Upper Peninsula and 80 in the Lower Peninsula. These facilities provide housing for over 45,000 prisoners, juveniles, mentally ill and developmentally disabled individuals, and veterans and their family members. The facilities are staffed 24 hours a day, 7 days a week.

Food Service and Clothing

To feed and clothe residents of the 24-hour facilities, the State spends approximately \$80 million annually. The departments responsible for ensuring that residents

receive nutritional meals and are properly clothed are the Department of Corrections (DOC), Family Independence Agency (FIA), Department of Community Health (DCH), and Department of Military and Veterans Affairs (DMVA). The Department of Management and Budget (DMB) is responsible for contracts that enable the facilities to obtain quality food, clothing, and other products at the best possible price.

The food service cost varies depending on the type of facility and the practices employed at the facility. Following are the range of resident food costs for department-provided and contracted services:

	<u>Annual Food Cost Per Resident</u>
DOC	\$ 874 - \$1,988
FIA	\$2,045 - \$5,703
DCH	\$3,437 - \$9,317
DMVA	\$3,358 - \$4,128
Contracted Services	\$1,494 - \$6,484

The State purchases, or facilitates residents' purchase of, clothing and linen for residents and selected employees. DOC requires its facilities to purchase clothing and linen for residents and corrections officers from Michigan State Industries (MSI). Clothing for other DOC employees, such as maintenance staff, is purchased from private vendors. FIA and DCH facilities purchase resident personal clothing and linen from private vendors and occasionally from MSI. DMVA does not purchase resident personal clothing but does purchase hospital-type clothing from private vendors and linens from MSI.

Time Reporting

Employees prepare and submit a time sheet to report their time worked and leave usage for a pay period. Facilities have large numbers of employees entering and exiting the facility at the same time during shift changes. Most facilities use time clocks to record employees' arrival and departure.

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

Audit Objective: To assess the efficiency of providing food service and clothing to residents of the State's 24-hour facilities.

Conclusion: We concluded that the State was efficient in providing clothing to residents of its 24-hour facilities. We also concluded that the State was generally efficient in providing nutritional meals to the residents. However, we noted reportable conditions* related to food service practices, food supply contracts, inventory levels, and federal breakfast and lunch reimbursement (Findings 1 through 4).

Noteworthy Accomplishments: Several facilities have improved their food service efficiency by using automated dietary programs (Mt. Pleasant Center and Grand Rapids Home for Veterans); making special purchases (Riverside Correctional Facility, Chippewa Correctional Facility, and Western Wayne Correctional Facility); and making, rather than purchasing, menu items (Chippewa Correctional Facility and Western Wayne Correctional Facility). Especially notable was Western Wayne Correctional Facility's low costs and ability to supply bakery products to the Robert Scott Correctional Facility.

Audit Objective: To assess the efficiency of the time reporting practices of the State's 24-hour facilities.

Conclusion: We concluded that the time reporting practices at the State's 24-hour facilities were moderately efficient. We noted a reportable condition regarding the need for an automated time reporting system (Finding 5).

Noteworthy Accomplishments: DCH's Mt. Pleasant Center and DMVA's Grand Rapids Home for Veterans currently use manual time reporting systems. These facilities have researched automated time reporting systems, and both have determined that adopting such a system would result in a reduction of manual effort involved in time reporting. The Mt. Pleasant Center's request to purchase an automated system was deferred by DCH pending evaluation and determination of the proposed system's compatibility with the known implementation of the Data Collection and Distribution System. The Grand Rapids Home for Veterans had purchased hardware and created its own software for an automated system.

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the food service, clothing, and time reporting practices at selected 24-hour facilities operated by the Department of Corrections, Family Independence Agency, Department of Community Health, and Department of Military and Veterans Affairs. 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.

To accomplish our objectives, our methodology included analyses of costs incurred by the State's 24-hour facilities

for fiscal years 1994-95, 1995-96, and 1996-97 (through June 1997). We selected 18 of 95 facilities to visit based on costs, type of facility, and whether the facilities had contracted or State-provided services. At the facilities visited, we interviewed facility personnel and conducted tests of selected food service, clothing, and time reporting records.

AGENCY RESPONSES

Our audit report contains 5 findings and 6 related recommendations. DOC agreed with the 5 recommendations that applied to it. FIA agreed with all 6 recommendations. DCH agreed with the 5 recommendations that applied to it. DMVA agreed with the 5 recommendations that applied to it. DMB agreed with the 2 recommendations that applied to it.