



**STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
NASHVILLE, TENNESSEE 37243-0269  
PHONE (615) 401-7841**

June 9, 2008

The Honorable George Little, Commissioner, Department of Correction  
The Honorable Jim Bailey, Maury County Mayor  
The Honorable Enoch George, Maury County Sheriff

To the Commissioner, County Mayor, and Sheriff:

Our office recently completed a review of Maury County'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 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. Net operating costs were not properly reported on the Final Cost Settlement Report.
2. Our review resulted in several adjustments to the Final Cost Settlement Report that decreased the average daily cost from \$43.35 to \$41.84 per inmate day. However, since the 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 Maury County's participation in the County Correctional Incentive Program.

Sincerely,

James R. Arnette  
Director

cc: Judith Lambert, Judicial Cost Accountant

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

This is a report on the results of our review of Maury County's participation in the County Correctional Incentive Program for the year ended June 30, 2006.

As a result of our review, there were several adjustments to the Final Cost Settlement Report that decreased the average daily cost from \$43.35 to \$41.84 per inmate day. However, since the 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, we tested the proper classification of convicted felons as reported on the State Prisoner Reports to ensure accurate reporting to the state. 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. Management did not offer a written response to the finding and recommendation. Officials did offer oral responses; however, these oral responses have not been included in this report.

### **FINDING 1            NET OPERATING COSTS WERE NOT PROPERLY REPORTED ON THE FINAL COST SETTLEMENT REPORT**

The Final Cost Settlement Report for the year ended June 30, 2006, contained several overreported and underreported costs. The following is a summary of the adjustments made to the cost report submitted by the county as a result of our review:

The following costs were overreported:

Utilities	\$	77,331
Maintenance - Building		24,185
Insurance - Building and Contents		16,720
Building Depreciation		15,870
Custodial Supplies		12,382
Office Supplies		4,088
Indirect Costs		3,708
Data Processing Services		2,500
Communications		2,124
Law Enforcement Equipment		1,270
Disposal Fees		1,090
Pest Control		919
Unemployment Compensation		519
Maintenance Agreements		223
Printing		30
Other Charges		29
Postal Charges		24
Furniture and Fixtures		15

The following costs were underreported:

Salaries	21,512
State Retirement	5,696
Workers' Compensation	4,566
FICA Benefits	1,646
Employee Health Insurance	618
Law Enforcement Supplies	361

The net effect of the aforementioned adjustments was to decrease net operating costs by \$128,628.

**RECOMMENDATION**

Management should ensure that the Final Cost Settlement Report submitted to the state accurately reflects the net operating costs as defined in the regulations for the County Correctional Incentive Program.

**MAURY COUNTY, TENNESSEE  
SUMMARY OF ADJUSTMENTS  
FOR THE YEAR ENDED JUNE 30, 2006**

The following is a summary of adjustments made to the costs 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	\$ 3,680,177	84,885	19,727
Adjustments from Field Review:			
Overreported Costs:			
Unemployment Compensation	(519)		
Maintenance - Building	(24,185)		
Office Supplies	(4,088)		
Pest Control	(919)		
Disposal Fees	(1,090)		
Custodial Supplies	(12,382)		
Utilities	(77,331)		
Communications	(2,124)		
Data Processing Services	(2,500)		
Maintenance Agreements	(223)		
Postal Charges	(24)		
Printing	(30)		
Other Charges	(29)		
Furniture and Fixtures	(15)		
Law Enforcement Equipment	(1,270)		
Insurance - Buildings and Contents	(16,720)		
Building Depreciation	(15,870)		

	Operating Costs	Inmate Days	Felon Days
Adjustments from Field Review (Cont):			
Underreported Costs:			
Salaries	21,512		
FICA Benefits	1,646		
Retirement	5,696		
Employee Health Insurance	618		
Workers' Compensation	4,566		
Law Enforcement Supplies	361		
	<hr/>		
Total Adjusted Costs and Days	<u>\$ 3,551,549</u>	<u>84,885</u>	<u>19,727</u>

The net effect of these adjustments to the Final Cost Settlement Report was to decrease Maury County's cost from \$43.35 to \$41.84 per inmate day. Since the county's maximum rate of reimbursement is \$35 per inmate day, no rate adjustment was necessary.