MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT

PERFORMANCE AUDIT
OF THE

MUSKEGON CORRECTIONAL COMPLEX

DEPARTMENT OF CORRECTIONS

January 2007

THOMAS H. MCTAVISH, C.P.A.
AUDITOR GENERAL

471-0223-06

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– Article IV, Section 53 of the Michigan Constitution

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REPORT SUMMARY

Performance Audit

Muskegon Correctional Complex

Department of Corrections

Report Number:
471-0223-06

Released:
January 2007

The Muskegon Correctional Complex consists of three correctional facilities: Brooks Correctional Facility, Muskegon Correctional Facility, and West Shoreline Correctional Facility. The Complex, located in Muskegon, Michigan, houses level I, secure level I, level II, and level IV male prisoners and has a combined capacity of 3,654 prisoners. The mission of the Complex is to provide the greatest amount of public protection in the most cost-effective manner, to provide a safe and humane prison work facility, and to encourage and assist prisoners to become law-abiding citizens.

Audit Objective:
To assess the Complex's compliance with selected policies and procedures related to safety and security.

Audit Conclusion:
We concluded that the Complex was generally in compliance with selected policies and procedures related to safety and security. However, we noted reportable conditions related to medication controls, gate manifests, tool controls, prisoner and employee shakedowns, firearm qualifications, self-contained breathing apparatus, and preventive maintenance (Findings 1 through 7).

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Audit Objective:
To assess the effectiveness of the Complex's efforts to establish and implement controls for safeguarding prisoner accounts and prisoner store assets.

Audit Conclusion:
We concluded that the Complex's efforts were effective in establishing and implementing controls for safeguarding prisoner accounts and prisoner store assets. However, we noted reportable conditions related to vending contract monitoring and the prisoner store (Findings 8 and 9).

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Audit Objective:
To assess the efficiency of the Complex's food service operations.

Audit Conclusion:
We concluded that the Complex's food service operations were efficient. However, we noted a reportable condition related to food service (Finding 10).

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Agency Response:
Our audit report includes 10 findings and 15 corresponding recommendations. The Department of Corrections' preliminary response indicates that the Complex agrees 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:
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AUDITOR GENERAL

January 17, 2007

Ms. Patricia L. Caruso, Director
Department of Corrections
Grandview Plaza Building
Lansing, Michigan

Dear Ms. Caruso:

This is our report on the performance audit of the Muskegon Correctional Complex, Department of Corrections.

This report contains our report summary; description of agency; audit objectives, scope, and methodology and agency responses and prior audit follow-up; 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.

Sincerely,

Thomas H. McTavish, C.P.A.
Auditor General

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DEPARTMENT OF CORRECTIONS

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Description of Agency

The Muskegon Correctional Complex consists of three correctional facilities: Brooks Correctional Facility (BCF), Muskegon Correctional Facility (MCF), and West Shoreline Correctional Facility (WSCF). The Complex is located in Muskegon, Michigan, and is under the jurisdiction of the Department of Corrections. Before June 2005, BCF and WSCF (formerly named the Muskegon Temporary Facility) operated jointly through a program of shared administrative services while MCF operated independently. In June 2005, the Department of Corrections ordered the consolidation of several duplicate functions among the three facilities to improve efficiency*. As a result, the Complex now shares business management, human resources, physical plant management, warehouse, fire safety, and prisoner store services. The Complex is served by two wardens, one as chief administrative officer over BCF and WSCF and the other as chief administrative officer over MCF.

The mission* of the Complex is to provide the greatest amount of public protection in the most cost-effective manner, to provide a safe and humane prison work facility, and to encourage and assist prisoners to become law-abiding citizens. BCF, which opened in 1989, has a prisoner capacity of 1,224 and houses level I*, level II*, and level IV* male prisoners. MCF, which opened in 1974, has a prisoner capacity of 1,310 and houses level II male prisoners. WSCF, which opened in 1987, has a prisoner capacity of 1,120, and houses secure level I* male prisoners.

For fiscal year 2005-06, the Complex's combined operating appropriation totaled approximately $67.2 million. As of June 30, 2006, the Complex had 743 employees.

* *See glossary at end of report for definition.*

Audit Objectives, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objectives

Our performance audit* of the Muskegon Correctional Complex, Department of Corrections (DOC), had the following objectives:

1. To assess the Complex's compliance with selected policies and procedures related to safety and security.

2. To assess the effectiveness* of the Complex's efforts to establish and implement controls for safeguarding prisoner accounts and prisoner store assets.

3. To assess the efficiency of the Complex's food service operations.

Audit Scope

Our audit scope was to examine the program and other records of the Muskegon Correctional Complex. 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, performed from April through July 2006, included examination of program records and activities for the period October 1, 2003 through June 30, 2006.

To establish our audit objectives and to gain an understanding of the Complex's activities, we conducted a preliminary review of the Complex operations. This included discussions with various Complex staff regarding their functions and responsibilities and examination of program records, policy directives, and operating procedures. In addition, we reviewed each facility's self-audits*, American Correctional Association accreditation reports, and community liaison committee meeting minutes. We also reviewed DOC internal audit reports for selected operations.

* *See glossary at end of report for definition.*

To assess the Complex's compliance with selected policies and procedures related to safety and security, we examined records related to firearm inventories, employee firearm qualifications, medication control, drug testing, employee and prisoner shakedowns*, cell searches, and accounting for prisoners. We also examined records for fire safety and preventive maintenance. We reviewed procedures and records for security monitoring exercises and documentation of items taken into and out of the Complex. On a test basis, we inventoried keys, critical tools*, dangerous tools*, and firearms.

To assess the effectiveness of the Complex's efforts to establish and implement controls for safeguarding prisoner accounts and prisoner store assets, we examined controls over the prisoner funds accounting system and prisoner store financial information. Also, we inventoried selected prisoner store items.

To assess the efficiency of the Complex's food service operations, we examined inventory controls over food service operations and usage of food prepared for prisoners.

We use a risk and opportunity based approach when selecting activities or programs to be audited. Accordingly, our audit efforts are focused on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. By design, our limited audit resources are used to identify where and how improvements can be made. Consequently, our performance audit reports are prepared on an exception basis.

Agency Responses and Prior Audit Follow-Up

Our audit report includes 10 findings and 15 corresponding recommendations. DOC's preliminary response indicates that the Complex agrees with all of the recommendations.

The agency preliminary response that 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 DOC to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

* *See glossary at end of report for definition.*

We released our prior performance audit of the Muskegon Correctional Facility, Department of Corrections (#4722098), in December 1998 and our prior performance audit of the Brooks Correctional Facility and Muskegon Temporary Facility, Department of Corrections (#4722398), in July 1999. At that time, West Shoreline Correctional Facility was named Muskegon Temporary Facility. Within the scope of this audit, we followed up 12 of the 13 prior audit recommendations. The Complex had complied with 10 of the 12 prior audit recommendations and 2 prior audit recommendations were rewritten for inclusion in this report.

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

SAFETY AND SECURITY

COMMENT

Background: The Muskegon Correctional Complex operates under policy directives and operating procedures established by the Department of Corrections (DOC) in addition to operating procedures developed by the individual facilities. These policy directives and operating procedures were designed to have a positive impact on the safety and security of the Complex as well as to help ensure that prisoners receive proper care and services. The procedures address many aspects of the Complex's operations, including key, tool, and firearm security; prisoner, visitor, employee, and housing unit searches; prisoner counts; fire safety, preventive maintenance, and disaster planning; and food, medical, and educational services. Although compliance with these procedures contributes to a safe and secure facility, the nature of the prison population and environment is unpredictable and inherently dangerous. Therefore, compliance with the procedures will not entirely eliminate the safety and security risks.

Audit Objective: To assess the Complex's compliance with selected policies and procedures related to safety and security.

Conclusion: We concluded that the Complex was generally in compliance with selected policies and procedures related to safety and security. However, we noted reportable conditions* related to medication controls, gate manifests*, tool controls, prisoner and employee shakedowns, firearm qualifications, self-contained breathing apparatus, and preventive maintenance (Findings 1 through 7).

FINDING

1. Medication Controls

   The Complex needs to establish and maintain accurate inventory records and perform monthly inventories of medications maintained in the physician dispensing boxes in the health services units. Without accurate inventories of medications, the Complex has no assurance that the medications are appropriately used and safeguarded.

   DOC operating procedure 03.04.100C requires that each correctional facility's health services unit manager ensure that medications in the physician dispensing

* *See glossary at end of report for definition.*

box are inventoried at least monthly to ensure that medications are available, accounted for, and controlled and that outdated medications are replaced. Each facility's health services unit maintains a physician dispensing box that contains prescription medications, such as Amoxicillin, Augmentin, Keflex, and Prednisone, and other medications, such as Motrin and Benadryl.

Our review of medications maintained in each facility's health services unit during June 2006 disclosed:

a. BCF's inventory records either overstated or understated the amount of medication maintained in the physician dispensing box for 33 (48%) of 69 medications. Our review identified errors ranging from 60 pills missing from the box to having 911 extra pills in the box. Also, we noted 2 medications in the physician dispensing box that were not included in the inventory records.

b. MCF's health services unit did not maintain an inventory record for any of the 77 medications, totaling 3,263 pills, maintained in MCF's physician dispensing box at the time of our review.

c. WSCF's inventory records either overstated or understated the amount of medication maintained in the physician dispensing box for 43 (64%) of 67 medications. Our review identified errors ranging from 105 pills missing from the box to having 144 extra pills in the box. Also, we noted 5 medications in the physician dispensing box that were not included in the inventory records.

RECOMMENDATION

We recommend that the Complex establish and maintain accurate inventory records and perform monthly inventories of medications maintained in the physician dispensing boxes in the health services units.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and informed us that it has complied. The Complex stated that it has created and/or updated its inventory records for the physician dispensing box and uses usage sheets to document when medications are removed. In addition, the Complex informed us that it conducts weekly inventories of medications maintained in the physician dispensing box.

FINDING

2. Gate Manifests

The Complex did not properly complete and monitor all gate manifests to help control the movement of items into and out of the facilities. In addition, the Complex did not implement DOC gate manifest procedures at all of the facilities.

Gate manifests provide a record of items (tools, supplies, materials, etc.) entering and leaving the facilities and are used to control and prevent the introduction of contraband* and the theft of State property. Failure to properly complete and monitor gate manifests could result in dangerous items being left inside the facilities, endangering staff and prisoners.

DOC operating procedure 04.04.100, effective January 30, 2006, requires correctional facilities to maintain a prenumbered gate manifest log at each pedestrian and sallyport* gate. Each gate officer is responsible for assigning the next available number on the gate manifest log to an unnumbered gate manifest. The gate officer is required to issue gate manifest tracking numbers in sequence and to complete all sections of the gate manifest log.

Our review of gate manifests and gate manifest logs for a one-month period during 2006 at each facility disclosed:

a. BCF and WSCF had begun using the new gate manifests and gate manifest logs; however, 22 (2%) of 895 gate manifest log numbers issued were assigned to two or more gate manifests.

b. MCF had not implemented the DOC gate manifest operating procedure as of July 2006. Our review of the gate manifest process in use disclosed:

(1) MCF omitted important information on 44 (10%) of 433 gate manifests with 9 (2%) having multiple omissions. For example, we noted that 20 manifests did not identify the gate of entry, 17 manifests did not have the signature of the person bringing the items through the gate, 10 manifests did not indicate if items were being brought into or taken out of the facility, 3 manifests did not have the gate officer's signature, 3 manifests did not identify the origin and/or destination of the items, 2 manifests did not have

* *See glossary at end of report for definition.*

the shift commander's approval, and 1 manifest did not include a description of the items.

(2) MCF did not maintain a logbook at either gate to record the numbers of the gate manifests that were used to document the movement of items through the gates. Also, MCF did not use the prenumbered gate manifests in sequential order.

RECOMMENDATIONS

We recommend that the Complex properly complete and monitor all gate manifests to help control the movement of items into and out of the facilities.

We also recommend that the Complex implement DOC gate manifest procedures at all of the facilities.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and informed us that it has complied. The Complex stated that, to prevent issuance of duplicate gate manifest log numbers, only staff in the bubble* and the sallyport officer assign log numbers at BCF and WSCF. The Complex also stated that, to ensure proper completion of gate manifests, MCF has instructed the arsenal sergeant on first shift to review all gate manifests to correct any discrepancies and to forward the findings to the inspector. In addition, the Complex informed us that MCF's gate manifest logs are maintained at both the bubble and the sallyport, that prenumbered gate manifests are being used, and that MCF has revised its gate manifest operating procedure to reflect the necessary changes.

FINDING

3. Tool Controls

The Complex needs to improve its controls over critical and dangerous tools.

Proper control over the tool inventory helps to ensure that all critical and dangerous tools are accounted for and that any lost or misplaced tools are detected and

* *See glossary at end of report for definition.*

recovered in a timely manner. Accounting for and locating lost or misplaced tools in a timely manner help ensure the safety and security of staff and prisoners.

DOC policy directive and MCF operating procedure 04.04.120 require that work area supervisors maintain an accurate inventory of all critical and dangerous tools in their respective area and supply the facility's tool control officer with a copy of this inventory list. The policy directive and operating procedure also require that lost or stolen tools be reported immediately and that tools added to the inventory be marked with an etching tool and color coded with a band of colored paint at least one-half inch wide, placed at the point of least wear, to identify the tool as either critical, dangerous, or other controlled equipment. The policy directive and WSCF operating procedure 04.04.120 require that lost tools be reported immediately to the facility control center and inspector.

We determined that the Complex had approximately 76 different tool locations, including the health services area maintained by the nurse supervisor, the business office maintained by the business office secretary, and a maintenance area maintained by MCF's maintenance supervisor. We estimate that the maintenance area alone houses thousands of critical and dangerous tools.

Our review of tool records and several tool storage areas within the Complex disclosed:

a. The MCF maintenance supervisor did not maintain an updated master tool inventory record for the various tool storage areas. MCF's tool control officer uses the inventory record to perform the required annual tool inventory. We determined that the tool control officer's most recent master inventory record was obsolete. In addition, we observed that many tools in the maintenance storage area were not numbered and color coded as required.

b. WSCF staff did not prepare and submit missing tool reports in a timely manner. We reviewed missing tool reports prepared during our audit period and noted that 5 missing tools (3 snow shovels, 1 set of keys, and 1 spatula blade used for mixing dental products) were not reported in a timely manner. The reporting delays ranged from 2 days to 9 months.

RECOMMENDATION

We recommend that the Complex improve its controls over critical and dangerous tools.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and will comply. The Complex informed us that MCF has updated its master tool inventory record for the various tool storage areas. All tools will be numbered and color coded by January 2007. In addition, the Complex stated that the MCF warden requested an outside, independent audit of MCF's tool control procedure. The warden will review the findings of the audit and noted tool control discrepancies will be corrected. At WSCF, the inspector will ensure that missing tool reports are submitted in a timely manner.

FINDING

4. Prisoner and Employee Shakedowns

The Complex did not ensure that officers performed and documented the required number of prisoner and employee shakedowns. Conducting the required number of prisoner and employee shakedowns improves the likelihood of detecting and confiscating contraband and improves the safety and security of staff and prisoners.

BCF and MCF operating procedures require each nonhousing unit corrections officer with direct prisoner contact to perform five prisoner shakedowns per day. The procedures also require the shakedown of all employees at least monthly.

We reviewed prisoner and employee shakedowns performed during calendar year 2006 and determined:

a. BCF could not provide documentation that first shift officers performed 280 (18%) of 1,550 required prisoner shakedowns and that second shift officers performed 85 (5%) of 1,615 required prisoner shakedowns during a one-month period.

b. BCF could not provide documentation that shakedowns were performed on 87 (22%) of 399 officers and 135 (51%) of 263 civilian staff during a two-month period.

c. MCF could not provide documentation that shakedowns were performed on 16 (10%) of 168 officers and 22 (19%) of 117 civilian staff during a one-month period.

RECOMMENDATION

We recommend that the Complex ensure that officers perform and document the required number of prisoner and employee shakedowns.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and will comply. At BCF, prisoner shakedown records will be reviewed by the deputy warden to ensure that the required number of prisoner shakedowns was performed. The records will then be appropriately stored. At MCF, each shift commander will check the employee shakedown roster on a daily basis to ensure that all employees are shaken down at least monthly. The Complex stated that the inspector at BCF is responsible for ensuring that each employee is shaken down at least monthly.

FINDING

5. Firearm Qualifications

The Complex did not ensure that all officers were recertified annually in the use of the firearms required for their assigned positions.

Proper maintenance of firearm certifications for all assignments is essential to ensure the safety and security of staff and prisoners.

DOC policy directive 03.03.100 requires that officers must be recertified annually in the use of handguns, shotguns, or rifles before being issued these firearms. Officers who can be scheduled for assignments requiring the use of a firearm must be annually recertified in the use of firearms required for the assignments.

Our review of documentation for firearm certifications and daily assignments of corrections officers for 14 days during calendar year 2006 disclosed that shift commanders:

a. Assigned officers whose firearm certifications had expired to 10 (14%) of 69 WSCF assignments that could have required the use of a firearm.

b. Assigned officers whose firearm certifications had expired to 4 (2%) of 230 BCF assignments that could have required the use of a firearm.

RECOMMENDATION

We recommend that the Complex ensure that all officers are recertified annually in the use of the firearms required for their assigned positions.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and will comply. At BCF and WSCF, updated training qualification lists will be distributed quarterly by the human resources developer to all shift commanders. The Complex informed us that, for their respective shifts, shift commanders are responsible for ensuring that officers assigned to posts that could require the use of a firearm have been recertified annually.

FINDING

6. Self-Contained Breathing Apparatus (SCBA)

The Complex did not ensure that all officers assigned to the SCBA squad were properly qualified in the use of SCBA equipment. Also, the Complex did not ensure that officers performed and documented required inspections of SCBA equipment. As a result, the Complex did not have assurance that adequate safety precautions existed in the event of a prison disturbance or fire or that the equipment would function properly when needed.

BCF and MCF operating procedures require that only corrections officers who are properly qualified in the use of SCBA equipment be assigned to the SCBA squad and that these officers be requalified semiannually in the use of SCBA equipment. The operating procedures also require that an officer perform weekly inspections of the SCBA equipment to ensure that the equipment is operational and ready for use.

Our review of records related to SCBA qualifications and inspections disclosed:

a. In January and March 2006, 12 (9%) of 139 and 12 (18%) of 66 BCF and MCF shifts, respectively, were assigned to 7 BCF officers and 8 MCF officers who had not been requalified to use SCBA equipment and to 1 BCF officer who had not been qualified to use the equipment.

b. BCF did not have documentation for 32 (51%) of the 63 required weekly SCBA equipment inspections for the period April 1, 2005 through June 15, 2006. We noted seven instances in which 42 or more days passed between inspections.

RECOMMENDATIONS

We recommend that the Complex ensure that all officers assigned to the SCBA squad are properly qualified in the use of SCBA equipment.

We also recommend that the Complex ensure that officers perform and document required inspections of SCBA equipment.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and informed us that it has complied. The Complex stated that MCF staff are placed on the employee emergency mobilization certification report (TR-121) as they are certified and recertified. The Complex informed us that shift command staff are responsible for utilizing this list to ensure that only staff with current qualifications are assigned to SCBA squads. The Complex also informed us that BCF has removed all SCBA equipment and has disbanded SCBA squads from the facility.

FINDING

7. Preventive Maintenance

The Complex had not developed a written preventive maintenance plan for MCF's systems and equipment. Also, MCF had not documented its annual tests of the alternative fuel system or its semiannual tests of the inside perimeter fence alarm system.

Documented completion of all scheduled preventive maintenance and safety inspections is necessary to provide assurance that the risk of system or equipment failure is minimized. A preventive maintenance plan is designed to provide economical use of all equipment and to ensure that all equipment will operate effectively during emergency situations. Also, inspections conducted in accordance with a plan may identify potential safety and security hazards.

DOC policy directive 04.03.100 requires each facility to develop a written preventive maintenance plan and submit it for approval to DOC's Physical Plant

Division. The policy directive identifies each system that should be included in the preventive maintenance plan and states that the maintenance department shall develop inspection checklists, logs, or computer software to facilitate monitoring and to document maintenance activities. Also, MCF operating procedure 04.03.100 requires maintenance department staff to operate the boiler using the alternative fuel system for a minimum of 72 hours annually. In addition, MCF operating procedure 04.04.100H requires maintenance department staff to conduct semiannual tests of the inside perimeter fence alarm system.

Our review of the Complex's preventive maintenance plan and required testing of its alternative fuel and perimeter fence alarm systems disclosed:

a. The Complex had not completed a preventive maintenance plan for MCF. However, we noted that the Complex was in the process of developing a plan.

b. MCF maintenance staff could not validate that required annual tests of its alternative fuel system had been conducted during our audit period or that semiannual tests had been conducted of the inside perimeter fence alarm system during calendar years 2005 and 2006.

RECOMMENDATIONS

We recommend that the Complex develop a written preventive maintenance plan for MCF's systems and equipment.

We also recommend that MCF document its annual tests of the alternative fuel system and its semiannual tests of the inside perimeter fence alarm system.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and will comply. The Complex stated that the preventive maintenance plan for MCF has been completed and submitted to DOC's Physical Plant Division for approval. The Complex also stated that the annual tests of the alternative fuel system and the semiannual tests of the inside perimeter fence alarm system for MCF have been entered into a work order schedule and are being completed and documented at this time.

CONTROLS FOR SAFEGUARDING PRISONER ACCOUNTS AND PRISONER STORE ASSETS

COMMENT

Audit Objective: To assess the effectiveness of the Complex's efforts to establish and implement controls for safeguarding prisoner accounts and prisoner store assets.

Conclusion: We concluded that the Complex's efforts were effective in establishing and implementing controls for safeguarding prisoner accounts and prisoner store assets. However, we noted reportable conditions related to vending contract monitoring and the prisoner store (Findings 8 and 9).

FINDING

8. Vending Contract Monitoring

The Complex's business office did not ensure that the vending company complied with contract provisions regarding vending machine commissions. Noncompliance with contract provisions could result in lost revenue or improper distribution of revenue.

The Complex contracts with a vending company to provide vending machine services for employees and prisoners. Commissions from the respective vending machines are to be distributed to each facility's employee club or prisoner benefit fund (PBF). Each month, the vending company determines the amount of vending machine commissions to be distributed to the employee club or PBF and remits the funds to the Complex for deposit to the applicable fund. During the period November 2004 through April 2006, MCF received monthly vending machine commissions ranging between $2,419 and $6,294.

Our review of the Complex's vending operations disclosed:

a. The vending company did not remit vending machine commissions within the time period specified in the contract. According to the vending contract, commission payments are due within 15 days after the end of each month. During the six-month period ended April 2006, the Complex's business office received vending machine commissions from 20 to 30 days late. Untimely commission payments could result in the business office failing to identify a missed commission payment.

b. During the period November 2004 through February 2006, the vending company incorrectly reported more than $3,100 in commissions earned from an employee vending machine as PBF commissions instead of employee club commissions. This error was identified by an employee club member who reviewed a commission report and brought it to the attention of the Complex's business office for correction. Regular review of vendor invoices would help ensure that commissions are correctly distributed.

c. The Complex's business office did not reconcile vending machine sales to the sales the vendor used to calculate vending machine commissions. We reviewed one facility's vendor sales report for April 2006 and determined that the amount that the vendor used to calculate the commission was approximately $65 (1.4%) less than the net vending machine sales amount reported on the vendor sales report. Without reconciling vendor sales reports, the business office cannot ensure the propriety of vending machine commissions.

RECOMMENDATION

We recommend that the Complex's business office ensure that the vending company complies with contract provisions regarding vending machine commissions.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and informed us that it has complied. During the audit period, the vendor was purchased by another vendor. The Complex informed us that this contributed to delays and errors in issuing commission checks. The Complex also informed us that the finance officer has begun reconciling vending receipts to ensure compliance with contract provisions.

FINDING

9. Prisoner Store

The Complex's business office did not limit the number and types of items available for prisoner purchase. Also, the business office did not ensure that prisoner store inventory procedures provided an independent verification of recorded inventory balances.

Excessive inventory balances and a lack of independent verification of inventory balances increase the risk of mismanagement or abuse.

DOC policy directive 04.02.130 specifies the types of items that stores may carry, limits the number of items that can be sold in the prisoner store and vending machines to a maximum of 200 unique items, and prohibits carrying products that require refrigeration. Also, proper internal control over physical inventories requires an independent verification of recorded inventory balances.

Our review of the prisoner store disclosed:

a. The Complex has a history of exceeding the 200-item maximum. For the six months prior to being consolidated, the Complex's two prisoner stores maintained from 233 to 250 and from 248 to 260 unique items available for prisoner purchase. The consolidation of the Complex's two prisoner stores resulted in over 345 items for sale in September 2005 and over 281 items as of April 2006. During our audit, the business office reduced the number of items for sale. However, as of June 2006, 237 unique items remained available for purchase, including several products requiring refrigeration.

b. The inventory count sheets that the business office employees used to conduct the month-end physical inventory identified the inventory balances recorded in the prisoner store inventory system before conducting the inventory.

RECOMMENDATIONS

We recommend that the Complex's business office limit the number and types of items available for prisoner purchase.

We also recommend that the business office ensure that prisoner store inventory procedures provide an independent verification of recorded inventory balances.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and informed us that it has complied. The Complex stated that excess product occurred as a result of combining the MCF and BCF/WSCF store operations. The Complex also stated that the prisoner store has limited the selection of items to 200 as required by policy. In addition, the Complex stated that

it has revised its inventory procedure to require staff to remove the quantity of on-hand stock recorded in the prisoner store inventory system from the store count sheets that are used to count the inventory. The Complex expects the revised procedure to ensure an independent verification of recorded inventory balances.

FOOD SERVICE OPERATIONS

COMMENT

Audit Objective: To assess the efficiency of the Complex's food service operations.

Conclusion: We concluded that the Complex's food service operations were efficient. However, we noted a reportable condition related to food service (Finding 10).

FINDING

10. Food Service

The Complex's food service operations did not prepare food production work sheets for all meals and did not include all required information on the work sheets prepared. Also, the Complex did not perform meal evaluations in accordance with DOC policy directives and facility operating procedures. As a result, the Complex could not ensure compliance with required nutritional and quality standards.

DOC policy directive 04.07.102 and MCF operating procedure 04.07.100 require the preparation of a food production work sheet for each meal. These work sheets are to document the menu item prepared, person responsible for its preparation, quantity prepared, temperature of food when cooked and served, and amount and disposition of leftovers. In addition, this directive and operating procedure require meal evaluations to be performed and documented at least 30 minutes before serving the meals.

Our review of the Complex's food service operations for April 2006 disclosed:

a. MCF did not prepare food production work sheets for 13 (14%) of the 90 meals prepared during the month. Of the 77 work sheets prepared, 36 (47%) did not include all required information, such as number of servings prepared, temperature of food served, and amount and disposition of leftovers.

Completely prepared food production work sheets would help the Complex ensure that quality food is prepared and served. Also, the work sheets would help management control prisoner food costs by monitoring the amount of food prepared for and left from each meal.

b. MCF did not prepare any of the 90 required meal evaluations for the month.

Documentation of meal evaluations would help the Complex ensure that the food served meets the required standards.

RECOMMENDATIONS

We recommend that the Complex's food service operations prepare food production work sheets for all meals and include all required information on the work sheets prepared.

We also recommend that the Complex perform meal evaluations in accordance with DOC policy directives and facility operating procedures.

AGENCY PRELIMINARY RESPONSE

The Complex agrees and informed us that it has complied. The Complex also informed us that the MCF food service operation is completing food production work sheets that include all required information and that the MCF food service operation is now completing meal evaluations in accordance with DOC policy.

GLOSSARY

Glossary of Acronyms and Terms

BCF	Brooks Correctional Facility.
bubble	Central point of entry into and exit from a facility.
contraband	Property that is not allowed on facility grounds or in visiting rooms by State law, rule, or DOC policy. For prisoners, this includes any property that they are not specifically authorized to possess, authorized property in excessive amounts, or authorized property that has been altered without permission.
critical tools	Items designated specifically for use by employees only or for use or handling by prisoners while under direct employee supervision. Critical tools shall be stored only in a secure area and shall be accounted for at all times.
dangerous tools	Items that may be used or handled by prisoners while under indirect employee supervision. Dangerous tools shall be stored only in a secure area and shall be accounted for at all times.
DOC	Department of Corrections.
effectiveness	Program success in achieving mission and goals.
efficiency	Achieving the most outputs and outcomes practical with the minimum amount of resources.
gate manifest	A record used to control materials and supplies entering and leaving a facility through the front gates and sallyport.
level I	The security classification assigned to prisoners who can live in facilities with a minimal amount of security. These prisoners are normally relatively near parole, are not serving

	time for a sexual offense, and have no history of certain kinds of arson behavior.
level II	The security classification assigned to prisoners who generally have longer sentences than do level I prisoners, who need more supervision but who are not likely to escape, or who are not difficult to manage.
level IV	The security classification assigned to prisoners who have a sentence of more than 60 months, who can generally be managed in the general population of prisons, and who have not shown a tendency to escape from close security.
MCF	Muskegon Correctional Facility.
mission	The agency's main purpose or the reason that the agency was established.
PBF	prisoner benefit fund.
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.
reportable condition	A matter that, in the auditor's judgment, represents either an opportunity for improvement or a significant deficiency in management's ability to operate a program in an effective and efficient manner.
sallyport	A controlled, secure gate by which vehicles can enter the facility grounds through the perimeter fencing.
SCBA	self-contained breathing apparatus.

secure level I	The security classification assigned to prisoners who can live in facilities that have secure perimeters, including double fences, concertina wire, and a perimeter detection system. These prisoners are relatively near parole, including prisoners serving for a sexual offense or having a history of recent escapes or certain kinds of arson behavior.
self-audits	Audits performed by facility staff that enable management and staff to ensure that all operational units comply with policy directives and take proactive steps to correct any noncompliance. Performing self-audits is intended to maximize safe and efficient operations by DOC.
shakedown	The act of searching a prisoner, an employee, or a visitor to ensure that he/she does not have any contraband in his/her possession.
WSCF	West Shoreline Correctional Facility.

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