



MICHIGAN

OFFICE OF THE AUDITOR GENERAL

AUDIT REPORT

PERFORMANCE AUDIT
OF THE

PRISONER INTAKE PROCESS

DEPARTMENT OF CORRECTIONS

April 2014



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:
471-0225-14

Prisoner Intake Process

Department of Corrections

Released:
April 2014

The Department of Corrections (DOC) provides intake processing for male and female prisoners, including youthful offenders. The Charles Egeler Reception and Guidance Center (RGC), located in Jackson, Michigan, receives all male prisoners. The Women's Huron Valley Correctional Facility (WHV), located in Ypsilanti, Michigan, receives all female prisoners. Prisoner intake processing includes prisoner orientation, educational assessment, psychological assessment, health assessment, and classification screening.

Audit Objective:

To assess the effectiveness and efficiency of DOC's efforts to intake prisoners.

Audit Conclusions:

We concluded that DOC's efforts to intake prisoners were effective. We could not conclude on the efficiency of DOC's efforts to intake prisoners because DOC had not developed a performance standard related to the cost of processing prisoners through intake. We noted two reportable conditions (Findings 1 and 2).

Reportable Conditions:

DOC had not developed a comprehensive continuous quality improvement process to monitor and evaluate the effectiveness and efficiency of its prisoner intake process (Finding 1).

WHV did not coordinate the scheduling of its intake services. Also, WHV did not track data related to the timeliness of its overall intake process (Finding 2).

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Agency Response:

Our audit report contains 2 findings and 3 corresponding recommendations. DOC's preliminary response indicates that it agrees with all of the recommendations.

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obtained by calling 517.334.8050
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AUDITOR GENERAL

April 18, 2014

Mr. Daniel H. Heyns, Director
Department of Corrections
Grandview Plaza Building
Lansing, Michigan

Dear Mr. Heyns:

This is our report on the performance audit of the Prisoner Intake Process, Department of Corrections.

This report contains our report summary; a description of process; our audit objective, scope, and methodology and agency responses and prior audit follow-up; comment, findings, recommendations, and agency preliminary responses; and a glossary of abbreviations and terms.

The agency preliminary responses were taken from the agency's response at the end of our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a plan to comply with 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 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,



Thomas H. McTavish, C.P.A.
Auditor General

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Description of Process

The Department of Corrections (DOC) provides intake processing for male and female prisoners, including youthful offenders.

The Charles Egeler Reception and Guidance Center (RGC), located in Jackson, Michigan, receives all male prisoners. The Women's Huron Valley Correctional Facility (WHV), located in Ypsilanti, Michigan, receives all female prisoners. Each reception center acts as the main intake point for prisoners with new sentences and for parolees returning to prison for violating parole.

Prisoner intake processing includes:

1. Prisoner Orientation - The reception centers provide information to prisoners regarding the reception centers' process and their responsibilities within DOC.
2. Educational Assessment - The reception centers test prisoners to determine their educational needs. This information is used to better assess and place prisoners within DOC programs.
3. Psychological Assessment - The reception centers administer an initial psychological screening and, if necessary, a psychological evaluation by a licensed psychologist.
4. Health Assessment - The reception centers administer an initial health screening, including complete physical, dental, and vision examinations. This assessment allows the transfer coordinator to identify special health needs that may affect a prisoner's placement.
5. Correctional Offender Management Profiling for Alternative Sanctions* (COMPAS) Interview - The reception centers conduct this research-based risk and needs assessment questionnaire to assist them in the placement, supervision, and case management of prisoners.

* See glossary at end of report for definition.

6. Classification Screening - The reception centers complete each prisoner's initial classification screening. This screening includes reviewing all of the data gathered from the prisoner's educational, psychological, and health assessments; COMPAS interview; history; presentence investigation sheet; and current offense. Based on this review, the reception centers assign a security classification level (level I, II, IV, or V) to the respective prisoner.
7. Parole Board Interview - Beginning in February 2013, the Parole Board meets with newly incarcerated prisoners whose sentences are greater than 1 year and less than 10 years and who are not sex offenders. The purpose of this meeting is to discuss the prisoner's programming goals and to ensure that the prisoner understands what programming is required of him or her for parole. This also gives the Parole Board an opportunity to suggest additional programming if it identifies something else that could assist the prisoner.
8. Transfer of Prisoner - Based on the classification screening and various program needs and assessments, the reception centers schedule the prisoners for transfer to the most appropriate correctional facility.

During fiscal years 2011-12 and 2012-13, RGC processed 13,105 and 10,681 male prisoners, respectively, and WHV processed 873 and 981 female prisoners, respectively. For fiscal year 2012-13, RGC and WHV had 295 and 59 employees involved in the intake process, respectively. RGC and WHV spent \$32.1 million and \$4.3 million, respectively, for prisoner intake processing in fiscal year 2012-13.

Audit Objective, Scope, and Methodology and Agency Responses and Prior Audit Follow-Up

Audit Objective

The objective of our performance audit* of the Prisoner Intake Process, Department of Corrections (DOC), was to assess the effectiveness* and efficiency* of DOC's efforts to intake prisoners.

Audit Scope

Our audit scope was to examine the records and processes related to the administration of the Department of Corrections' prisoner intake process. 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, which included a preliminary survey, audit fieldwork, report preparation, analysis of agency responses, and quality assurance, generally covered the period August 1, 2010 through September 30, 2013.

Audit Methodology

We conducted a preliminary survey of the prisoner intake process to gain an understanding of DOC's prisoner intake activities and to establish our audit objectives. During our preliminary survey, we interviewed DOC prisoner intake management and staff, reviewed applicable State laws, and examined DOC policies and procedures. Also, we performed on-site visits of the two reception centers as well as two other judgmentally selected correctional facilities. We interviewed correctional facility staff to gain an understanding of how the correctional facilities use prisoner intake information, and we examined 57 judgmentally selected prisoner records and applicable data to determine DOC's compliance with the performance and case record documentation requirements and the timeliness of the overall intake process.

To accomplish our audit objective, we interviewed key DOC prisoner intake staff to obtain an understanding of the processes they use to ensure compliance with DOC

* See glossary at end of report for definition.

policies and procedures for orientating and assessing prisoners during intake and for processing prisoners through intake within the required time frame. We reviewed the 57 judgmentally selected prisoner records and obtained data from the Offender Management Network Information System (OMNI) for all prisoners incarcerated between August 1, 2010 and September 30, 2013 to verify that DOC completed the prisoner orientation; the educational, psychological, and health assessments; the Correctional Offender Management Profiling for Alternative Sanctions (COMPAS) interview; and the classification screening and assigned the prisoners to the proper facility and processed prisoners through intake within the required time frame. Also, we performed a review of prisoner security classification data, documented in OMNI, to determine if DOC changed the prisoners' security classification levels within 30, 60, or 90 days of their initial intake classification. In addition, we identified and calculated the costs associated with processing male and female prisoners. Further, we conducted research for timeliness standards relating to prisoner intake processing.

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 survey. 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.

Agency Responses and Prior Audit Follow-Up

Our audit report contains 2 findings and 3 corresponding recommendations. DOC's preliminary response indicates that it agrees with all of the 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 DOC to develop a plan to comply with 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 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 released our prior performance audit of the Prisoner Intake Process, Department of Corrections (47-225-03), in April 2005. DOC complied with 7 of the 9 prior audit recommendations, and we rewrote the other 2 prior audit recommendations for inclusion in Findings 1 and 2 of this audit report.

COMMENT, FINDINGS, RECOMMENDATIONS,
AND AGENCY PRELIMINARY RESPONSES

EFFECTIVENESS AND EFFICIENCY OF EFFORTS TO INTAKE PRISONERS

COMMENT

Audit Objective: To assess the effectiveness and efficiency of the Department of Corrections' (DOC's) efforts to intake prisoners.

Audit Conclusions: We concluded that DOC's efforts to intake prisoners were effective. We could not conclude on the efficiency of DOC's efforts to intake prisoners because DOC had not developed a performance standard* related to the cost of processing prisoners through intake.

Our audit conclusions were based on our audit efforts as described in the audit scope and audit methodology sections and the resulting reportable conditions* noted in the comment, findings, recommendations, and agency preliminary responses section.

We noted two reportable conditions in the seven policy areas reviewed. In our professional judgment, these matters are less severe than a material condition* but represent opportunities for improvement in DOC's prisoner intake processes. The reportable conditions related to a continuous quality improvement* (CQI) process and the timeliness of DOC's prisoner intake process (Findings 1 and 2).

We evaluated the qualitative and quantitative factors of DOC's prisoner intake process, such as the proper completion of the orientation process; the prisoner educational, psychological, and health assessments; the initial security classifications; and the prisoner transfer determinations. Also, we evaluated the timeliness of DOC's prisoner intake process, including an analysis of each aspect of the process. In addition, we identified DOC's costs associated with its prisoner intake process and determined an average cost per prisoner. Further, we determined whether DOC had established timeliness or cost benchmarks and whether DOC monitored and evaluated its own process.

In reaching our conclusion on effectiveness, we considered our audit evidence that indicated that DOC properly completed all aspects of the prisoner intake process; that

* See glossary at end of report for definition.

DOC reclassified only 9.0% and 6.5% of male and female prisoners, respectively, within 90 days after their initial intake classification; that the Charles Egeler Reception and Guidance Center (RGC) completed the intake process for 97.0% of the male prisoners within the required time frame; that the Women's Huron Valley Correctional Facility (WHV) did not complete the intake process for 68.6% of the female prisoners within the required time frame; and that DOC had not monitored or evaluated its own process. We also considered that the number of prisoners processed through intake at WHV represented only 6.2% and 8.4% of the total number of prisoners processed through intake by DOC during fiscal years 2011-12 and 2012-13, respectively. We believe that the results of our audit efforts provide a reasonable basis for our audit conclusion for this audit objective.

Related to efficiency, we considered our audit evidence that indicated that RGC completed the intake process for 97.0% of the male prisoners within the required time frame; that WHV did not complete the intake process for 68.6% of the female prisoners within the required time frame; and that the number of prisoners processed through intake at WHV represented only 6.2% and 8.4% of the total number of prisoners processed through intake by DOC during fiscal years 2011-12 and 2012-13, respectively. We also considered that DOC had not developed a performance standard related to the cost of processing prisoners through intake and had not conducted a cost analysis of the prisoner intake process. We considered program costs to be significantly relevant to an efficiency objective, such that, without a related performance standard, we could not conclude on this objective.

FINDING

1. Continuous Quality Improvement (CQI) Process

DOC had not developed a comprehensive CQI process to monitor and evaluate the effectiveness and efficiency of its prisoner intake process. As a result, DOC could not assess the strengths, weaknesses, and needs or the overall effectiveness and efficiency of its intake process.

Program effectiveness and efficiency can often be evaluated and improved by having a comprehensive evaluation process to provide management with information that will allow it to make the necessary decisions and changes to meet the established program goals*. Such a process should include performance

* See glossary at end of report for definition.

indicators that measure outcomes* related to the program's goals and objectives*; performance standards or goals that describe the desired level of outputs* or outcomes based on management expectations, peer group performance, and/or historical performance; a management information system to accurately gather output and outcome data on a timely basis; an evaluation of the actual data with desired outputs and outcomes; a reporting of the evaluation results to management; and recommendations to improve effectiveness and efficiency or change the desired performance standards or goals.

Our review of DOC's efforts to evaluate the effectiveness and efficiency of its prisoner intake process disclosed:

- a. DOC had not developed a related performance standard and had not analyzed the costs associated with processing prisoners through intake.

During our review, we identified all costs associated with processing prisoners through intake, including salaries and wages, utilities, food, supplies, etc. We determined that DOC's average cost to process prisoners through intake was as follows:

Fiscal Year	RGC			WHV		
	Number of Prisoners Processed	Total Cost	Cost Per Prisoner	Number of Prisoners Processed	Total Cost	Cost Per Prisoner
2010-11	10,460	\$28,490,524	\$2,724	767	\$4,060,763	\$5,294
2011-12	13,105	\$31,411,401	\$2,397	873	\$4,273,110	\$4,895
2012-13	10,681	\$32,063,447	\$3,002	981	\$4,270,453	\$4,353

As indicated by the preceding table, there are significant differences between RGC's and WHV's average cost per prisoner, as well as significant differences at the individual facilities from year to year. A cost analysis may help DOC to identify inefficiencies in its prisoner intake processes.

- b. WHV had not tracked data related to the timeliness of conducting the individual steps within its intake process and had not compared the overall timeliness of the intake activities with its established performance standard.

* See glossary at end of report for definition.

As a result, as further described in Finding 2, WHV staff did not complete the intake process for 930 (68.6%) of 1,355 female prisoners within the required time frame.

- c. DOC had not implemented a process to obtain and evaluate other data related to its prisoner intake process.

DOC used two systems, the Corrections Management Information System (CMIS) and the Offender Management Network Information System (OMNI), that were designed to document the activity of persons incarcerated in a Michigan prison. Both CMIS and OMNI contain significant output and outcome data, including basic prisoner information, prisoner movement, and prisoner security classification information. However, DOC had not utilized the information in these systems to help evaluate the effectiveness of the prisoner intake process.

During our review, we obtained data related to the 15,725 and 1,421 prisoners who entered intake with a new sentence at RGC and WHV, respectively, between August 1, 2010 and September 30, 2012 and the changes in the prisoners' security classifications within 30, 60, and 90 days after their initial intake security classification. DOC could use this data, in part, to determine the effectiveness of the prisoner intake process:

Number of Days to Prisoners' Subsequent Security Classification Change	RGC		WHV	
	Number of Prisoners	Percent of Prisoners	Number of Prisoners	Percent of Prisoners
30 days	535	3.4%	22	1.5%
60 days	993	6.3%	54	3.8%
90 days	1,420	9.0%	92	6.5%

DOC indicated that it reviewed the day-to-day operations for efficiency opportunities; however, it had not performed analyses of costs or other performance indicators.

RECOMMENDATION

We recommend that DOC develop a comprehensive CQI process to monitor and evaluate the effectiveness and efficiency of its prisoner intake process.

AGENCY PRELIMINARY RESPONSE

DOC agrees with the recommendation and indicated that it will comply. DOC implemented policy directive 01.01.110, "Effective Process Improvement and Communication" (EPIC), effective April 1, 2014, to establish an ongoing means to evaluate and monitor process improvement and communication in work areas throughout DOC. The policy can be used to determine where changes are warranted to improve an area's performance and efficiency. DOC also stated that it will use EPIC to enable identification of improvements resulting in better outcomes within the prisoner intake process.

In addition, DOC stated that policy directive 01.05.100, "Self-Audit of Policies and Procedures," establishes a means to evaluate and monitor compliance with policies and to take proactive steps to correct any deficiencies. Furthermore, DOC stated that RGC and WHV will use the self-audit process to monitor overall timeliness of the prisoner intake process and establish a plan of action to ensure that the process is made more effective and efficient as necessary.

FINDING

2. Timeliness of Prisoner Intake Process

WHV did not coordinate the scheduling of its intake services. Also, WHV did not track data related to the timeliness of its overall intake process. As a result, WHV staff did not complete the intake process for 68.6% of the female prisoners within the required time frame.

DOC policy directive 04.01.105 states that intake processing should normally be completed within four weeks. Also, WHV operating procedure 04.01.105 provides a time line for conducting the individual steps within the intake process. We interpreted the four-week requirement to be 30 days and considered the intake process to be complete when DOC completed and approved the prisoner's initial intake classification.

Our review of WHV's intake process disclosed:

- a. WHV did not allocate staff to the intake process on specific days and at specific times. Instead, WHV allowed the intake staff to schedule their own intake appointments, causing scheduling conflicts among the prisoners and other intake staff.
- b. WHV had not tracked the individual steps within its intake process to be able to analyze the timeliness of its overall intake process.

We reviewed the timeliness of the intake process for the 1,355 female prisoners who entered intake with a new sentence and were processed through intake between October 1, 2011 and September 30, 2013. We determined that WHV staff did not complete the intake process within 30 days for 930 (68.6%) female prisoners. WHV completed the intake process for these prisoners as follows:

Number of Days to Complete Intake Process	Number of Female Prisoners Processed			Percent of Total 1,355 Female Prisoners Processed Between October 1, 2011 and September 30, 2013
	Fiscal Year		Total	
	2011-12	2012-13		
31 - 35 days	146	93	239	17.6%
36 - 40 days	72	89	161	11.9%
41 - 45 days	85	75	160	11.8%
46 - 60 days	24	269	293	21.6%
61 - 90 days	4	67	71	5.2%
91 - 135 days	4	2	6	0.4%
Total	335	595	930	68.6%

RECOMMENDATIONS

We recommend that WHV coordinate the scheduling of its intake services.

We also recommend that WHV track data related to the timeliness of its overall intake process.

AGENCY PRELIMINARY RESPONSE

DOC agrees with the recommendations and indicated that it will comply. DOC stated that, because several factors influence intake processing time at WHV, DOC

is taking steps to establish more realistic timeframe goals for female prisoners. DOC explained that, for example, WHV health service teams provide care to prisoners in intake and to the other 2,000 prisoners housed at WHV; consequently, health service teams schedule appointments on a priority basis.

Also, DOC stated that, to prevent scheduling conflicts, WHV will ensure that staff check the Offender Management Callout Service (OCMS) system when arranging prisoner appointments. In addition, DOC stated that the deputy warden supervising the intake process will begin noting on the warden monthly report the average length of time it takes a prisoner to reach each of the intake processes and evaluate and address any forecasted delays within a specific unit as necessary.

GLOSSARY

Glossary of Abbreviations and Terms

CMIS	Corrections Management Information System.
continuous quality improvement (CQI)	A process that aligns the vision and mission of an organization with the needs and expectations of internal and external customers. It normally includes a process to improve program effectiveness and efficiency by assessing performance measures that evaluate outputs and outcomes related to the program vision, mission, goals, and objectives.
Correctional Offender Management Profiling for Alternative Sanctions (COMPAS)	A research-based risk and needs assessment tool for criminal justice practitioners to assist them in the placement, supervision, and case management of offenders in community and secure settings.
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.
EPIC	Effective Process Improvement and Communication.
goal	An intended outcome of a program or an entity to accomplish its mission.
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.

objective	Specific outcome(s) that a program or an entity seeks to achieve its goals.
OMNI	Offender Management Network Information System.
outcome	An actual impact of a program or an entity.
output	A product or a service produced by a program or an entity.
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.
performance standard	A desired level of output or outcome.
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.
RGC	Charles Egeler Reception and Guidance Center.
WHV	Women's Huron Valley Correctional Facility.

