

# Office of the Auditor General

## Performance Audit Report

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# Prisoner Transportation

## Department of Corrections

February 2016

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**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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Office of the Auditor General

## Report Summary

### *Performance Audit*

### *Prisoner Transportation*

### *Department of Corrections (DOC)*

**Report Number:**  
**471-0390-15**

**Released:**  
**February 2016**

DOC's mission for prisoner transportation is to conduct departmentwide transportation that is both efficient and effective while ensuring a safe environment for staff, prisoners, and Michigan citizens. DOC transports prisoners for four reasons: interfacility transfers, medical trips, court appearances, and Field Operations Administration (FOA) transfers (parole, probation, and parole violators). Prisoner transportation costs in fiscal year 2015 were \$24.0 million. As of July 8, 2015, DOC had 137 vehicles. During fiscal year 2015, DOC completed 26,247 court, medical, transfer, and FOA runs.

Audit Objective			Conclusion
Objective: To assess the efficiency and effectiveness of DOC's efforts to manage prisoner transportation costs.			Moderately efficient and moderately effective
Findings Related to This Audit Objective	Material Condition	Reportable Condition	Agency Preliminary Response
DOC did not ensure that corrections transportation officers (CTOs) consistently documented prisoner transportation activity. Key information, such as departure times, prisoner counts, and reason for transportation, was missing from trip sheets making it difficult for DOC to comprehensively monitor prisoner transportation ( <u>Finding #1</u> ).		X	Agrees
DOC did not consistently document CTO activity for when CTOs were not transporting prisoners. DOC could not support 19% of the 18,871 scheduled hours or 60% of the 3,643 undocumented hours identified in our review ( <u>Finding #2</u> ).		X	Agrees
DOC needs to ensure that it accurately accounts for all prisoner transportation costs. Costs for corrections officers to transfer prisoners were excluded while costs for CTOs to work inside facilities were included in transportation costs, making it difficult to accurately calculate the true transportation costs ( <u>Finding #3</u> ).		X	Agrees

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: [www.audgen.michigan.gov](http://www.audgen.michigan.gov)

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Office of the Auditor General

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**Doug A. Ringler, CPA, CIA**  
Auditor General

February 29, 2016

Ms. Heidi E. Washington, Director  
Department of Corrections  
Grandview Plaza Building  
Lansing, Michigan

Dear Ms. Washington:

I am pleased to provide this performance audit report on Prisoner Transportation, Department of Corrections.

Your agency provided preliminary responses to the recommendations at the end of our fieldwork. The *Michigan Compiled Laws* and administrative procedures require an audited agency to develop a plan to comply with the recommendations and submit it within 60 days of the date above to the Office of Internal Audit Services, State Budget Office. Within 30 days of receipt, the Office of Internal Audit Services is required to 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.

Sincerely,

A handwritten signature in black ink that reads "Doug Ringler". The signature is written in a cursive, flowing style.

Doug Ringler  
Auditor General



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# AUDIT OBJECTIVES, CONCLUSIONS, FINDINGS, AND OBSERVATIONS

# MANAGEMENT OF TRANSPORTATION COSTS

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## BACKGROUND

The Department of Corrections' (DOC's) mission\* for prisoner transportation is to conduct departmentwide transportation that is both efficient and effective while ensuring a safe environment for prisoners, staff, and Michigan citizens. As of September 30, 2015, DOC had 32 facilities located throughout the State and was responsible for the custody and safety of 42,961 prisoners.

DOC transports prisoners for interfacility transfers, medical trips, court appearances, and Field Operations Administration (FOA) transfers (parole, probation, and parole violators).

Correctional Facilities Administration (CFA) operates two transportation hubs\*, the St. Louis hub at St. Louis Correctional Facility and the Munising hub at Alger Correctional Facility, and 21 transportation cadres\*, including 160 corrections transportation officers (CTOs) distributed among the facilities as follows:

<u>Area/Correctional Facility</u>	<u>Number of CTOs</u>
<u>Northern Area</u>	
Alger	2
Baraga	2
Kinross	13
Marquette	4
Newberry	2
Ojibway	3
<u>Southern Area</u>	
Adrian	8
Jackson	35
Lakeland	4
<u>Eastern Area</u>	
Detroit Reentry Center	10
Macomb	6
Thumb	4
Women's Huron Valley	9
Woodland Center	5
<u>Central Area</u>	
Carson City	5
Ionia	15
Muskegon	10
Oaks	3
Pugsley	3
Saginaw	4
St. Louis	13

\* See glossary at end of report for definition.

During fiscal year 2015, prisoner transportation costs were \$24.0 million, including salaries and wages, equipment purchases, uniforms, dry cleaning, meals, lodging, telephone charges, office supplies, vehicle lease payments, and other miscellaneous costs. During fiscal year 2015, DOC completed 5,378 court runs; 12,023 medical runs; 5,028 transfer runs; and 3,818 FOA runs.

**AUDIT OBJECTIVE**

To assess the efficiency\* and effectiveness\* of DOC's efforts to manage prisoner transportation costs.

**CONCLUSION**

Moderately efficient and moderately effective.

**FACTORS  
IMPACTING  
CONCLUSION**

- DOC increased videoconferencing for prisoner court appointments by more than 54% since 2010, resulting in a cumulative savings of over \$15 million. Fiscal year 2014 transportation savings totaled approximately \$4.8 million because of 7,387 video and telephone conferences for court appointments.
- From fiscal years 2009 through 2015, overall prison transportation expenditures and personnel costs decreased an average of 5%.
- The average decrease in prisoner transportation overtime costs from fiscal years 2009 through 2015 was 15%.
- Reportable conditions\* related to:
  - Ensuring that CTOs consistently documented their prisoner transportation activity.
  - Improving documentation of CTO staff daily utilization.
  - Needing to ensure that DOC accurately accounts for all transportation costs.

\* See glossary at end of report for definition.

## FINDING #1

### DOC needs to improve documentation for prisoner transportation activity.

DOC did not ensure that CTOs consistently documented their prisoner transportation activity to allow the department to comprehensively monitor the efficiency and effectiveness of this service.

DOC CTO Assignment Post Order 7.1.11 requires CTOs to complete a trip sheet for each transportation run. Trip sheets serve as a tracking mechanism to record officers responsible for the trip, vehicle used, arrival and departure times, destinations, prisoner counts, and reason for the transportation.

On April 1, 2015, DOC transportation management performed a self-audit of the transportation trip sheets for the first quarter of fiscal year 2015. The audit identified three areas needing improvement:

- CTOs across the State used four different trip sheets.
- Over 60% of the trip sheets were incomplete.
- There was an accumulated 499 hours in delays/wait times (above the allotted 20 minutes per facility).

DOC documented avoidable costs of \$51,900 for one quarter. Subsequently, on May 20, 2015, DOC issued a memorandum documenting trip sheet requirements.

We selected 280 days at 11 locations between June 1, 2015 and September 30, 2015 to assess the accuracy and completeness of trip sheets. The following table shows the number of times that information was missing from trip sheets:

Date	In-Charge Officer	Vehicle Used	Facility Code	Arrival/Departure Time	Prisoner Count	Reason for Transportation	Prisoner Details
Preliminary Review (Jackson, Ionia, St. Louis)							
	1	9	2	3	8	9	11
Ionia		3	4	4	5		3
Kinross	2	13	5	2	3	1	5
Marquette		3			18	4	10
Alger		3	2	1	23	2	16
Baraga	3	2	1	2	8	15	7
Muskegon	1		2	1	2	7	2
Women's Huron Valley		41	1	3	29	18	4
Detroit		4	11		8		15
Adrian	1	8	5		1	12	5
Jackson	2	2	40	1	9	25	28
<b>Total</b>	<b>9</b>	<b>30</b>	<b>123</b>	<b>15</b>	<b>34</b>	<b>151</b>	<b>75</b>

Without accurate and complete information, DOC lacks the ability to identify potential cost savings, determine if facilities and CTOs complied with DOC and prisoner count requirements, and assess overall trip reasonableness.

**RECOMMENDATION**

We recommend that DOC ensure that CTOs accurately and completely document their prisoner transportation activity.

**AGENCY  
PRELIMINARY  
RESPONSE**

DOC provided us with the following response:

*DOC agrees with the recommendation and complied by taking steps to improve its process.*

*DOC revised the daily trip sheet and provided training to transportation qualified staff to clarify proper completion of the required fields. DOC also instructed supervisors to timely collect and review all daily trip sheets and return those that are incomplete or contain errors to staff for correction.*

## FINDING #2

### DOC needs to improve its documentation of CTO activity.

DOC did not consistently document CTO activity for when CTOs were not transporting prisoners. This undocumented time equated to a minimum of \$105,866 in payroll costs, excluding fringe benefits.

We analyzed CTOs' daily utilization for 280 judgmentally selected days at 11 locations from October 1, 2013 through September 30, 2015.

For the days tested, documentation did not exist to support 3,643 hours of CTOs' scheduled workday activity, which represented 19.3% of the 18,871 scheduled work hours reviewed (after excluding 3,654 hours for administrative activity, break, and lunch). These undocumented hours equated to a minimum of \$105,866 in payroll costs, not including fringe benefits. Also, in 222 instances, CTOs did not document any transportation activity during their entire shift. These instances accounted for 2,175 (60%) of the 3,643 undocumented hours identified in our review:

Facility	Days Tested	Paid Hours Without Documented Transportation Activity
Preliminary Review (Jackson, Ionia, St. Louis)	11	Fiscal Year 2013 through Fiscal Year 2015 327:18
Ionia	10	08/03/2015 - 08/14/2015 7:40
Kinross	10	08/03/2015 - 08/14/2015 241:23
Marquette	11	05/11/2015 - 05/22/2015 132:53
Marquette	8	07/20/2015 - 07/30/2015 76:59
Alger	15	06/01/2015 - 06/30/2015 83:05
Alger	14	07/02/2015 - 07/28/2015 53:59
Alger	14	08/03/2015 - 08/27/2015 99:27
Baraga	15	06/01/2015 - 06/29/2015 78:37
Baraga	17	07/01/2015 - 07/29/2015 76:08
Baraga	17	08/03/2015 - 08/30/2015 127:35
Muskegon	10	07/06/2015 - 07/17/2015 51:31
Muskegon	10	08/01/2015 - 08/15/2015 70:39
Muskegon	7	09/01/2015 - 09/10/2015 4:07
Women's Huron Valley	22	06/01/2015 - 06/30/2015 275:41
Women's Huron Valley	22	07/01/2015 - 07/31/2015 183:49
Detroit	12	07/01/2015 - 07/17/2015 36:40
Detroit	11	08/03/2015 - 08/18/2015 25:25
Adrian	9	07/02/2015 - 07/14/2015 53:11
Adrian	14	07/15/2015 - 07/31/2015 10:05
Jackson	13	07/01/2015 - 07/15/2015 1,077:19
Jackson	8	07/16/2015 - 07/25/2015 549:19
<b>Total</b>	<b>280</b>	<b>3,642:50</b>

Without complete documentation and periodic analysis of CTOs' daily activity, DOC management cannot fully assess CTO utilization and the impact upon transportation costs.

**RECOMMENDATION**

We recommend that DOC consistently document CTO activity for when CTOs are not transporting prisoners.

**AGENCY  
PRELIMINARY  
RESPONSE**

DOC provided us with the following response:

*DOC agrees with the recommendation and complied by developing an individual daily activity log to account for the activities that CTOs performed throughout the day outside of transporting prisoners. CTOs submit the logs to their supervisor at the end of the work day and their supervisors are required to review the logs for accuracy and completeness. DOC also provided training to CTOs on properly completing the documentation.*

*It is important to note that CTOs are sometimes assigned other duties, such as to attend training or work in another unit due to work restrictions during all or part of their shift. In addition, since transportation is on an as-needed basis, there are times during all or part of their shift when CTOs will not have a transportation run. Transportation supervisors have responsibility to assign and monitor all CTO duties to ensure effective use of staff. During these times, CTOs are assigned other duties such as working inside correctional facilities, participating in on-line training, cleaning and maintaining vehicles and transportation equipment, reviewing and processing paperwork, writing reports, ordering transportation supplies, and responding to e-mails.*

### **FINDING #3**

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**Prisoner transportation costs were not accurate or complete.**

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DOC needs to ensure that it accurately accounts for all prisoner transportation costs to provide complete information for management decision making.

When CTOs are not available, corrections officers are routinely assigned to transport prisoners. For the 280 workdays that we reviewed at 11 different facilities, 107 instances occurred when corrections officers performed transportation activity that was not charged to prisoner transportation. Also, payroll costs for CTOs who work inside correctional facilities as corrections officers, either after their normal shifts or on scheduled days off, are charged to prisoner transportation. In both instances, CTOs accrue overtime.

Because DOC did not accurately record payroll costs, it could not monitor the full cost of prisoner transportation and assign accountability for its cost efficiency and effectiveness.

### **RECOMMENDATION**

We recommend that DOC accurately account for all prisoner transportation costs to provide complete information for management decision making.

### **AGENCY PRELIMINARY RESPONSE**

DOC provided us with the following response:

*DOC agrees with the recommendation.*

*Although DOC does not record all transportation-related payroll adjustments in the State's accounting system, DOC documents and monitors instances when corrections officers perform transportation runs and when CTOs work inside a correctional facility via daily transportation schedules and activity logs. The DOC Budget, Accounting, and Projections Division will work with transportation and facility staff to formalize a reporting mechanism to monitor and track transportation activity. DOC will use this report to determine if this activity rises to a material level that would warrant a cost reallocation.*

# SUPPLEMENTAL INFORMATION

UNAUDITED  
Exhibit #1

## PRISONER TRANSPORTATION Department of Corrections

### Transportation Costs by Facility Fiscal Years 2013 Through 2015

<u>Administration/Facility</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Correctional Facilities Administration	\$ 269,015	\$ 819,964	\$ 1,130,195
Field Operations Administration	153,370		
Alger Correctional Facility	261,120	273,676	262,094
Baraga Correctional Facility	351,447	251,692	251,007
Bellamy Creek Correctional Facility	4,216	7,117	7,278
Carson City Correctional Facility	726,697	622,237	630,355
Central Michigan Correctional Facility	874,709	1,239,224	1,192,727
Charles Egeler Reception and Guidance Center	5,040,154	5,137,704	5,066,175
Detroit Reentry Center	1,085,137	1,336,921	1,384,136
Earnest C. Brooks and West Shoreline Correctional Facilities	1,301,042	1,379,871	1,397,219
Gus Harrison Correctional Facility	968,925	1,028,849	1,052,875
Ionia Correctional Facility	2,239	(78)	
Kinross Correctional Facility	2,117,326	2,079,009	2,087,826
Lakeland Correctional Facility	748,015	607,044	650,281
Macomb Correctional Facility	828,405	975,536	927,292
Marquette Branch Prison	451,582	641,888	639,181
Michigan Reformatory	2,585,877	12,023	1,917
Muskegon Correctional Facility	9,009	(5,415)	
Newberry Correctional Facility	260,703	265,857	278,198
Oaks Correctional Facility	413,062	441,766	487,260
Ojibway Correctional Facility	457,322	489,159	495,294
Pugsley Correctional Facility	397,679	500,280	451,757
Richard A. Handlon Correctional Facility	110	2,391,437	2,433,188
Saginaw Correctional Facility	746,528	673,425	656,609
St. Louis Correctional Facility	664,717	527,256	554,688
Thumb Correctional Facility	629,121	514,337	531,321
Women's Huron Valley Correctional Facility	1,027,777	1,058,136	1,105,589
Woodland Center Correctional Facility	507,830	708,025	661,984
Total	<u>\$22,883,135</u>	<u>\$23,976,939</u>	<u>\$24,336,446</u>

Source: Prepared by the Office of the Auditor General from the Michigan Administrative Information Network (MAIN) data.

**PRISONER TRANSPORTATION**  
Department of Corrections

Transportation Personnel Costs by Cadre  
Fiscal Years 2013 Through 2015

Cadres	Fiscal Year 2013				Fiscal Year 2014				Fiscal Year 2015			
	FTEs (1)(2)	Regular	Overtime	Total	FTEs	Regular	Overtime	Total	FTEs	Regular	Overtime	Total
Adrian (3)	8	\$ 416,840	\$ 70,029	\$ 486,869	8	\$ 408,014	\$ 77,743	\$ 485,757	8	\$ 423,360	\$ 80,921	\$ 504,280
Alger	2	111,721	8,854	120,575	2	111,665	12,006	123,671	2	111,962	16,319	128,281
Baraga	4	158,711	6,811	165,522	4	110,964	7,670	118,634	2	111,619	4,530	116,150
Carson City	6	333,256	29,194	362,450	6	272,633	34,219	306,851	6	276,569	34,554	311,124
Detroit Reentry	8	455,844	85,535	541,379	0	522,893	88,270	611,164	0	572,236	73,873	646,109
Field Operations (4)	5	73,894	64,237	138,131	13	318,559	16,665	335,224	13	442,963	34,878	477,841
Ionia Transportation (5)	24	1,113,788	127,754	1,241,541	24	1,012,170	141,240	1,153,411	20	1,025,430	188,476	1,213,906
Jackson Transportation (6)	43	2,055,381	422,775	2,478,156	43	2,051,563	391,412	2,442,975	41	2,066,640	414,953	2,481,593
Kinross Transportation (7)	21	842,673	102,416	945,089	21	851,005	122,077	973,082	18	820,068	156,329	976,397
Lakeland	7	273,544	88,727	362,272	7	220,210	72,532	292,742	4	224,240	91,572	315,812
Macomb	6	320,533	73,667	394,200	6	326,700	72,463	399,163	6	306,276	77,122	383,399
Marquette	5	197,598	18,425	216,023	5	280,819	30,401	311,220	6	284,279	32,705	316,984
Muskegon (8)	11	585,783	43,901	629,684	12	603,158	59,469	662,627	12	593,998	77,231	671,229
Newberry	2	112,520	13,725	126,245	2	105,693	13,925	119,619	2	112,536	15,205	127,742
Oaks	4	150,781	32,228	183,009	4	160,183	31,468	191,652	3	169,877	41,149	211,026
Ojibway	4	167,659	15,640	183,299	4	167,229	37,027	204,257	4	172,290	42,065	214,356
Pugsley	4	118,571	25,623	144,194	4	174,826	35,002	209,828	4	169,125	35,722	204,847
Saginaw	8	335,165	19,431	354,596	8	274,989	19,499	294,487	6	276,970	24,459	301,429
St Louis (9)	13	660,619	53,642	714,261	13	780,246	63,051	843,298	14	758,543	91,198	849,741
Thumb	6	300,319	15,949	316,268	6	229,963	7,726	237,689	4	226,207	6,662	232,868
Women's Huron Valley	13	471,126	69,748	540,874	12	434,992	79,155	514,147	11	467,048	85,903	552,951
Woodland	2	197,294	65,400	262,693	2	261,593	58,711	320,303	5	268,001	63,225	331,226
<b>Total</b>	<b>206</b>	<b>\$9,453,620</b>	<b>\$1,453,708</b>	<b>\$10,907,328</b>	<b>206</b>	<b>\$9,680,067</b>	<b>\$1,471,733</b>	<b>\$11,151,800</b>	<b>191</b>	<b>\$9,880,239</b>	<b>\$1,689,052</b>	<b>\$11,569,290</b>

Notes:

- (1) FTEs = full-time equated positions.
- (2) FTEs assigned to facilities to provide transportation services to the other prisons within their vicinity, complex, or region.
- (3) Also known as Gus Harrison Correctional Facility.
- (4) Field Operations Administration supervises prisoners who are released to parole and conducts parole hearings for parolees who commit parole violations.
- (5) Includes Richard A. Handlon, Ionia, and Bellamy Creek Correctional Facilities and Michigan Reformatory.
- (6) Includes G. Robert Cotton, Parnall, and Cooper Street Correctional Facilities and Charles Egeler Reception and Guidance Center.
- (7) Includes Kinross and Chippewa Correctional Facilities.
- (8) Includes Ernest C. Brooks, West Shoreline, and Muskegon Correctional Facilities.
- (9) Includes St. Louis and Central Michigan Correctional Facilities.

Source: Correctional Facilities Administration, Department of Corrections.

## AGENCY DESCRIPTION

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DOC's goal\* for transportation services is to provide the greatest amount of public protection while making the most efficient use of the State's resources. Within DOC, CFA is responsible for facility operation, including prisoner transportation. FOA is responsible for parole and probationer oversight, including requesting parole and probationer transportation.

CFA dictates when interfacility transfers take place based on programming needs, security level, and classification of prisoners. Health Services and Corizon, a private health services contractor, dictate the appointment time and location of medical appointments. The courts dictate the appointment times and dates of court appearances. FOA dictates parole violators' transfers on an as-needed basis from local or county jails or parole and probation centers.

\* See glossary at end of report for definition.

## **AUDIT SCOPE, METHODOLOGY, AND OTHER INFORMATION**

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### **AUDIT SCOPE**

To examine the operations and other records of prisoner transportation. 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **PERIOD**

Our audit procedures, which included a preliminary survey, audit fieldwork, report preparation, analysis of agency responses, and quality assurance, generally covered the period October 1, 2013 through September 30, 2015.

### **METHODOLOGY**

We conducted a preliminary survey of DOC's prisoner transportation program to formulate a basis for establishing our audit objective and methodology. During our preliminary survey, we:

- Interviewed DOC management, transfer coordinators, medical schedulers, and records office staff at Charles Egeler Reception and Guidance Center.
- Reviewed applicable State laws, DOC policy directives, and the DOC transportation manual.
- Visited and reviewed transportation activity at the St. Louis hub, the Alger hub, and in the Jackson and Ionia areas.
- Analyzed the trip sheets for appropriate completion, including number of officers used, date, time departed, time arrived, and destination.
- Compared scheduled work hours for each CTO with the number of runs performed and verified hours paid (regular hours and overtime hours).

### **OBJECTIVE**

To assess the efficiency and effectiveness of DOC's efforts to manage prisoner transportation costs.

\* See glossary at end of report for definition.

To accomplish this objective, we:

- Analyzed DOC's efforts to prioritize, schedule, route, and coordinate its prisoner transportation services.
- Conducted on-site interviews with staff at 13 DOC facilities, including the 2 transportation hubs.
- Interviewed the lieutenants and sergeants responsible for transportation at each facility visited and gained an understanding of how the transportation schedule is managed using the e-calendar.
- Interviewed the centralized medical scheduler in the northern region and the medical schedulers at Dwayne Waters Hospital, Muskegon Correctional Facility, and Ionia Correctional Facility and observed how each interacted with the e-calendar to schedule prisoner transportation.
- Examined the process used by DOC to document prisoner transfer activities and reviewed transportation trip sheets completed by CTOs at 11 of the 13 facilities visited.
- Interviewed DOC management, lieutenants, sergeants, and an accounting analyst regarding DOC's efforts to account for transportation costs.
- Examined the Data Collection and Distribution System (DCDS) to verify paid hours, including regular and overtime hours for CTOs during our testing period.
- Analyzed CTO activity and determined how much of each workday CTOs spent completing transportation runs.
- Reviewed Effective Process Improvement and Communication meeting minutes to determine what transportation discussions occurred during each meeting.

We judgmentally selected 3 different days between October 1, 2013 through August 25, 2015 for the Jackson, Ionia, and St. Louis cadres for our preliminary review.

For substantive testing, we judgmentally selected the 11 facilities based on the dollar amount of expenditures and the number of FTEs. We also judgmentally selected the weeks at each facility based on the volume of activity at each facility to ensure that the selections were representative. Therefore, we could not project the results to the overall population.

**CONCLUSIONS**

We base our conclusions on our audit efforts and the resulting material conditions and reportable conditions.

When selecting activities or programs for audit, we direct our efforts based on risk and opportunities to improve State government operations. Consequently, we prepare our performance audit reports on an exception basis.

**AGENCY  
RESPONSES**

Our audit report contains 3 findings and 3 corresponding recommendations. DOC's preliminary response indicates that it agrees with all 3 recommendations.

The agency preliminary response that follows each recommendation in our report was taken from the agency's written comments and oral discussion at the end of our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and the State of Michigan Financial Management Guide (Part VII, Chapter 4, Section 100) require an audited agency to develop a plan to comply with the 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 is required to review the plan and either accept the plan as final or contact the agency to take additional steps to finalize the plan.

**PRIOR AUDIT  
FOLLOW-UP**

We released our prior performance audit of Prisoner Transportation, Department of Corrections (471-0623-07L), in December 2008. DOC complied with 2 of the 5 prior audit recommendations. We rewrote 2 recommendations for inclusion in Findings #1 and #2 of this report. One of the prior audit recommendations was no longer applicable.

**SUPPLEMENTAL  
INFORMATION**

Our audit report includes supplemental information presented as Exhibits #1 and #2. Our audit was not directed toward expressing a conclusion on this information.

## **GLOSSARY OF ABBREVIATIONS AND TERMS**

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cadre	A group of corrections transportation officers that is responsible for all transportation within a complex of three or more prisons in the same general area.
CFA	Correctional Facilities Administration.
CTO	corrections transportation officer.
DOC	Department of Corrections.
effectiveness	Success in achieving mission and goals.
efficiency	Achieving the most outputs and the most outcomes practical with the minimum amount of resources.
FOA	Field Operations Administration.
FTEs	full-time equated positions.
goal	An intended outcome of a program or an entity to accomplish its mission.
hub	A corrections transportation location where transportation vehicles meet and exchange prisoners to minimize long distance travel.
material condition	A matter that, in the auditor's judgment, is more severe than a reportable condition and could impair the ability of management to operate a program in an effective and efficient manner and/or could adversely affect the judgment of an interested person concerning the effectiveness and efficiency of the program.
mission	The main purpose of a program or an entity or the reason that the program or the entity was established.
performance audit	An audit that provides findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Performance audits provide objective analysis to assist management and those charged with governance and oversight in

using the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

**reportable condition**

A matter that, in the auditor's judgment, is less severe than a material condition and 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 audit objectives; 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.







