



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT



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

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– Article IV, Section 53 of the Michigan Constitution

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Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

*Gus Harrison Correctional Facility and
 Parr Highway Correctional Facility
 Department of Corrections*

Report Number:
 47-240-05

Released:
 June 2006

The mission of Gus Harrison Correctional Facility (GHCF) and Parr Highway Correctional Facility (PHCF) is to protect the public and to provide a safe and secure environment for convicted felons to live and staff to work in compliance with the laws of the State of Michigan. GHCF opened in 1991 and has a prisoner capacity of 1,140. GHCF houses level I, level II, and level IV male prisoners. PHCF opened in 1989 and has a prisoner capacity of 1,042. PHCF houses secure level I male prisoners. GHCF and PHCF are located in Adrian, Michigan.

Audit Objective:

To assess GHCF's and PHCF's compliance with selected policies and procedures related to safety and security.

Audit Conclusion:

We concluded that GHCF and PHCF were generally in compliance with selected policies and procedures related to safety and security. However, we noted reportable conditions related to gate manifests, employee searches, the food service power supply, and the arsenal inventory (Findings 1 through 4).

Noteworthy Accomplishments:

GHCF (in calendar year 2005) and PHCF (in calendar year 2004) were the only two Department of Corrections (DOC) facilities to have an employee receive the Frederick Milton Thrasher Award. This national award was created to honor and recognize outstanding individuals for superior service, accomplishments, or leadership in the fight to make society safer from the threat posed by violent criminal gangs. In addition, the DOC Security Classification Manual, issued in 2005 and used by all

DOC facilities, was prepared by GHCF's inspector. The Manual was developed to provide uniformity and consistency in preparing prisoners' security classification screens.

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Audit Objective:

To evaluate the effectiveness of GHCF's and PHCF's efforts in establishing and implementing controls to safeguard prisoner accounts and assets of the prisoner store.

Audit Conclusion:

We concluded that GHCF's and PHCF's efforts were effective in establishing and implementing controls to safeguard prisoner accounts and assets of the prisoner store. However, we noted a reportable condition related to reconciliation of the Trust Accounting and Payroll System (TAPS) and the Michigan Administrative Information Network (MAIN) (Finding 5).

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Audit Objective:

To assess the effectiveness and efficiency of GHCF's and PHCF's food service operations.

Audit Conclusion:

We concluded that GHCF's and PHCF's food service operations were effective and efficient. Our report does not include any reportable conditions related to this audit objective.

Noteworthy Accomplishments:

GHCF and PHCF offered greenhouse and horticulture programs to prisoners. Prisoners grew plants, vegetables, shrubs, and trees and prepared flower arrangements that were used by the prisons and donated to community agencies, local charitable organizations, food banks, and DOC. During calendar year 2005, GHCF and PHCF grew 36,772 pounds of garden produce, used 30,712 pounds at the prisons, and donated 5,625 pounds to local food banks. GHCF and PHCF also donated 259 flats of flowers and vegetables and 3,742 potted plants to community agencies and local charitable organizations.

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Agency Response:

Our audit report includes 5 findings and 5 corresponding recommendations. GHCF's and PHCF's preliminary response indicates that they agree with all the recommendations.

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

June 8, 2006

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 Gus Harrison Correctional Facility and Parr Highway Correctional Facility, Department of Corrections.

This report contains our report summary; description of agencies; 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 agencies' responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agencies 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

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Description of Agencies

The mission* of Gus Harrison Correctional Facility (GHCF) and Parr Highway Correctional Facility (PHCF) is to protect the public and to provide a safe and secure environment for convicted felons to live and staff to work in compliance with the laws of the State of Michigan. GHCF opened in 1991 and has a prisoner capacity of 1,140. GHCF houses level I*, level II*, and level IV* male prisoners. PHCF opened in 1989 and has a prisoner capacity of 1,042. PHCF houses secure level I* male prisoners. The security perimeters of the prisons are protected by electronically monitored chain link fences and are patrolled by alert response vehicles.

GHCF and PHCF are located in Adrian, Michigan, and are under the jurisdiction of the Department of Corrections. One warden serves as the chief administrative officer for both GHCF and PHCF. Shared services include: business management, human resources, training, physical plant services, and warehouse services.

For fiscal year 2003-04, GHCF and PHCF combined operating expenditures totaled approximately \$37.8 million. As of September 30, 2005, GHCF and PHCF had a total of 521 full-time 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 Gus Harrison Correctional Facility (GHCF) and Parr Highway Correctional Facility (PHCF), Department of Corrections (DOC), had the following objectives:

1. To assess GHCF's and PHCF's compliance with selected policies and procedures related to safety and security.
2. To evaluate the effectiveness* of GHCF's and PHCF's efforts in establishing and implementing controls to safeguard prisoner accounts and assets of the prisoner store.
3. To assess the effectiveness and efficiency* of GHCF's and PHCF's food service operations.

Audit Scope

Our audit scope was to examine the program and other records of Gus Harrison Correctional Facility and Parr Highway Correctional Facility. 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 August through November 2005, included examination of program records and activities for the period October 1, 2003 through September 30, 2005.

To establish our audit objectives and to gain an understanding of GHCF's and PHCF's activities, we conducted a preliminary review of their operations. This included discussions with GHCF and PHCF staff regarding their functions and responsibilities and examination of program records, DOC policy directives and operating procedures, and GHCF and PHCF operating procedures. In addition, we reviewed self-audits*,

* See glossary at end of report for definition.

monthly reports to the warden, community liaison committee meeting minutes, and the Commission on Accreditation for Corrections evaluation report.

To assess GHCF's and PHCF's compliance with selected policies and procedures related to safety and security, we conducted tests of records related to firearm inventories; employee firearm qualifications; medication control; drug testing; prisoner, cell, and employee searches; and accounting for prisoners. On a test basis, we inventoried critical tools* and dangerous tools*. In addition, we reviewed the security monitoring exercises and documentation of items taken into and out of the prisons. We also reviewed procedures and conducted tests of records related to fire safety activities, preventive maintenance programs, disaster management procedures, and housekeeping and sanitation inspections.

To evaluate the effectiveness of GHCF's and PHCF's efforts in establishing and implementing controls to safeguard prisoner accounts and assets of the prisoner store, we analyzed prisoner store financial information and reviewed controls for prisoner funds and prisoner store operations.

To assess the effectiveness and efficiency of GHCF's and PHCF's food service operations, we tested food service records and procedures related to Statewide menus, production, and quality evaluations.

Agency Responses and Prior Audit Follow-Up

Our audit report includes 5 findings and 5 corresponding recommendations. GHCF's and PHCF's preliminary response indicates that they agree with all the recommendations.

The agency preliminary response that follows each recommendation in our report was taken from the agencies' 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.

We released our prior performance audit of the Adrian Correctional Institutions: Gus Harrison Correctional Facility and Adrian Temporary Facility, Department of Corrections

* See glossary at end of report for definition.

(#4724095), in May 1996. At that time, PHCF was named Adrian Temporary Facility. Within the scope of this audit, we followed up 10 of the 11 prior audit recommendations. GHCF and PHCF had complied with 9 of the 10 prior audit recommendations. We repeated 1 prior audit recommendation in this report.

COMMENTS, FINDINGS, RECOMMENDATIONS,
AND AGENCY PRELIMINARY RESPONSES

SAFETY AND SECURITY

COMMENT

Background: Gus Harrison Correctional Facility (GHCF) and Parr Highway Correctional Facility (PHCF) operate under policy directives and operating procedures established by the Department of Corrections (DOC) in addition to operating procedures that were developed by GHCF and PHCF. These policy directives and operating procedures were designed to have a positive impact on the safety and security of GHCF and PHCF as well as to help ensure that prisoners receive proper care and services. The procedures address many aspects of GHCF and PHCF 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 GHCF's and PHCF's compliance with selected policies and procedures related to safety and security.

Conclusion: We concluded that GHCF and PHCF were generally in compliance with selected policies and procedures related to safety and security. However, we noted reportable conditions* related to gate manifests*, employee searches, the food service power supply, and the arsenal inventory (Findings 1 through 4).

Noteworthy Accomplishments: GHCF (in calendar year 2005) and PHCF (in calendar year 2004) are the only two DOC facilities to have an employee receive the Frederick Milton Thrasher Award. This national award was created to honor and recognize outstanding individuals for superior service, accomplishments, or leadership in the fight to make society safer from the threat posed by violent criminal gangs.

In addition, the DOC Security Classification Manual, issued in 2005 and used by all DOC facilities, was prepared by GHCF's inspector. The Manual was developed to provide uniformity and consistency in preparing prisoners' security classification screens.

* See glossary at end of report for definition.

FINDING

1. Gate Manifests

PHCF needs to improve its recordkeeping process for gate manifests to help control the movement of items into and out of the prison.

Gate manifests provide a record of items (critical and dangerous tools, materials, supplies, etc.) entering and leaving the prison and are used to control and prevent the introduction of contraband* and the theft of State property. Failure to retain gate manifests or to log gate manifests into the logbook could result in dangerous items being left inside the prison and endangering the safety and security of staff and prisoners.

GHCF and PHCF operating procedure 04.04.100S requires officers at the sallyport* and front gate to retain copies of gate manifests issued, to log the gate manifests in the sallyport and front gate logbooks, to collect completed copies of the manifests, match up manifest copies, and to forward them to the respective prison's inspector for final review.

Our review of PHCF sallyport and front gate logbooks and the PHCF inspector's copies of manifests issued during July and August 2005 disclosed:

- a. Forty (10.1%) of the 395 manifests issued could not be located. Officers did not retain copies of all manifests that were logged into the logbooks. Retaining gate manifests at the sallyport and front gate provides the reference to identify what dangerous items have entered the prison.
- b. Eighteen (4.6%) of the 395 manifests issued were not recorded in the logbook. Properly logging gate manifests to the logbooks provides for an easy reference for monitoring the disposition of the manifests.

RECOMMENDATION

We recommend that PHCF improve its recordkeeping process for gate manifests to help control the movement of items into and out of the prison.

* See glossary at end of report for definition.

AGENCY PRELIMINARY RESPONSE

PHCF agrees and indicated that it has complied by implementing DOC's new gate manifest operating procedure. The PHCF inspector monitors compliance with the operating procedure.

FINDING

2. Employee Searches

GHCF and PHCF did not ensure that officers performed and documented the required number of employee searches.

Conducting the required number of employee searches improves a prison's likelihood of detecting and confiscating contraband and improves the safety and security of staff and prisoners.

DOC policy directive 04.04.110 requires correctional facility employees to submit to searches as part of a general periodic search of all employees or as randomly selected employees entering a facility during a certain time period.

GHCF and PHCF operating procedure 04.04.110 states that the gate officer will conduct a minimum of five random pat searches of employees who clear the metal detector. The procedure also states that each shift commander shall order clothed-body searches on a minimum of five staff members each shift. Finally, the procedure states that all officers are to clear or attempt to clear the metal detector, and if after one attempt, the staff cannot clear the metal detector, a pat search is to be performed.

Our review of gate and control center logbooks between May 15 and May 31, 2005 disclosed:

- a. The GHCF gate and control center logbooks did not include documentation to support the completion of 170 (66.7%) of the 255 required clothed-body searches and 90 (35.3%) of the 255 required random pat searches.
- b. The PHCF gate logbook did not include documentation to support the completion of 125 (49.0%) of the 255 required clothed-body searches and

130 (51.0%) of the 255 required pat searches. PHCF could not locate the control center logbook for the period of our testing.

RECOMMENDATION

We recommend that GHCF and PHCF ensure that officers perform and document the required number of employee searches.

AGENCY PRELIMINARY RESPONSE

GHCF and PHCF agree and indicated that they have complied by requiring shift commanders, inspectors, and assistant deputy wardens to monitor compliance.

FINDING

3. Food Service Power Supply

GHCF did not have sufficient backup lighting in the food service area during power outages. Without sufficient lighting during power outages, GHCF cannot provide a safe and secure environment for prisoner workers, employees, and local vendors making deliveries to the food service area.

During a scheduled monthly generator test, we inspected the quality of lighting throughout the food service area, including those areas with prisoner access. Three battery-operated emergency lights provided some lighting in the food preparation area. However, other areas, including the loading dock and the prisoners' changing room, did not have any source of lighting. Prisoner workers, employees, and local vendors have access to one or both of these areas.

Food service employees receive advance notice of scheduled generator tests and are able to schedule prisoner workers' tasks to minimize access to areas without sufficient lighting during the power outage. However, during unscheduled power outages, prisoners, employees, and vendors may be working in areas without any source of lighting or with limited lighting if they are working in the food preparation area. The kitchen area contains many utensils that are considered critical or dangerous tools. With limited lighting, a prisoner could obtain one of these tools without prison staff detecting the theft. In the areas that did not have lighting, a prisoner could gain access to unauthorized or isolated areas. Access to the loading dock or an isolated area without supervision increases the risk that a prisoner could harm another prisoner, an employee, or a local vendor. In addition,

unauthorized access to the loading dock may increase the risk that a prisoner could access a delivery vehicle and leave the prison.

GHCF has 9 food service employees and 118 prisoners who work full time or part time in the food service area over three shifts daily. During August 2005, GHCF experienced an unexpected power outage that lasted for four hours.

GHCF food service employees informed us that they had previously attempted to correct this problem; however, because of budget constraints, they were unsuccessful. During our audit fieldwork, GHCF initiated steps to correct this safety deficiency.

RECOMMENDATION

We recommend that GHCF provide sufficient backup lighting in the food service area during power outages.

AGENCY PRELIMINARY RESPONSE

GHCF agrees and indicated that it has complied. GHCF had additional emergency lighting installed in the food service area to correct the problem shortly after it was brought to GHCF's attention by the auditors.

FINDING

4. Arsenal Inventory

GHCF and PHCF did not assign separate employees the responsibilities for recordkeeping, custody, and physical inventory of the arsenal. Separation of responsibilities would help ensure that items such as firearms, ammunition, chemicals, and restraints were properly accounted for and had not been removed from the arsenal without proper authorization. Missing arsenal items represent a potential risk to the safety and security of staff and prisoners.

Although our testing did not identify any missing items, we did note that one arsenal sergeant maintained the master inventory records and arsenal logbooks documenting arsenal inventory movement for both GHCF and PHCF. At GHCF, this arsenal sergeant also had custody of the arsenal inventory and completed the weekly and monthly inventories of arsenal items. At PHCF, the arsenal sergeant

completed the weekly and monthly inventories of arsenal items and the transportation sergeant maintained the day-to-day custody of arsenal items.

To maintain effective control over arsenal items, management should assign master inventory recordkeeping and periodic physical inventory responsibilities to an employee who is independent of the custody and day-to-day monitoring functions to ensure that inventory is properly accounted for.

We noted the same situation in our prior audit. In response to that audit report, GHCF and PHCF stated that it would comply by having the shift commander monitor and maintain the master inventory.

RECOMMENDATION

WE AGAIN RECOMMEND THAT GHCF AND PHCF ASSIGN SEPARATE EMPLOYEES THE RESPONSIBILITIES FOR RECORDKEEPING, CUSTODY, AND PHYSICAL INVENTORY OF THE ARSENAL.

AGENCY PRELIMINARY RESPONSE

GHCF and PHCF agree and indicated that they have complied. GHCF and PHCF informed us that their inspectors now maintain the master inventory records and complete the monthly physical inventories of the arsenals.

PRISONER ACCOUNTS AND ASSETS OF THE PRISONER STORE

COMMENT

Audit Objective: To evaluate the effectiveness of GHCF's and PHCF's efforts in establishing and implementing controls to safeguard prisoner accounts and assets of the prisoner store.

Conclusion: We concluded that GHCF's and PHCF's efforts were effective in establishing and implementing controls to safeguard prisoner accounts and assets of the prisoner store. However, we noted a reportable condition related to reconciliation of the Trust Accounting and Payroll System* (TAPS) and the Michigan Administrative Information Network* (MAIN) (Finding 5).

* See glossary at end of report for definition.

FINDING

5. Reconciliation of TAPS and MAIN

GHCF and PHCF did not reconcile TAPS with MAIN on a monthly basis.

Without periodic reconciliations, errors may not be detected in a timely manner and the prisoner accounts in TAPS and MAIN may not be appropriately recorded.

DOC policy directive 04.02.105 requires that the prisoner accounting system records be reconciled at least monthly with MAIN. Also, sound internal control requires that TAPS be reconciled with MAIN to help ensure that the amounts recorded in TAPS and MAIN are correct and that any possible errors are detected in a timely manner.

The business office had an unreconciled difference between TAPS and MAIN of \$15,959 for GHCF and PHCF. After our audit fieldwork identified this difference, the business office took steps to identify the reconciling items. At the completion of our audit fieldwork, the TAPS balance of \$199,983 as of September 30, 2005 was \$2,432 more than the MAIN balance of \$197,551 for GHCF and PHCF.

RECOMMENDATION

We recommend that GHCF and PHCF reconcile TAPS with MAIN on a monthly basis.

AGENCY PRELIMINARY RESPONSE

GHCF and PHCF agree and indicated that the business office is taking steps to comply. GHCF and PHCF informed us that business office staff continue to work on the reconciliation and are current up to the beginning of this calendar year. In addition, staff returning from extended absences will help with completing the reconciliation and with keeping it current.

FOOD SERVICE

COMMENT

Audit Objective: To assess the effectiveness and efficiency of GHCF's and PHCF's food service operations.

Conclusion: We concluded that GHCF's and PHCF's food service operations were effective and efficient. Our report does not include any reportable conditions related to this audit objective.

Noteworthy Accomplishments: GHCF and PHCF offered greenhouse and horticulture programs to prisoners. Prisoners grew plants, vegetables, shrubs, and trees and prepared flower arrangements that were used by the prisons and donated to community agencies, local charitable organizations, food banks, and DOC. During calendar year 2005, GHCF and PHCF grew 36,772 pounds of garden produce, used 30,712 pounds at the prisons, and donated 5,625 pounds to local food banks. GHCF and PHCF also donated 259 flats of flowers and vegetables and 3,742 potted plants to community agencies and local charitable organizations.

GLOSSARY

Glossary of Acronyms and Terms

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 of 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 the facility through the front gates and sallyport.
GHCF	Gus Harrison Correctional Facility.
level I	The classification assigned to prisons that house prisoners who can live in facilities with a minimal amount of security. These prisoners are normally relatively near parole, are not serving for a sexual offense, and have no history of certain kinds of arson behavior.

level II	The classification assigned to prisons that house 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 classification assigned to prisons that house 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.
Michigan Administrative Information Network (MAIN)	The State's fully integrated automated administrative management system that supports the accounting, payroll, purchasing, contracting, budgeting, personnel, and revenue management activities and requirements. MAIN consists of four major components: MAIN Enterprise Information System (EIS); MAIN Financial Administration and Control System (FACS); MAIN Human Resource System (HRS); and MAIN Management Information Database (MIDB).
mission	The agency's main purpose or the reason that 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.
PHCF	Parr Highway Correctional Facility.
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 prison grounds through the perimeter fencing.
secure level I	The classification assigned to prisons that house prisoners who can live in facilities that have secure perimeters, i.e., double fences, concertina wire, and a perimeter detection system. These prisons house prisoners who 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.
Trust Accounting and Payroll System (TAPS)	The automated accounting system that support the accounting of the prisoners' funds and payroll.

