



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
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April 22, 2008

The Honorable George Little, Commissioner, Department of Correction
The Honorable Claude Ramsey, Hamilton County Mayor
Mr. Allen Branum, Hamilton County Interim Sheriff
Mr. Bill McGriff, Hamilton County Auditor

To the Commissioner, County Mayor, Interim Sheriff, and County Auditor

Our office recently completed a review of Hamilton County Jail's participation in the County Correctional Incentive Program for the year ended June 30, 2006.

The finding and recommendation and the summary of adjustments to costs and days, as a result of our review, are presented in detail in the enclosed report. The following is a summary of the results of our review:

1. The total inmate population was not accurately determined and reported to the state.
2. Our review resulted in several adjustments to the Final Cost Settlement Report that increased the average daily cost from \$58.87 to \$59.53 per inmate day. However, since the county's maximum rate of reimbursement is \$35 per inmate day, no rate adjustment was necessary.

Please contact me if you have any questions regarding our review of Hamilton County Jail's participation in the County Correctional Incentive Program.

Sincerely,

James R. Arnette, Director

cc: Judith Lambert, Judicial Cost Accountant

**HAMILTON COUNTY JAIL
REPORT ON THE REVIEW OF THE
COUNTY CORRECTIONAL INCENTIVE PROGRAM
FOR THE YEAR ENDED JUNE 30, 2006**

This report reviews Hamilton County Jail's participation in the County Correctional Incentive Program for the year ended June 30, 2006.

As a result of our review, adjustments were made to the Final Cost Settlement Report that increased the average daily cost from \$58.87 to \$59.53 per inmate day. However, since the county's maximum rate of reimbursement is \$35 per inmate day, no rate adjustment was necessary.

The objectives of the review were:

1. to determine the reasonableness and allowability of costs reported on the Final Cost Settlement Report submitted to the Tennessee Department of Correction,
2. to determine if prisoners were properly listed on the State Prisoner (Convicted Felon) Reports,
3. to determine if inmates were accurately reported on the Correction Facility Summary Reports, and
4. to recommend appropriate actions to correct any deficiencies.

SCOPE OF THE REVIEW

In performing our review, we tested the county's financial records and other supporting records pertaining to the Final Cost Settlement Report for the year ended June 30, 2006. We determined the reasonableness and allowability of reported costs by tracing reported expenditures to the correctional facility's ledgers and worksheets. Additional testwork was performed on selected reported expenditures by tracing information to other supporting documentation.

Furthermore, we evaluated procedures related to the counting and reporting of the total inmate population as reported on the Correction Facility Summary Reports and the Final Cost Settlement Report. We also performed testwork on selected days to determine that the number of prisoners reported on the cost reports agreed with counts of prisoners actually incarcerated at the facility.

In addition, auditors tested the proper classification of convicted felons listed on the State Prisoner Reports to ensure accurate reporting. Testwork included tracing information from the reports to the actual case files to verify the listed offenses, trial dates, and incarceration periods.

FINDING AND RECOMMENDATION

The finding and recommendation, as a result of our review, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. Officials offered an oral response to the finding and recommendation; however, this oral response has not been included in this report.

**FINDING 1 THE TOTAL INMATE POPULATION WAS NOT
ACCURATELY DETERMINED**

Hamilton County Jail did not accurately count and access the total inmate population as reported to the state on the Correction Facility Summary Reports (CSFRs) and the Final Cost Settlement Report. We discovered 2,132 overreported inmate days that resulted in an increase in the average daily cost from \$58.87 to \$59.53 per inmate day. However, since the maximum rate of reimbursement is \$35 per inmate day, no adjustment is necessary.

RECOMMENDATION

Management should ensure that the inmate population is reported accurately on the monthly CFSRs and the Final Cost Settlement Report submitted to the Tennessee Department of Correction.

**HAMILTON COUNTY JAIL
SUMMARY OF ADJUSTMENTS
FOR THE YEAR ENDED JUNE 30, 2006**

The following is a summary of adjustments made to the costs and days as settled in the desk review by the Tennessee Department of Correction. The adjustments, as a result of our review, are discussed in detail in the Finding and Recommendation section.

	Operating Costs	Inmate Days	Felon Days
As Settled in the 2006 Desk Review	\$ 11,365,000	193,047	22,288
Adjustments from Field Review: Overreported Inmate Days		(2,132)	
Total Adjusted Costs and Days	<u>\$ 11,365,000</u>	<u>190,915</u>	<u>22,288</u>

The net effect of these adjustments to the Final Cost Settlement Report was to increase Hamilton County Jail's cost from \$58.87 to \$59.53 per inmate day. However, since the maximum rate of reimbursement is \$35 per inmate day, no adjustment is necessary.