



**DEPARTMENT OF CORRECTIONS
KANSAS CITY COMMUNITY RELEASE CENTER**

**From The Office Of State Auditor
Claire McCaskill**

**Report No. 2001-88
September 20, 2001
www.auditor.state.mo.us**

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

September 2001

www.auditor.state.mo.us

The following problems were discovered as a result of an audit conducted by our office of the Department of Corrections, Kansas City Community Release Center.

The Kansas City Community Release Center opened in May 1978 and originally housed only men, but was expanded to include women in 1982. The facility currently houses approximately 312 offenders. The administration consists of one superintendent and one associate superintendent with a staff of 81 employees.

The Kansas City Community Release Center has a fleet of approximately 8 vehicles. Travel logs for state-owned vehicles are not always complete. Department of Corrections policy requires that all uses of each vehicle be documented on a vehicle travel log. These logs are necessary to document appropriate use of the vehicle. The logs are also not reviewed by a supervisor to ensure completeness and that vehicle usage is reasonable.

The Kansas City Community Release Center maintains its own Inmate Canteen Fund in an account at a local bank. No authorization for the facility to maintain such an account can be found in Department of Corrections policies. Department policy requires that these funds be held and administered by the department's Inmate Finance Office. In March 2000, the center closed a savings account which was part of its Inmate Canteen Fund and sent the balance of \$28,522 to the Inmate Finance Office. The balance of the center's Inmate Canteen Fund as of June 30, 2000 was \$13,170.

Physical inventories are not always being conducted in compliance with Department of Corrections policy. The physical inventories of the armory are conducted by the same armory personnel that have custody of the inventory. No perpetual records are maintained for either the office supply inventory or the armory. Portions of the office supply inventory were moved to various locations in the facility and any employee with a master key now has access to the inventory.

In 1998, the Kansas City Community Release Center entered into contracts with two vendors to provide and service vending machines and laundry machines at the facility. Bids were not solicited for either of these contracts. The center did not require the vending machine contractor to submit any type of sales reports, did not monitor collections by the vendor, nor did it adequately monitor the contract to ensure commission payments were received monthly as required.

YELLOW SHEET

DEPARTMENT OF CORRECTIONS
KANSAS CITY COMMUNITY RELEASE CENTER

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STATE AUDITOR'S REPORT



CLAIRE C. McCASKILL
Missouri State Auditor

Honorable Bob Holden, Governor
and
Gary Kempker, Director
Department of Corrections
and
Kimberly Jones, Superintendent
Kansas City Community Release Center
Kansas City, MO 64106

We have audited the Department of Corrections, Kansas City Community Release Center. The scope of this audit included, but was not necessarily limited to, the years ended June 30, 2000 and 1999. The objectives of this audit were to:

1. Review certain management practices and financial information for compliance with applicable constitutional provisions, statutes, regulations, and administrative rules.
2. Review the efficiency and effectiveness of certain management practices.
3. Review certain revenues received and certain expenditures made by the correctional center.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed the correction center's revenues, expenditures, contracts, applicable legal provisions, rules and regulations, and other pertinent procedures and documents, and interviewed correctional center and other state personnel.

As a part of our audit, we assessed the correctional center's management controls to the extent we determined necessary to evaluate the specific matters describe above and not to provide assurance on those controls. With respect to management controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying Statistical Section is presented for informational purposes. This information was obtained from the correctional center's management and was not subjected to the procedures applied in the audit of the Department of Corrections, Kansas City Community Release Center.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Corrections, Kansas City Community Release Center.



Claire McCaskill
State Auditor

February 8, 2001 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
Audit Manager:	Todd M. Schuler, CPA
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MANAGEMENT ADVISORY REPORT SECTION

DEPARTMENT OF CORRECTIONS
KANSAS CITY COMMUNITY RELEASE CENTER
SUMMARY OF FINDINGS

1. Accounting Controls and Procedures (pages 7-9)

Duties in the business office are not adequately segregated. There is no immediate record of all monies received in the mail by the business office. Kansas City Community Release Center (KCCRC) maintains its own Inmate Canteen Fund in a local bank account.

2. Offender Loans (pages 9-11)

Receipts for checks signed by offenders were not always found in the business office's files. No follow up procedures have been established for Request for Withdrawals of Offender's Personal Funds forms submitted for loan reimbursements.

3. Offender Receipts (pages 11-12)

Monies are put in unnumbered envelopes and posted to the control center's log. When the business office picks up the envelopes, they are posted to another log. There is no comparison done between the two logs. The business office log does not always include the final disposition of monies held in the envelopes.

4. State-Owned Vehicles (page 12)

The purpose of trips taken in state-owned vehicles is not always noted on the travel logs. Commuting mileage was not always reported to DOC central office as required. The method used to report mileage is not one of the options available per departmental policy and does not appear reasonable.

5. Inventory Procedures (pages 13-14)

Physical inventories are not always conducted in compliance with departmental policy. There is either no independent verification of physical inventory counts or no documentation maintained.

6. Vending and Laundry Machine Commissions (pages 14-15)

KCCRC entered into contracts with two vendors to provide and service vending and laundry machines without soliciting bids. The vending machine vendor does not submit any type of sales report, KCCRC did not monitor collections by the vendor, and the vendor is not submitting commission checks monthly, as required by the contract.

7. Food Inventories (pages 15-17)

There is no documented independent verification of physical inventory counts. Food requisitions are not being properly signed by the food service manager. KCCRC has a surplus of a year or more in several food items.

DEPARTMENT OF CORRECTIONS
KANSAS CITY COMMUNITY RELEASE CENTER
MANAGEMENT ADVISORY REPORT –
STATE AUDITOR'S FINDINGS

1.	Accounting Controls and Procedures
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- A. Accounting and bookkeeping duties in the business office are not adequately segregated. The business manager performs all duties related to the business office, including receiving, recording and depositing monies, preparing bank reconciliations, and maintaining the accounting records. The business manager also purchases, distributes, and maintains custody of bus passes sold to offenders. An independent review of the deposits, bank reconciliations, and accounting records is not performed.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Since this is currently an office of one full-time employee and one part-time employee and proper segregation of duties cannot be achieved, at a minimum, there should be a documented independent comparison of the various receipt logs to amounts transmitted or deposited, an independent review of bank statements and reconciliations, and an independent verification of the monthly bus pass inventory count. Any unusual items or discrepancies should be investigated.

- B. An immediate record of receipts is not maintained for all monies received in the mail by the business office. The business office receives through the mail checks from the Inmate Finance Office (IFO), commission checks from vending and laundry machine contractors, offender payroll checks, and monies for offenders from outside sources, such as family and friends.

To account for all monies received in the mail by the business office, an immediate record of receipts should be maintained for all monies received. This mail log should then be reconciled to the business office's weekly offender paycheck transmittal, deposit slips, and log of money envelopes.

- C. Unlike other state correctional institutions, the Kansas City Community Release Center (KCCRC) maintains its own Inmate Canteen Fund in an account at a local bank. Department of Corrections (DOC) policy provides for an Inmate Canteen Fund held in a central account by the department and administered by the IFO. In March 2000, KCCRC closed a savings account which was part of its Inmate Canteen Fund and sent the balance of \$28,522 to the IFO. The balance of KCCRC's Inmate Canteen Fund as of June 30, 2000 was \$13,170.

No authorization for the facility to maintain such an account can be found in DOC policies.

- D. Bank reconciliations were not prepared on a timely basis. Bank reconciliations for July 2000 through October 2000 were prepared in November 2000 by a representative of the DOC - Internal Audit section while completing a facility fiscal compliance audit of the business office. In addition, the amount of outstanding checks on the reconciliations were not supported by a detailed list of checks prior to July 2000.

Formal bank reconciliations should be performed on a monthly basis to ensure errors will be detected on a timely basis.

WE RECOMMEND the KCCRC:

- A. Adequately segregate accounting and bookkeeping duties to the extent possible. At a minimum, periodic reviews of business office records should be performed and documented by an independent person.
- B. Require an immediate record of all monies received be maintained and periodically reviewed.
- C. Close the local bank account and transmit the balance to the Inmate Finance Office for deposit in the department's Inmate Canteen Fund.
- D. Prepare bank reconciliations on a monthly basis and retain the list of outstanding checks to support adjustments on the monthly bank reconciliations.

AUDITEE'S RESPONSE

- A. *We agree. Due to the relatively small size of the facility, 300 offenders, the Business Office has only two full-time positions allocated, 1-Executive I and 1-Account Clerk II. This staff pattern does not always allow for sufficient segregation of duties as we would desire. To mitigate opportunities for misappropriation of funds, the institution will implement monthly reviews by a staff person not assigned to the Business Office (facility administrative staff and the Account Clerk IIs from the Western and Northwest Regional Office will be rotated in these duties) to select a sample of transactions for review, documenting that the transactions followed established procedures and accounting practices. Process to be implemented no later than September 1, 2001.*
- B. *We agree. The Business Office currently receives checks and other funds from a variety of sources including commission checks from vendors via the US mail, offender paychecks submitted by the offender, confiscated offender funds via control center and funds transmitted via the Inmate Finance Office via weekly courier trips to Jefferson City, MO. The Business Office will initiate the use of a daily intake log to record the receipt of any funds from any source. The log will be reviewed on a monthly basis by personnel not*

assigned to the Business Office (administrative staff and the Account Clerk IIs from the Western and Northwest Regional Office will rotate in these duties). Randomly selected entries in the log will be tracked against subsequent deposit information in the respective account. Documentation of the review will be made by the independent personnel by initialing the selected entries. Process to be implemented no later than September 1, 2001.

- C. *We disagree in part. The Department of Corrections established the two community release centers, one in St. Louis and one in Kansas City, MO in 1978 as Honor Centers to assist offenders transitioning from prison to community supervision. The primary function of these facilities is to assist the offenders in obtaining employment as a critical component in establishing appropriate home plans for the remainder of their supervision period. Timely access to earnings normally deposited with the Inmate Finance Office in Jefferson City, MO proved very problematic. The local canteen accounts were established not only to handle profits derived from vending and laundry machines located in the facilities, but provided a means for offenders to access their funds to meet emergency needs such as prescription medications, purchase clothing and tools and meet transportation expenses directly related to employment needs.*

As related to the auditors, the DOC is undertaking a more comprehensive review of the business requirements of the two community release centers relative to offender access to funds and process accountability. This review will include analysis of current practices at both facilities and result in recommendations to implement more efficient systems consistent with accepted accounting practices. It is anticipated that the review and implementation process should be concluded by January 1, 2002. By that time, necessary authorizations will be included in policy and procedure modifications. Since it is possible that some local account process may remain the better option, the DOC will not close the local canteen accounts at this time. The DOC will seek assistance during this review from the State Auditor's Office.

- D. *We agree. The institution enlisted as needed business office support from the local Probation and Parole Regional Office and contracts for temporary account clerk services. Pending completion of the review referenced earlier, the institution will continue to insure the local canteen account is reconciled monthly.*

2.

Offender Loans

Offenders can obtain monies from their offender accounts by two methods. In the first method, the offender can request monies from his offender account handled by the Inmate Finance Office (IFO) by completing a Request for Withdrawal of Inmate's Personal Funds. A check made payable to the offender would be transmitted from Jefferson City. This is how offenders generally receive their weekly spending allowances. The second method is to obtain a loan from the facility's Inmate Canteen Fund. The offender receives a check from the business office drawn on the facility's local bank account. The IFO issues a check payable to KCCRC for monies withdrawn from the offenders' accounts to reimburse the local bank account. We noted the following concerns regarding loans to offenders:

- A. If the business office issues an offender's check to a caseworker, the caseworker signs a receipt for the check. The caseworker is expected to have the offender sign a similar form to indicate the offender actually received the check. The caseworker is to return the signed form to the business office. For 8 of the 12 loan files we reviewed, we were unable to locate the receipt form signed by the offender.

To adequately account for all monies distributed to offenders, receipt forms signed by the offender should be returned to the business office by the caseworker and retained in the offender's file. Without the signed form on file, there is no documentation the offender actually received the monies.

- B. The business office does not adequately follow up on loans made to offenders from the facility's Inmate Canteen Fund. Requests for Withdrawals of Inmate's Personal Funds forms for loans made to offenders from the facility's Inmate Canteen Fund are submitted to the IFO for reimbursement. During our review, we found two instances in which monies were not withdrawn from an offender's IFO account to reimburse the local bank account. While a clerk in the business office does keep track of the Requests for Withdrawals of Inmate's Personal Funds forms for the offenders' weekly spending allowances, to ensure that the checks issued to the offenders by IFO agree to the Requests for Withdrawals of Inmate's Personal Funds form which have been submitted, this is not done for Requests for Withdrawals of Inmate's Personal Funds forms submitted for reimbursements for loans made to offenders.

In addition, the IFO generally sends one check payable to the facility which represents reimbursement for loans made to several offenders. The IFO does not send a report detailing the amounts making up the check total, but does send back the Requests for Withdrawals of Inmate's Personal Funds forms. However, under certain circumstances, the IFO is not able to withhold the entire amount from an offender's accounts at one time. Instead, the IFO may make several withholdings over a period of time. While partial withholdings are included in the check to the facility, Requests for Withdrawals of Inmate's Personal Funds forms are not returned to the facility until the entire amount has been withheld from the offender's accounts.

Without a complete listing of the individual amounts making up the reimbursement check or a reconciliation between the Requests for Withdrawals of Inmate's Personal Funds forms returned by the IFO and the check total or other follow-up procedures, the business office has no assurance that the Inmate Canteen Fund is being reimbursed for all loans made to the offenders.

WE RECOMMEND the KCCRC:

- A. Require the receipt form signed by an offender to be filed with the business office for all monies distributed.

- B. Ensure reimbursement for all Inmate Canteen Fund loans are received from the IFO by requesting the IFO provide a detailed report of the amounts included in reimbursement checks to the facility.

AUDITEE'S RESPONSE

- A. *We agree. The institution's practices at the time of the onsite audit required verification be returned to the business office where the offender acknowledged receipt of the funds. With the additional support provided by the regional office staff, business office filing and records were brought up to date. The institution was able to locate the documents verifying the offenders receipt in 7 of the 8 loan files referenced by the auditor. As the offender listed in the remaining file is no longer under supervision, the institution is attempting to locate him and verify receipt of the fund.*
- B. *We agree. Pending completion of the internal process review, the institution will request more detailed information be provided by the Inmate Finance Office.*

3. Offender Receipts

The KCCRC's Temporary Administrative Segregation Confinement (TASC) unit receives KCCRC offenders and parole and probation violators brought in under the Violation Assessment Program. These individuals bring with them personal property, including cash. All monies are held by KCCRC until the offenders leave the TASC unit.

- A. The envelopes used to transmit cash to the business office are not prenumbered and are not accounted for properly. The monies are put into unnumbered sealed envelopes and are posted to the control center's log. The envelopes are put into a locked box in the control center to be picked up by the facility's business office.

To ensure all offender monies from the TASC unit are properly accounted for and transmitted, all monies should be placed in prenumbered envelopes. The envelope number should be posted to the log and the numerical sequence accounted for properly.

- B. The business office posts all money received from the control center to a log, along with any monies received by the business office in the mail for offenders from outside sources. The final disposition of these monies is to either return it to the offender or outside source or transmit it to the IFO to be deposited into the individual offender's account or a combination of the two. The type of disposition and date is posted to the business office's log. Our review of the business office's log disclosed the following concerns:

- 1. There is no reconciliation of the control center's log and the business office's log. Without a proper reconciliation between control center and business

office records, there can be no assurance that all monies were properly transmitted to the business office.

2. The business office's log did not indicate the final disposition for all items tested. Without an adequate accounting for the disposition of all items, there is no assurance that the items were properly disposed of by the business office.

WE RECOMMEND the KCCRC:

- A. Require prenumbered envelopes be used for all offender receipts and the numerical sequence of the envelopes to be accounted for properly.
- B.1. Require reconciliations between the control center's log and the business office's log.
- B.2. Ensure the final dispositions are noted for all items on the business offices' log.

AUDITEE'S RESPONSE

A. *We agree. The institution initiated use of pre-numbered envelopes while auditors were still conducting the onsite reviews.*

B.&C. *We agree. This recommendation has already been implemented.*

4. State-Owned Vehicles

As of June 30, 2000, the KCCRC had a small fleet consisting of approximately eight vehicles. Travel logs for state-owned vehicles were not always complete. The purpose of the trip was not always recorded on the log. DOC policy requires that all uses of each vehicle be documented on a vehicle travel log. These logs are to contain the employee's name, date and time of trip, destination, purpose of trip, and beginning and ending odometer readings and are necessary to document appropriate use of the vehicles. In addition, these logs are not reviewed by a supervisor to ensure the logs are complete and vehicles usage is reasonable.

WE RECOMMEND the KCCRC ensure that vehicle travel logs are completed for all state vehicles and reviewed by a supervisor periodically for completeness and reasonableness.

AUDITEE'S RESPONSE

We agree. The institution instituted weekly review of vehicle logs by the Chief of Custody or designee.

The KCCRC maintains expendable inventories for food service supplies, offender clothing, armory, office supplies, housekeeping, maintenance, and forms. We noted the following concerns during our reviews of these inventories:

- A. Physical inventories are not always being conducted in compliance with DOC policy. DOC policy D4-5.1, Section III.B. requires monthly physical inventory counts for the armory and quarterly physical inventory counts for both maintenance and office supplies. The armory conducts quarterly physical inventories and the business office conducts no physical inventories for office supplies. While the maintenance department indicated that semiannual physical inventories were being conducted, documentation of these counts was not maintained nor were inventory reports filed with the chief administrative officer as required by DOC policy D4-5.1, Section III.D. The armory's quarterly inventory reports were filed with the Chief of Custody; however, the reports were discarded after the next quarter's report was filed. By not performing physical inventories in accordance with department policy, the KCCRC is more susceptible to loss or misuse of assets.
- B. The physical inventories of the armory are conducted by the same armory personnel that have custody of the inventory. This practice is in violation of the DOC policy No. D4-5.1, Section III.B.1., which states that the physical inventory must be verified by an institutional employee whose duties are not the maintenance of that particular inventory. An independent verification enhances controls of inventories. In addition, while an employee who does not otherwise handle the inventories does help conduct the storekeeper's physical inventories of food service supplies, offender clothing, housekeeping, and forms, this independent verification is not documented.
- C. No perpetual records are maintained for either the office supply inventory or the armory. As a result, a comparison of physical inventory counts to balances recorded in the perpetual records is not possible, and the effectiveness of the periodic physical inventory procedures is minimized. DOC policy D4-5.1, Section III.A. requires the facility to maintain perpetual records for the armory and for office supplies.

Effective internal controls over inventories require perpetual records be maintained on all inventory items in accordance with departmental policy. In addition, a comparison of the balances obtained during the physical inventory count with the balances recorded on the perpetual inventory records must be required. Furthermore, adequate controls over inventories are necessary to ensure errors and other irregularities are prevented or detected in a timely manner.

- D. Although the business office is responsible for the office supply inventory, access to the inventory is not limited to business office personnel. During calendar year

2000, portions of the office supply inventory were moved to various locations in the facility and any employee with a master key now has access to the inventory. Increased access to inventory items increases the risk of loss or misuse of inventory items.

WE RECOMMEND the KCCRC:

- A. Conduct physical inventories in accordance with DOC policy and ensure inventory reports are filed and retained as required by DOC policy.
- B. Require physical inventories to be verified by an employee independent of custodial and record-keeping duties.
- C. Require perpetual inventory records be maintained for the armory and for office supplies, document the comparison of physical inventory counts to the perpetual inventory records, and follow up on discrepancies noted.
- D. Restrict access to the office supply inventory.

AUDITEE'S RESPONSE

- A. *We agree. The institution has implemented revisions in inventory practices to bring them into compliance with procedures established by the Department.*
- B. *We agree. Independent staff verifications inventory checks are now being documented by staff initials. Required inventories will be conducted by personnel not assigned to the area (possibly rotating administrative staff and the Account Clerk IIs from the Western or Northwest Regional Office).*
- C. *We agree. The institution will develop and maintain perpetual inventory records on expendable office supplies and critical expendable and non-expendable security equipment.*
- D. *We agree and have already limited access authority.*

6.

Vending and Laundry Machine Commissions

- A. In 1998, the KCCRC entered into contracts with two vendors to provide and service vending machines and laundry machines at the facility. The institution receives commissions from both vendors based on the volume of sales. Bids were not solicited for either of these contracts.

Bids are necessary to ensure the facility receives the largest commission and best services available. Competitive bidding also helps ensure all parties are given equal opportunity to participate in the facility's business.

- B. The KCCRC did not require the vending machine contractor to submit any type of sales reports, did not monitor collections by the vendor, nor did it adequately monitor the contract to ensure commission payments were received monthly as required. We noted the vendor was submitting a commission check approximately every three months.

Monthly reports, showing the total amount collected by the vending machine contractor, should be filed monthly with the institution and are necessary to determine the propriety of the commissions received. In the absence of these reports, institution personnel should monitor collections by the vendor from the machines.

WE RECOMMEND the KCCRC:

- A. Solicit bids related to the vending and laundry machine operations.
- B. Require the vending machine contractor to submit monthly reports of sales or monitor collections taken from the machines. In addition, the institution should require the vending machine contractor to submit payments of commissions monthly to the facility, as provided in the contract.

AUDTIEE'S RESPONSE

- A. *We agree that the Department should have solicited competitive bids prior to awarding the contracts. The contracts in question were awarded for a period of five years and expire in 2003. Absent a significant incident or period of time where the contractors fail to perform essential requirements of the existing contracts, the institution will solicit competitive bids for the required services 90 days prior to the contract expiration dates. All subsequent contract awards will be made in accordance with established Department procedures.*
- B. *We agree. The vendors will be required to provide monthly payments and reports of sales by vending machine. Compliance with contract requirements will be monitored by institution administration.*

7. Food Inventories

During the year ended June 30, 2000, the KCCRC served approximately 291,000 meals to offenders with food costs of approximately \$168,000. The institution maintains perpetual inventory records for all food items except bread and milk products and fresh produce.

- A. Generally, the warehouse employees perform the monthly physical counts of food inventories. These employees also have custody of the inventory. While an employee not regularly assigned to either the warehouse or the food service section does participate in the physical counts, this independent verification is not documented.

DOC policy IS10-1.15 states the physical inventory count must be verified by an institutional employee who is not assigned to the food service section. Signatures on the monthly inventory summary reports could serve as documentation of the independent verification.

- B. The Cook III, who serves as food services manager, prepares the daily menus for the cooks, who then prepare a food requisition form listing the food needed for each day's meals. The completed requisition is sent to the food storage area in the warehouse where a warehouse employee fills the order. Neither the Cook III nor the warehouse employee sign all requisition forms as required by DOC policy IS10-1.17.

To maintain adequate control and accountability over food inventories, food should only be removed from storage with an authorized requisition form. Failure to enforce proper controls and procedures over the food inventory subjects the facility to a significantly increased risk of theft.

- C. The KCCRC operates on a three month cycle for ordering canned and dry foods. Department policy also allows each institution an emergency stock of grocery items up to a maximum of six weeks. As a result, each institution should stock a supply of canned and dry foods to meet its needs for approximately three months plus a small emergency supply.

During our review, we examined selected individual food items to determine if the institution was maintaining excess food supplies. The following items were noted as exceeding a three month supply:

<u>Food Item</u>	<u>Quantity on hand June 30, 2000</u>	<u>Quantity Used During Year Ended June 30, 2000</u>	<u>Number of Months Supply on Hand</u>	<u>Total Inventory Cost</u>
Jello	74 cases	24	37	\$ 254
Brown sugar	12 bags	4	36	35
Sauerkraut	28 cases	16	21	188
Sweet potatoes	88 cases	51	20	588
Potatoes, dry sliced	151 cases	103	17	302
Coffee	680 cans	540	15	591
Vanilla flavoring	20 gallons	20	12	40

Maintaining food inventories at levels of expected usage, given the reorder time frames, is necessary to reduce the potential for spoilage, misuse, or loss.

- D. DOC policy IS10-1.15 Section III.C. requires regular random counts of at least ten items, verifying perpetual inventory records, be conducted monthly by the Associate Superintendent. These random counts are not performed.

WE RECOMMEND the KCCRC:

- A. Ensure documentation of the physical inventory counts is maintained.
- B. Require the food service manager and the warehouse employee to sign completed requisitions.
- C. Order food items based on expected usage to reduce excessive food inventories. The institution should transfer appropriate excessive stock of food items to the DOC central warehouse for redistribution.
- D. Ensure the Associate Superintendent conducts random counts of food items monthly.

AUDITEE'S RESPONSE

- A. *We agree. Inventory sheets will also include initials of staff verifying items on hand.*
- B. *We agree. Requisition reports will include signatures of the staff requesting the item, the staff filling the orders, and the signatures of the food service staff receiving the items.*
- C. *We agree in part. Food-stock on hand should not be excessive compared to normal use rates. However, several of the items represent over shipments by the DOC Central Warehouse and items that have to be purchased in bulk in order to obtain the best price. The food service and warehouse staff closely monitor items to insure acceptable shelf life is not exceeded prior to use and the items in question represent less than \$2,000 in inventory costs. The institution will monitor stock on hand to insure ordering and shipping practices do not jeopardize efficient use of state goods.*
- D. *We agree. The Associate Superintendent will insure he initials the inventory reports next to the items verified.*

This report is intended for the information of the management of the Kansas City Community Release Center and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

STATISTICAL SECTION

History, Organization, and
Statistical Information

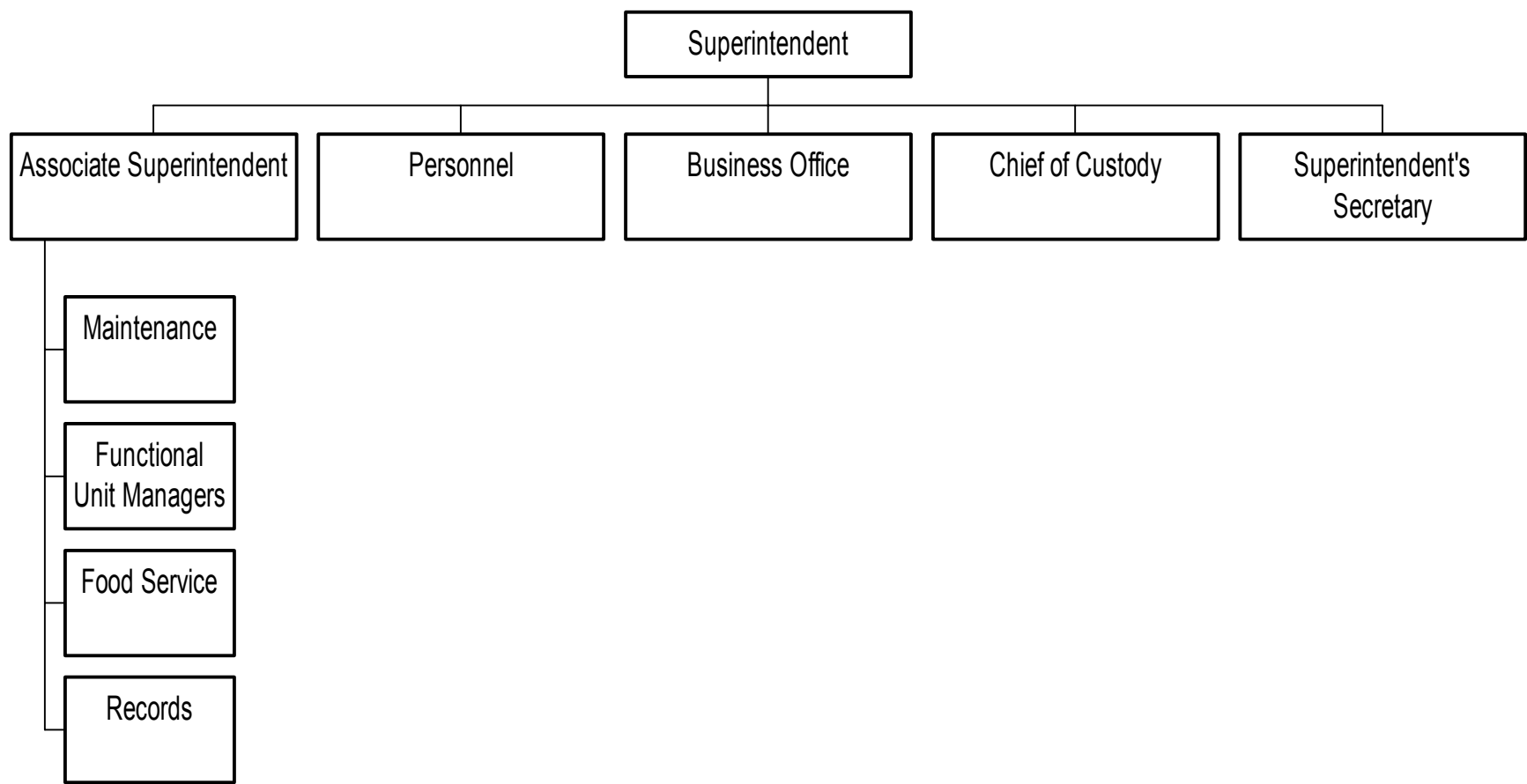
DEPARTMENT OF CORRECTIONS
KANSAS CITY COMMUNITY RELEASE CENTER
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The Kansas City Community Release Center (KCCRC), which opened in May 1978, moved to its present location at 651 Mulberry Street in December 1998 from its previous location at 919 Oak Street. The facility originally housed only men but was expanded to include women in 1982. The facility currently houses approximately 312 offenders. The new facility was funded through an August 1994 general obligation bond vote of the people. The construction and design costs for the new facility were approximately \$10.3 million.

The facility is a work release program operated by the Division of Probation and Parole for minimum security offenders within one year of their release from prison. Following a two week orientation, which includes mental health and substance abuse treatment screenings, offenders must work to remain at the facility and adhere to a rigid schedule of verified activities. Failure to abide by these restrictions can result in a return to confinement. Offenders are required to reimburse the state for their room and board at a rate of one-fourth of their gross salary. Another one-fourth of the offender's salary is placed in a mandatory savings account. Offenders work for various employers throughout the Kansas City area, but are not allowed to work where alcohol is the main source of revenue, in adult entertainment venues, or as a temporary employee through an employment agency. The facility also houses the Violation Assessment Program, which enhances the processing of parole violators.

The administration of the KCCRC consists of one superintendent and one associate superintendent. The KCCRC staff included approximately 81 employees assigned to various administrative, service, and security functions as of June 30, 2000. Prior to May 1, 2000, Sharon Fairchild served as superintendent. Sally Halford served as superintendent from May 1, 2000 to October 27, 2000. On December 8, 2000, Kimberly Jones was appointed as the facility superintendent.

DEPARTMENT OF CORRECTIONS
KANSAS CITY COMMUNITY RELEASE CENTER
ORGANIZATION CHART
JUNE 30, 2000



Appendix

DEPARTMENT OF CORRECTIONS
 KANSAS CITY COMMUNITY RELEASE CENTER
 COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2000			1999		
	Appropriations	Expenditures	Lapsed Balances	Appropriation	Expenditures	Lapsed Balances
GENERAL REVENUE FUND - STATE						
Personal Service	\$ 901,428	899,882	1,546	860,417	836,896	23,521
Total General Revenue - State	\$ 901,428	899,882	1,546	860,417	836,896	23,521

Note: The appropriations presented above are used to account for and control the facility's expenditures from amounts appropriated to the facility by the General Assembly. The facility administers transactions from the appropriations presented above. However, the state treasurer as fund custodian and the Office of Administration provide administrative control over the fund resources within the authority prescribe by the General Assembly. This fund only represents personal service expenditures of the facility. Some expenditures relating to individual facilities are charged to department-wide appropriations and are not identified by facility (including some purchases of food inventory, computer equipment, and paper products).

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