



STATE OF MICHIGAN
DEPARTMENT OF CORRECTIONS
LANSING

RICK SNYDER
GOVERNOR

DANIEL H. HEYNS
DIRECTOR

October 15, 2012

Doug Ringler, Director
Office of Internal Audit Services
Office of the State Budget
George W. Romney Building
111 South Capitol, 6th Floor
Lansing, MI 48913

Dear Mr. Ringler:

In accordance with the State of Michigan Financial Management Guide, Part VII, attached is a summary table identifying our responses and a corrective action plan to address the recommendations contained within the Office of the Auditor General's financial audit of the Department of Corrections covering the period October 1, 2009 through September 30, 2011.

Please direct questions regarding the summary table or corrective action plans to Julie Hamp at (517) 335-6886.

Sincerely,

Signature Redacted

Daniel H. Heyns, Director

Attachment
DH/22/cm

c: Executive Office
Office of the Auditor General
House Fiscal Agency
Senate Fiscal Agency
House Appropriations Subcommittee on Corrections
Senate Appropriations Subcommittee on Corrections
House Judiciary Committee
Senate Judiciary Committee
L. Gulick J. Hamp
R. Treacher J. Sherry
C. MacKenzie

1. Audit recommendations the agency complied with:

2, 3, 4

2. Audit recommendations the agency will comply with:

Number	Expected compliance Date
1	December 31, 2012

3. Audit recommendations the agency disagrees with:

None

1. Child Nutrition Cluster

The auditors recommended that DOC improve its internal control over the Child Nutrition Cluster to ensure compliance with federal laws and regulations regarding eligibility.

Agency Preliminary Response:

The DOC agrees that one facility did not ensure that eligible prisoners were housed in accordance with the program requirements and will comply.

Regarding part a., DOC will comply by providing additional training and education to facility custody staff responsible for the placement of prisoners within the housing units. DOC assigned responsibility to Food Service Directors to ensure that the participants included on the billing document meet all program eligibility requirements.

Regarding part b., DOC complied by providing additional training and education to food service staff in the use and importance of the daily count sheets. The Food Service Directors are responsible for verifying the accuracy of the daily count sheet used to ensure compliance with the program requirements.

Central Office will monitor the monthly program facility reimbursement submissions to ensure program compliance.

2. Prisoner Reentry Initiative Demonstration (Offender Reentry)

The auditors recommended that DOC establish internal control over the Prisoner Reentry Initiative Program to ensure compliance with federal laws and regulations regarding procurement and suspension and debarment.

Agency Preliminary Response:

The DOC agrees and complied by adding an item to the DOC contract preparation checklist to require procurement staff to verify that a vendor is not suspended or debarred from the Federal Excluded Parties List System. Additionally, the Department of Technology, Management, and Budget now requires vendors that bid on contracts posted on the Bid4Michigan website to certify that they are not suspended or debarred.

3. Residential Substance Abuse Treatment for State Prisoners

The auditors recommended that DOC improve its internal control over the RSAT Program to ensure compliance with federal laws and regulations regarding eligibility.

Agency Preliminary Response:

DOC agrees and complied. Three of the four cases noted in the finding were for participants that did not complete the program due to termination by DOC or withdrawal by the participants. In each of the three cases, there was time between the participant's termination date and the end date of the program that would have provided opportunity for the participants to be tested.

DOC issued a Field Operations Administration Work Statement effective July 1, 2012 that enhanced its internal control to ensure that random and periodic drug and alcohol testing is completed as required by the federal regulations. As required by the Work Statement, the RSAT Manager will track and monitor the drug testing system to ensure compliance with the program requirements.

4. Grants to States for Workplace and Community Transition Training for Incarcerated Individuals

The auditors recommended that DOC establish internal control over the CERT Program to ensure compliance with federal laws and regulations regarding eligibility and procurement and suspension and debarment.

Agency Preliminary Response:

DOC agrees but notes that the CERT Coordinator did approve eligibility for all participating prisoners before enrolling the prisoners. However, this approval was not always documented.

Regarding part a., DOC complied by adding a signature line to the program application to document the CERT Coordinator's approval of the participant's eligibility. The DOC has also been ensuring that the CERT Coordinator maintains an up to date roster of all program participants and verifies the college billing to the roster.

Regarding part b., DOC complied by adding an item to the DOC contract preparation checklist to require procurement staff to verify that a vendor is not suspended or debarred from the Federal Excluded Parties List System. Additionally, the Department of Technology, Management, and Budget now requires vendors that bid on contracts posted on the Bid4Michigan website to certify that they are not suspended or debarred.