



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT



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

The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

– Article IV, Section 53 of the Michigan Constitution

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Michigan
Office of the Auditor General
REPORT SUMMARY

Performance Audit

Report Number:
 471-0221-10

Newberry Correctional Facility

Department of Corrections

Released:
 December 2010

The Newberry Correctional Facility, opened in 1996, is located in Newberry, Michigan. The Facility has the capacity to house approximately 1,100 adult male prisoners with level I and level II security classifications. It consists of 12 housing units with an adjoining education building and a separate warehouse, maintenance building, and administration building.

Audit Objective:

To assess the effectiveness of the Newberry Correctional Facility's efforts to comply with selected policies and procedures related to safety and security.

Audit Conclusion:

We concluded that the Facility's efforts to comply with selected policies and procedures related to safety and security were moderately effective. We noted eight reportable conditions (Findings 1 through 8).

Reportable Conditions:

The Facility's business office did not maintain an accurate perpetual record of the arsenal inventory (Finding 1).

The Facility did not conduct the required drug tests of all selected prisoners in a timely manner (Finding 2).

The Facility needs to improve its controls over keys (Finding 3).

The Facility did not conduct and document all required radio checks (Finding 4).

The Facility did not properly calibrate its level II walk-through metal detector (Finding 5).

The Facility did not complete all required security monitoring exercises (Finding 6).

The Facility did not ensure that all required sanitation and food service inspections were documented in a timely manner (Finding 7).

The Facility did not document that it monitored at least the minimum required number of prisoner telephone calls each month (Finding 8).

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Noteworthy Accomplishments:

During the summer of 2007, Facility staff provided roving patrols of the roadways surrounding the Sleeper Lake fire area and staff and prisoners prepared and supplied meals for volunteers and agency personnel during the ordeal.

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Agency Response:

Our audit report contains 8 findings and 9 corresponding recommendations. The Department of Corrections' preliminary response indicates that the Facility agrees with all of the recommendations and has complied or will comply with them.

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

December 14, 2010

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 Newberry Correctional Facility, Department of Corrections.

This report contains our report summary; description of agency; audit objective, scope, and methodology and agency responses; comment, findings, recommendations, and agency preliminary responses; and a glossary of acronyms and terms.

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 plan to address the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services will review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

We appreciate the courtesy and cooperation extended to us during this audit.

AUDITOR GENERAL

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Description of Agency

The Newberry Correctional Facility, opened in 1996, is located in Newberry, Michigan. The Facility has the capacity to house approximately 1,100 adult male prisoners with level I* and level II* security classifications. It consists of 12 housing units with an adjoining education building and a separate warehouse, maintenance building, and administration building.

The Facility emphasizes educational programs to help the successful release of prisoners into the community. This programming includes adult basic education and General Educational Development (GED) preparation as well as other educational opportunities to help the prisoner to become a contributing member of his community upon release.

The Facility provides on-site routine medical and dental care. Serious medical needs are treated at the Department of Corrections' (DOC's) Duane L. Waters Health Care Center in Jackson. Emergencies are referred to a local hospital.

The Facility perimeter security includes two 16-foot fences with coiled razor-ribbon wire and electronic detection. A patrol vehicle, with armed personnel, continually patrols the prison perimeter. The Facility operates under the direction of DOC.

During fiscal year 2008-09, the Facility's operating expenditures were \$25.7 million. As of April 30, 2010, the Facility had 315 employees and housed 1,069 prisoners.

* See glossary at end of report for definition.

Audit Objective, Scope, and Methodology and Agency Responses

Audit Objective

The objective of our performance audit* of the Newberry Correctional Facility, Department of Corrections (DOC), was to assess the effectiveness* of the Facility's efforts to comply with selected policies and procedures related to safety and security.

Audit Scope

Our audit scope was to examine the program and other records of the Newberry Correctional Facility. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. Our audit procedures, performed from May through July 2010, generally covered the period November 2009 through July 2010.

Audit Methodology

To establish our audit objective and to gain an understanding of the Facility's activities, we conducted a preliminary review of the Facility's operations. This included discussions with various Facility staff regarding their functions and responsibilities; observation; and examination of program records, policy directives, and operating procedures. In addition, we reviewed monthly reports to the warden and the American Correctional Association evaluation report.

To assess the effectiveness of the Facility's efforts to comply with selected policies and procedures related to safety and security, we reviewed procedures and examined records related to arsenal inventory, keys, prisoner counts, radio checks, prisoner searches, sanitation inspections, food service inspections, metal detector calibration, employee searches, prisoner drug testing, security monitoring exercises* (SMEs), firearms qualification, and telephone monitoring.

* See glossary at end of report for definition.

When selecting activities or programs for audit, we use an approach based on assessment of risk and opportunity for improvement. Accordingly, we focus our audit efforts on activities or programs having the greatest probability for needing improvement as identified through a preliminary review. Our limited audit resources are used, by design, to identify where and how improvements can be made. Consequently, we prepare our performance audit reports on an exception basis. To the extent practical, we add balance to our audit reports by presenting noteworthy accomplishments for exemplary achievements identified during our audit.

Agency Responses

Our audit report contains 8 findings and 9 corresponding recommendations. DOC's preliminary response indicates that the Facility agrees with all of the recommendations and has complied or will comply with them.

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 State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require DOC to develop a plan to address the audit recommendations and submit it within 60 days after release of the audit report to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services will review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

COMMENT, FINDINGS, RECOMMENDATIONS,
AND AGENCY PRELIMINARY RESPONSES

SAFETY AND SECURITY

COMMENT

Background: The Newberry Correctional Facility operates under policy directives and operating procedures established by the Department of Corrections (DOC) in addition to operating procedures developed by the Facility. These policy directives and operating procedures were designed to have a positive impact on the safety and security of the Facility as well as to help ensure that prisoners receive proper care and services. The policies and procedures address many aspects of the Facility's operations, including arsenal inventory, keys, prisoner counts, radio checks, prisoner searches, sanitation inspections, food service inspections, metal detector calibration, employee searches, prisoner drug testing, security monitoring exercises (SMEs), firearms qualification, and telephone monitoring. Although compliance with these policies and 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 policies and procedures will not entirely eliminate the safety and security risks.

Audit Objective: To assess the effectiveness of the Facility's efforts to comply with selected policies and procedures related to safety and security.

Audit Conclusion: We concluded that the Facility's efforts to comply with selected policies and procedures related to safety and security were moderately effective. We noted eight reportable conditions* related to the arsenal inventory, prisoner drug testing, key control, radio checks, metal detector calibration, SMEs, sanitation and food service inspections, and telephone monitoring (Findings 1 through 8).

Noteworthy Accomplishments: From August 2, 2007 through the first week of September 2007, the Sleeper Lake fire burned over 18,000 acres of commercial forest, marsh, and swampland just miles north of Newberry. Facility staff provided roving patrols of the roadways surrounding the fire area during times when the Michigan Department of State Police did not have troops available. In addition, Facility staff and prisoners prepared and supplied meals for volunteers and agency personnel during the ordeal.

* See glossary at end of report for definition.

FINDING

1. Arsenal Inventory

The Facility's business office did not maintain an accurate perpetual record of the arsenal inventory. An accurate perpetual arsenal inventory record would help ensure accountability and security.

Facility operating procedure 04.04.120 requires that the business office be notified in writing of all purchases and disposals of arsenal items so that it can update the business office perpetual arsenal inventory record. It also requires that the business office perform an annual audit of the arsenal inventory, reconcile the business office perpetual arsenal inventory record to the arsenal inventory, research and correct all discrepancies, and submit an annual arsenal inventory audit report to the business manager.

The business office completed a physical inventory of the arsenal equipment in February 2010. However, the business office did not verify that the serial numbers of the perpetual inventory identified on the business office's record agreed with the serial numbers of the inventory actually on hand. As a result, our review of the arsenal inventory determined that 8 rifles and 4 gas guns that were in inventory were not the same 8 rifles and 4 gas guns that were identified on the business office perpetual arsenal inventory record. Our follow-up of this discrepancy determined that 8 rifles had been purchased in October 2008; however, the business office had not updated its perpetual record and had not identified and followed up the inventory discrepancy during its February 2010 annual inventory. In addition, 4 gas guns had been purchased subsequent to the February 2010 physical inventory; however, the business office again had not updated its record to reflect this change. Our review of the Facility's disposition documentation indicated that the 8 rifles and 4 gas guns that were replaced were properly disposed of.

RECOMMENDATION

We recommend that the Facility's business office maintain an accurate perpetual record of the arsenal inventory.

AGENCY PRELIMINARY RESPONSE

The Facility agrees with the recommendation and informed us that it has complied. The Facility indicated that steps have been taken to ensure that the arsenal sergeant forwards information regarding new weapons to the business office as required by the facility operating procedure.

FINDING

2. Prisoner Drug Testing

The Facility did not conduct the required drug tests of all selected prisoners in a timely manner. In addition, the Facility did not maintain documentation of all pertinent drug test request information. Conducting and documenting all required drug tests in a timely manner would help identify drug usage, thereby enhancing the safety and security of staff and prisoners.

DOC policy directive 03.03.115 requires that random drug testing of prisoners be conducted at irregular intervals. It also requires testing of prisoners who previously tested positive for drug usage and who had previously refused to be drug tested. DOC begins this process with a Representative Sample of Prisoners Report (CB-831) and a Relist/Retest Report (DS-021). These reports are generated by DOC's Management Information Services (MIS) and are forwarded to each facility via e-mail. In addition, DOC policy directive 03.03.115 requires that testing be conducted within 12 hours of the facility receiving the report. In practice, DOC facilities consider that the report is received at the time the e-mail is opened.

Our review disclosed that the Facility did not maintain documentation of when the e-mail notifications were opened. As a result, we could not specifically identify the time frame for when the drug tests were required to be administered. Therefore, for our testing purposes, we took exception when the tests were administered either 12 hours after the time of the first test or 12 hours after the end of the shift that the Facility informed us that it was supposed to have opened the e-mail.

Our review of the CB-831 and DS-021 reports dated February 19, 2010 and April 14, 2010 and the Facility's supporting documentation disclosed:

- a. Twelve (36%) of the 33 prisoners randomly selected for drug testing were not tested within the required 12 hours.

- b. Seven (41%) of 17 prisoners identified for drug retesting were not tested within the required 12 hours.
- c. Five (100%) of the 5 gate pass prisoners* randomly selected for drug testing were not tested within the required 12 hours.

The Facility recently experienced a sharp increase in the percentage of prisoners testing positive for drug usage. Because the Facility was not performing drug tests in a timely manner, its drug testing results may have actually underreported the number of prisoners using drugs.

RECOMMENDATIONS

We recommend that the Facility conduct the required drug tests of all selected prisoners in a timely manner.

We also recommend that the Facility maintain documentation of all pertinent drug test request information.

AGENCY PRELIMINARY RESPONSE

The Facility agrees with the recommendations and informed us that it will comply. The Facility also informed us that it will instruct staff to ensure that the e-mail notifications are not opened prior to 12 hours before the end of the shift that will conduct the tests and to maintain documentation of when the prisoner drug testing e-mail notifications were opened.

However, the Facility wished to clarify that 4 of the drug tests cited in parts a. and b. were suspended because the Facility experienced critical incidents on that day and staff conducting the tests needed to be deployed to assist management with those incidents. The Facility indicated that for the remaining 15 cases, the auditors' computations showed that the Facility exceeded the 12-hour time requirement by an average of 30 minutes.

* See glossary at end of report for definition.

FINDING

3. Key Control

The Facility needs to improve its controls over keys. Proper controls would help ensure that all keys are secured and accounted for and that any lost or missing keys are detected and recovered in a timely manner, thereby helping to ensure the safety and security of staff and prisoners.

DOC policy directive 04.04.100 requires that the key control officer maintain an up-to-date inventory of keys and that keys which control access to sensitive areas, such as areas from which escape could occur and areas where critical tools or supplies are stored, be designated as "high security."

Our review of keys and the related controls disclosed:

- a. The Facility did not have an up-to-date inventory of keys. Our review of the master key inventory list as of May 2010 identified discrepancies with 3 (25%) of the 12 key rings sampled. In total, we identified 4 keys included on the key rings that were not on the master key inventory list. Also, the master key inventory list included one key ring containing 9 keys that the Facility could not locate.
- b. The Facility did not consistently identify the individual keys that it determined to be high security. The Facility's practice is to classify all key rings issued from its five KeyWatcher boxes* as high security keys and to visually mark them as such on the respective key tags. However, the key tags for the 17 key rings issued from the administration building's KeyWatcher box were not visually marked as high security.

In addition, we identified 6 different keys included on key rings issued from the KeyWatcher boxes that were also included on key rings issued from the non-KeyWatcher box locations. These 6 keys, including padlock keys to roof access and other outside exits and keys to the deputy warden's suite, are considered high security and were marked as such when issued from the KeyWatcher boxes. However, these same 6 keys, when issued from a non-KeyWatcher box location, were not marked as being high security. From the

* See glossary at end of report for definition.

Facility's master key inventory list, we determined that there were 480 copies of these 6 keys included on key rings used throughout the Facility. We determined that 134 (28%) of the 480 keys on key rings were not marked as high security.

RECOMMENDATION

We recommend that the Facility improve its controls over keys.

AGENCY PRELIMINARY RESPONSE

The Facility agrees with the recommendation and informed us that it has complied. The Facility indicated that the locksmith finished removing the keys from the key rings to match the master key inventory that was previously updated. The Facility informed us that the locksmith updated the master key inventory to properly reflect that the one key ring containing 9 keys should not have been on the master key inventory list. The Facility indicated that it had also revised its operating procedure to clarify which keys are high security keys and that all keys identified in the operating procedure have been stamped with "HS".

FINDING

4. Radio Checks

The Facility did not conduct and document all required radio checks. Periodic contact with corrections officers ensures that radio equipment is in working order and helps ensure the safety of the officers and prisoners.

DOC policy directive 04.04.100G requires that an officer assigned to the base station conduct radio checks with officers assigned to single staff assignments every hour during daylight hours and every half hour during hours of darkness. The procedure further requires that the radio checks performed be recorded in the appropriate logbook.

Our review of the logbook for the period January 15 through January 19, 2010 and for February 13, 2010 disclosed that the Facility did not conduct and document 23 (10%) of the 222 required radio checks. However, based on the Facility's subsequent review of its control center recording, it determined that 8 of the 23 radio checks had been performed but were not documented in the appropriate logbook.

RECOMMENDATION

We recommend that the Facility conduct and document all required radio checks.

AGENCY PRELIMINARY RESPONSE

The Facility agrees with the recommendation and informed us that it has complied. The Facility indicated that it had implemented additional measures to ensure that radio checks are recorded in the appropriate logbook. The Facility also indicated that it had updated its radio check sheets to include half-hour checks from 6:00 a.m. to 7:30 a.m. The Facility informed us that all three shifts were instructed to record radio checks as required and to retain the radio check sheets for future reference.

FINDING

5. Metal Detector Calibration

The Facility did not properly calibrate its level II walk-through metal detector. As a result, the Facility's level II walk-through metal detector did not detect potentially dangerous metal objects on individuals entering the prison. Failure to detect metal objects entering the Facility jeopardizes the safety and security of staff and prisoners.

The Facility has two walk-through metal detectors: one located at the entrance to the secured prison for level II prisoners and the other located at the entrance to the level I secured prison area. These metal detectors are the primary mechanism used by the Facility to identify contraband* and prevent it from entering the Facility.

Our random physical testing of the walk-through metal detectors noted that the level II metal detector did not detect significant quantities of metal contraband passing through its gates. During the period June 14 through July 13, 2010, we

* See glossary at end of report for definition.

walked through the level II metal detector six times, each time increasing the amount of metal we carried. For our last test of the level II metal detector on July 13, with the knowledge and consent of the day shift captain, we went through the metal detector carrying two key rings containing a total of 7 keys, two remote key fobs, one cellular telephone, and 17 quarters. The metal that we carried was not detected in any of our six tests. We performed similar tests on the level I metal detector and determined that it did detect the metal that we attempted to carry through.



The Facility acknowledged that it had also noted some concerns regarding the level II metal detector and, as a result, purchased and installed a new metal detector. We walked through the new metal detector 3 times carrying two key rings containing a total of 17 keys, one remote key fob, 10 quarters, and a watch with a metal band. The alarm did not sound in 2 of the 3 walk-throughs.



RECOMMENDATION

We recommend that the Facility properly calibrate its level II walk-through metal detector.

AGENCY PRELIMINARY RESPONSE

The Facility agrees with the recommendation and informed us that it has complied. The Facility also informed us that prior to the auditors' visit, it discovered that the level II metal detector had outlived its usefulness and placed an order for a new metal detector. The new device was installed during the auditors' visit. The Facility indicated that it has been routinely calibrating the metal detector.

FINDING

6. Security Monitoring Exercises (SMEs)

The Facility did not complete all required SMEs. As a result, the Facility could not ensure that its custody staff were adequately trained in critical security measures.

SMEs are developed to test the effectiveness of established procedures and the alertness of staff by simulating the condition, behavior, or emergency that the procedures were designed to prevent or control. DOC policy directive 04.04.100 requires that SMEs be conducted at least quarterly. Facility operating procedure 04.04.100D requires that SMEs be conducted as designated by the inspector.

Our review of the SME forms for the period January through March 2010 disclosed that the Facility did not complete 53 (34%) of the 154 required SMEs. Six of the 53 tests not completed related to the calibration of the Facility's walk-through metal detectors (see Finding 5). The Facility indicated that it had not implemented a systemic, organized process to monitor or track the completion of required SME documentation until May 2010.

RECOMMENDATION

We recommend that the Facility complete all required SMEs.

AGENCY PRELIMINARY RESPONSE

The Facility agrees with the recommendation and informed us that it has complied. The Facility indicated that it developed and implemented a spreadsheet that identifies the various SMEs and their completion. The Facility informed us that this spreadsheet has been added to the documents submitted in the monthly report.

FINDING

7. Sanitation and Food Service Inspections

The Facility did not ensure that all required sanitation and food service inspections were documented in a timely manner. As a result, the Facility could not ensure that staff and prisoners were not unnecessarily subjected to communicable diseases or food-borne illnesses caused by unsanitary conditions.

DOC policy directive 04.03.102 requires that weekly sanitation inspections be conducted in all facility areas by a qualified DOC staff member. Also, DOC policy directive 04.07.103 requires that self-inspections of all food service areas shall be conducted on each shift, every day, by appropriate food service staff. Timely documentation would provide assurance that all required sanitation and food service inspections were completed to help ensure that food service and safety standards are maintained.

We reviewed the sanitation inspections for the period May 17 through June 11, 2010. Our review disclosed that, as of June 15, 2010, the Facility had not documented 27 (28%) of the 96 required weekly inspections.

In addition, the Facility was unable to provide any documentation for the 78 required food sanitation shift inspections for this same time period.

RECOMMENDATION

We recommend that the Facility ensure that all required sanitation and food service inspections are documented in a timely manner.

AGENCY PRELIMINARY RESPONSE

The Facility agrees with the recommendation and informed us that it will comply. The Facility indicated that it will remind staff to submit their completed sanitation inspection forms on a weekly basis and that the Facility's sanitation coordinator will track the sanitation inspections to ensure that they are completed timely.

The Facility also informed us that it has reinstated a system to document food sanitation inspections and that its food service director will monitor the forms to ensure compliance.

FINDING

8. Telephone Monitoring

The Facility did not document that it monitored at least the minimum required number of prisoner telephone calls each month.

Monitoring prisoner telephone calls discourages prisoners from attempting to violate DOC policy and State laws, which could adversely affect the safety and

security of staff and prisoners. Documentation provides assurance that prisoner telephone calls are monitored.

DOC policy directive 05.03.130 requires that at least 50 telephone calls or audio recordings per month shall be listened to and that this monitoring shall be documented at each prison. The Facility designated six staff members to be responsible for monitoring and documenting 10 prisoner telephone calls each month.

We examined the Facility's telephone monitoring records for the period February through April 2010. The Facility documented that it monitored only 74 (49%) of the required 150 prisoner telephone calls.

RECOMMENDATION

We recommend that the Facility document that it monitors at least the minimum required number of prisoner telephone calls each month.

AGENCY PRELIMINARY RESPONSE

The Facility agrees with the recommendation and informed us that it has complied. The Facility indicated that its shift commanders have been reminded of the need to properly document the prisoner phone calls that they monitor. The Facility informed us that its shift commanders will document the total number of phone calls monitored in their monthly report.

GLOSSARY

Glossary of Acronyms and Terms

CB-831	Representative Sample of Prisoners Report.
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.
DOC	Department of Corrections.
DS-021	Relist/Retest Report.
effectiveness	Success in achieving mission and goals.
gate pass prisoner	A supervised offender assigned to work duty on DOC grounds but outside the security perimeter of the prison.
KeyWatcher box	Electronic key storage cabinet that employees use to access their assigned key rings using specific pass codes that release only their key rings from the cabinet.
level I	A security classification assigned to a facility or a prisoner. The facility has minimum security, including a single security fence. These facilities house prisoners who are relatively near parole, who are not serving time for a sexual offense, and who have no history of certain kinds of arson behavior.
level II	A security classification assigned to a facility or a prisoner. The facility has a low medium security, including open barracks-style housing and a full security perimeter with double fences, concertina wire, and a perimeter detection system. These facilities house prisoners who generally have longer sentences than do level I prisoners and who need more supervision but who are not difficult to manage or likely to escape.

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 program operations, to facilitate decision making by parties responsible for overseeing or initiating corrective action, and to improve public accountability.

reportable condition

A matter that, in the auditor's judgment, falls within any of the following categories: an opportunity for improvement within the context of the audit objectives; a deficiency in internal control that is significant within the context of the objectives of the audit; all instances of fraud; illegal acts unless they are inconsequential within the context of the audit objectives; significant violations of provisions of contracts or grant agreements; and significant abuse that has occurred or is likely to have occurred.

**security monitoring
exercise (SME)**

A systematic method of safely and effectively testing and monitoring security standards of a facility to enable staff to have an opportunity to practice the standards under controlled conditions.

