



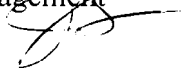
STATE OF MICHIGAN
DEPARTMENT OF CORRECTIONS
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

PATRICIA L. CARUSO
DIRECTOR

DATE: January 30, 2009

TO: Executive Office
Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency
House Judiciary Committee
Senate Judiciary Committee
House Appropriations Sub-Committee on Corrections
Senate Appropriations Sub-Committee on Judiciary and Corrections

FROM: Julie Southwick, Office of Risk Management
Department of Corrections 

SUBJECT: Auditor General's Performance Audit of Prisoner Transportation, Department of Corrections

In accordance with the State of Michigan Financial Management Guide Part VII, Chapter 4, Section 100 and Section 420 of P.A. 2007, I am forwarding a copy of the response to the Auditor General's Performance Audit of Prisoner Transportation, Department of Corrections. The attached response has been accepted by the State Budget Office (SBO).

If you have any questions, please contact me at (517) 335-6886.

Attachment

- c: SBO - Office of Internal Audit Services
 - S. Pike, SBO Analyst
 - D. Fenby
 - C. MacKenzie
 - E. Mize
 - D. Straub
 - B. Wickman



STATE OF MICHIGAN
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January 26, 2009

Mr. Bryan Weiler
Support Services Division
Office of State Budget
George W. Romney Building
111 South Capitol, 5th Floor
Lansing, MI 48913

Dear Mr. Weiler:

In accordance with the State of Michigan, Financial Management Guide, Part VII, attached please find a corrective action plan to address the recommendations contained within the Office of the Auditor General's audit of:

Prisoner Transportation

Questions regarding the preliminary summary table or corrective action plans should be directed to Connie MacKenzie, internal audit liaison, at (517) 241-7342.

Sincerely,

DEPARTMENT OF CORRECTIONS

Signature Redacted

Patricia L. Caruso, Director
Attachment
PC/22/cm

c: D. Fenby
C. MacKenzie
E. Mize
D. Straub
B. Wickman

**Preliminary Response to the
Performance Audit of the
Prisoner Transportation**

**Prisoner Transportation
Department of Corrections
Preliminary Summary of Agency Responses to Recommendations
October 2004 through July 2008**

1. Findings/Recommendations MDOC complied with:

None

2. Findings/Recommendations MDOC will comply with by:

1	12/31/2009
2	12/31/2009
3	12/31/2009
4	12/31/2011
5	12/31/2009

3. Findings/Recommendations MDOC disagreed with:

None

Preliminary Response to the Performance Audit of the Prisoner Transportation

1. Transportation Activity and Costs

The auditors again recommended that DOC develop a standardized method to identify, account for, document and report prisoner transportation activity.

Agency Preliminary Response:

DOC agrees with the recommendation and has taken steps to comply. CFA is conducting a self audit to ensure that prisoner transportation vehicles and mileage are appropriately charged to prisoner transportation. The Bureau of Fiscal Management (BFM) has reminded facility business offices to ensure that vehicle costs and mileage are charged to proper accounts based on vehicle use. CFA has also taken steps to standardize monthly reporting of prisoner transportation activities performed by regional and facility transportation staff. CFA and BFM are also working together to establish a system to track prisoner transportation activity performed by facility custody officers. These reports will be analyzed by the transportation manager on a monthly basis.

However regarding item a(3), DOC agrees in part. DOC tracks and monitors overtime earned by non-transportation officers to transport prisoners. This is done using the Statewide daily personnel reconciliation system which is tied to DOC's staffing relief factor and the State's Data Collection and Distribution System (DCDS). DOC will charge these overtime costs to the prisoner transportation appropriation line item beginning in fiscal year 2008-09. DOC is also piloting a system to track and monitor regular hours incurred by non-transportation officers to transport prisoners and to estimate the costs associated with these regular hours. If the pilot demonstrates that these costs are material and feasible to track and estimate, DOC will begin to charge these costs to the prisoner transportation appropriation line item.

2. Computerized Transportation System

The auditors again recommended that DOC fully implement its computerized transportation system (TRATS) to prioritize, schedule, route, and coordinate its prisoner transportation services.

Agency Preliminary Response:

DOC agrees in part with the recommendation and is taking steps to improve the process for prioritizing, scheduling, routing, and coordinating prisoner transportation. DOC is in the process of contracting with a vendor to assist DOC in developing a logistics network strategy. This logistics network strategy may or may not include full implementation of TRATS. The focus of the strategy will be more comprehensive than only prisoner transportation and will look to increase efficiency in several areas of logistical management within the DOC.

Preliminary Response to the Performance Audit of the Prisoner Transportation

As part of a logistics network strategy, the DOC will transform its communication processes to allow facility transportation coordinators, medical schedulers, and records office staff to effectively prioritize and schedule prisoner transfers or appointments to allow better coordination of prisoner transports across multiple geographical areas. The communication processes will also allow prisoner transportation supervisors to efficiently schedule, route, and coordinate prisoner transportation runs across multiple geographical areas.

3. Centralized Coordination of Transportation Activity

The auditors again recommended that DOC establish a central transportation coordinator, with the appropriate level of authority, to work with the regional transportation hubs, the individual facility transfer coordinators, and the medical and records office staff at each facility.

Agency Preliminary Response:

DOC agrees with the recommendation and has complied. DOC established and filled a full-time central office transportation manager position to provide additional resources toward improving prisoner transportation efficiency. The transportation manager has the authority and responsibility to monitor and make necessary changes to increase the efficiency of prisoner transportation and to work with the regional transportation hubs, facility transfer coordinators, and medical and records office staff in the coordination and scheduling of prisoner transportation activity.

Regarding item b., agrees in part. Some regional CTOs already work flex schedules where they start working several hours before their normal shift starts and leave several hours before their normal shift ends to minimize overtime. DOC will monitor and review transportation activities and staff scheduling to determine and implement the most cost effective work schedules, including alternative work schedules as necessary, while complying with the provisions of the Michigan Corrections Organization (MCO) contract.

Regarding facility transportation activity, facility transportation staff now report to regional supervisors. In addition, CFA has established standardized transportation activity reports.

4. Video Conferencing

The auditors recommended that DOC continue to seek the cooperation of the State Court Administrative Office (SCAO) and its medical service providers to fully use existing technology to conduct video court conferencing and medical evaluations.

Preliminary Response to the Performance Audit of the Prisoner Transportation

Agency Preliminary Response:

DOC agrees with the recommendation and has been working with the SCAO and the courts to determine which courts have video equipment that is compatible with video conferencing industry standards. In cooperation with the Michigan Department of Information Technology, DOC has developed a method for courts with compatible equipment to connect with prison facilities utilizing Internet protocol for video traffic. Nine counties have been certified for in-bound video traffic. In addition, there are a number of courts that are conducting video conference hearings using older Integrated Service Digital Network (ISDN) technology. SCAO has been assisting DOC by advocating the use of court videoconferencing and explaining the connectivity process to the courts. In addition, DOC will continue to work with legislators to establish incentives for counties to minimize transportation costs by using available technologies.

It should be noted that DOC and the courts also used telephone conferencing 1,256 times between January and June 2008. The DOC will continue to use telephone conferencing whenever allowed by the courts.

DOC has been using telemedicine since 1996. Currently, there are two subspecialties (nephrology and infectious disease) that are almost exclusively done using telemedicine because they are largely driven by laboratory results instead of physical exam findings. Dietary consults and emergency psychiatric evaluations have been increasingly done using telemedicine. DOC would like to clarify that physicians, not facilities, determine which cases can be seen through telemedicine. DOC is in the process of negotiating incentives for the managed care contractor to maximize the use of telemedicine. DOC has installed additional telemedicine units and performed upgrades in preparation for the new managed care contract. While the DOC currently averages 75 telemedicine encounters a month, this average will rise significantly when telemedicine is established in 12 subspecialties.

5. Implementation of Recommendations

The auditors again recommended that DOC fully implement DOC's internal control assessment recommendations, DOC's transportation committee recommendations, and OAG audit report recommendations.

Agency Preliminary Response:

DOC agrees in part with the recommendation. DOC has implemented and continues to make significant progress toward more fully implementing various internal and external recommendations. DOC also continues to study various alternatives that are available to increase the efficiency, effectiveness, and safety of prisoner transportation as recommendations contained within the internal and external assessments may not result in the most efficient, effective, or safest solution.

Preliminary Response to the Performance Audit of the Prisoner Transportation

Examples of DOC's efforts to improve prisoner transportation in areas identified within the internal and external assessments include:

-DOC established a statewide daily personnel reconciliation system to track compensatory time and overtime costs associated with various activities including prisoner transportation conducted by CTOs and non-transportation officers.

-In October 2007, DOC placed all CTOs under central office authority which allows DOC to allocate CTO positions to regions and facilities where demand for such positions is the greatest, thus reducing overtime costs.

-DOC is in the process of contracting with a vendor to assist DOC in developing a logistics network strategy. DOC continues to research a global positioning system and central seat reservation system as a long-term strategy to manage prisoner transportation.

-In October 2008, DOC filled a full-time central office transportation manager position. The transportation manager will focus on improving prisoner transportation efficiency.

-DOC added on call services that allow nurses and custody staff at all facilities to contact an on-call doctor prior to transporting prisoners to emergency rooms (ER). This resulted in approximately 20 less ER runs per month. DOC also established some local urgent care centers, which reduced ER runs. In addition, DOC resumed staffing some third shifts with nurses, which also reduced some ER runs.

-DOC is in the process of negotiating a new managed health care contract that will require all specialty services to be within 30 miles of the facility when possible. DOC is also in the process of negotiating incentives for the managed health care contractor to maximize the use of telemedicine. This will reduce transportation costs associated with off-site medical appointments.

-DOC has assigned an employee to work with SCAO, the courts, DOC's managed health care contractor, and DOC facilities on a full-time basis to increase the use of court telephone and videoconferencing and telemedicine.

-DOC established multiple staging areas to house prisoners overnight thereby eliminating lengthy transportation runs which cause overtime. DOC also established additional staging areas where transportation units can meet and turn their assigned prisoners over to another transportation unit who completes the trip.

-DOC continues to align facilities in close proximity to one another with one controlling facility to better organize and manage transportation activities related to court and medical appointments.

-DOC continues to establish reporting of facility/complex transportation schedules to regional transportation supervisors daily for purposes of coordinating planned runs.

**Preliminary Response to the
Performance Audit of the
Prisoner Transportation**

-Transportation supervisors have been working with transfer and medical coordinators to achieve better coordination of work loads. Transportation supervisors have also been initiating transfers to minimize the need for prisoner transportation.

-DOC continues to take steps to have CTOs perform the majority of prisoner transports throughout DOC.

-DOC continues to review and update its prisoner transportation policies and procedures.

-DOC established a system to report inefficiencies and delays encountered during prisoner transports to central office for review and corrective action.

-DOC purchased ballistic vests for CTOs to improve safety.