



**STATE OF TENNESSEE**  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF COUNTY AUDIT  
SUITE 1500  
JAMES K. POLK STATE OFFICE BUILDING  
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April 22, 2008

The Honorable George Little, Commissioner, Department of Correction  
The Honorable Mike Stinnett, Polk County Executive  
The Honorable Bill Davis, Polk County Sheriff

To the Commissioner, County Executive, and Sheriff:

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

The findings and recommendations 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. Total felon days were not accurately determined and reported to the state.
2. Net operating costs were not properly reported on the Final Cost Settlement Report.
3. Our review resulted in several adjustments to the Final Cost Settlement Report that increased the average daily cost from \$37.64 to \$39.24 per inmate day. However, since the county's maximum rate of reimbursement is \$35 per inmate day, no rate adjustment was necessary. In addition, we discovered 156 overreported felon days that resulted in an overpayment of \$5,460 to Polk County. Since this overpayment was after the final cost settlement, an adjustment should be made in subsequent monthly payments.

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

Sincerely,

James R. Arnette, Director

cc: Judith Lambert, Judicial Cost Accountant

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

This report reviews Polk County'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 \$37.64 to \$39.24 per inmate day. However, since the county's maximum rate of reimbursement is \$35 per inmate day, no rate adjustment was necessary. In addition, we discovered 156 overreported felon days that resulted in an overpayment of \$5,460 to Polk County. Since this overpayment was after the final cost settlement, an adjustment should be made in subsequent monthly payments.

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 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.

## **FINDINGS AND RECOMMENDATIONS**

The findings and recommendations, as a result of our review, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Officials offered oral responses to the findings and recommendations; however, these oral responses have not been included in this report.

### **FINDING 1            **FELON DAYS WERE NOT ACCURATELY DETERMINED AND REPORTED****

Polk County did not accurately count and assess total felon days as reported to the state on the Correction Facilities Summary Reports (CFSRs) and the Final Cost Settlement Report. We discovered 156 overreported felon days that resulted in an overpayment of \$5,460 to Polk County.

### **RECOMMENDATION**

Management should ensure that total felon days are reported accurately on the monthly CFSRs and the Final Cost Settlement Report submitted to the Tennessee Department of Correction.

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### **FINDING 2            **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 underreported costs and did not include some revenues. The following is a summary of the adjustments made to the cost report submitted by the county as a result of the review:

The following costs were underreported:

Salaries and Benefits	\$	13,065
Food Supplies		4,743
Medical and Dental Services		3,830
Other Various Costs		1,905

The following revenue was underreported:

Commissary and Other		1,630
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The net effect of the aforementioned adjustments was to increase net operating costs by \$21,913.

### **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.

**POLK COUNTY, TENNESSEE  
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 Findings and Recommendations section.

	Operating Costs	Inmate Days	Felon Days
As Settled in the 2006 Desk Review	\$ 656,186	17,435	5,055
Adjustments from Field Review:			
Underreported Cost:			
Salaries and Benefits	13,065		
Food Supplies	4,743		
Medical and Dental Services	3,830		
Other Various Costs	1,905		
Underreported Revenues:			
Commissary and Other	(1,630)		
Overreported Felon Days			(156)
Overreported Inmate Days		(156)	
Total Adjusted Costs and Days	\$ 678,099	17,279	4,899

The net effect of these adjustments to the Final Cost Settlement Report was to increase Polk County's cost from \$37.64 to \$39.24 per inmate day. However, since the county's maximum rate of reimbursement is \$35 per inmate day, no rate adjustment was necessary. We also discovered that 156 felon days were overreported. These adjustments resulted in an overpayment of \$5,460 to Polk County. Since this overpayment was after the Final Cost Settlement, an adjustment should be made in subsequent monthly payments.