

State of Nevada
Department of Administration
Division of Internal Audits

Audit Report

Department of Corrections

Report No. 13-03
December 2012

INTRODUCTION

At the direction of the Executive Branch Audit Committee, we conducted an audit of the Nevada Department of Corrections (Department). Our audit addressed the following four questions:

- ✓ What is the Department's role?
- ✓ What services must the Department provide?
- ✓ Is the State the proper level of government to provide these services?
- ✓ If State government is the appropriate level of government, is the Department carrying out its duties efficiently and effectively?

Our audit focused on whether the Department can enhance oversight of doctors, expedite hiring processes and enhance the prison industries program.

Department's Role and Public Purpose

The Nevada State Prison was established in 1864; the name was changed to Department of Corrections in 2001. The Department is overseen by the Board of Prison Commissioners (Board) which consists of the Governor, Secretary of State, and the Attorney General. The Governor serves as the President of the Board, and the Secretary of State serves as the Secretary.

The Department has seven correctional facilities, ten conservation camps, one restitution center and one transitional housing facility. In addition, the Department administers the Prison Medical Division and Silver State Industries (Prison Industries). The Director of the Department is appointed by the Governor and reports to the Board. The Director is responsible for the administration and supervision of all institutions and facilities. The Director is also responsible for employing individuals to facilitate the supervision, custody, treatment, care, security and discipline of all offenders under the jurisdiction of the Department. See Exhibit I for the Department's organizational structure applicable to this audit.

The legislatively approved biennial budget including adjustments for fiscal years 2012 through 2013 was \$571.5 million. See Exhibit II for sources of funding. The Department was approved for 2,735 positions and houses approximately 12,750 inmates.

Exhibit I

**Department of Corrections
Organizational Chart**

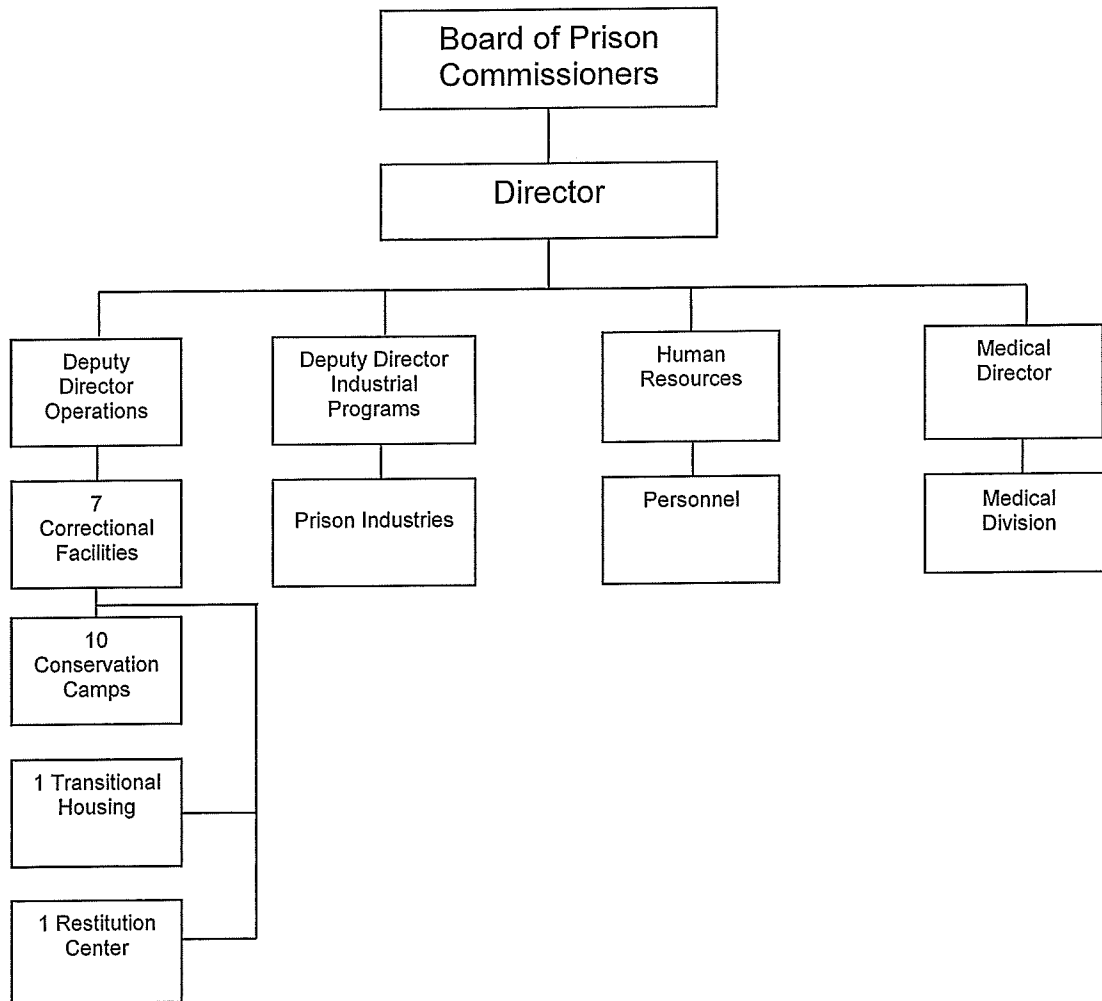
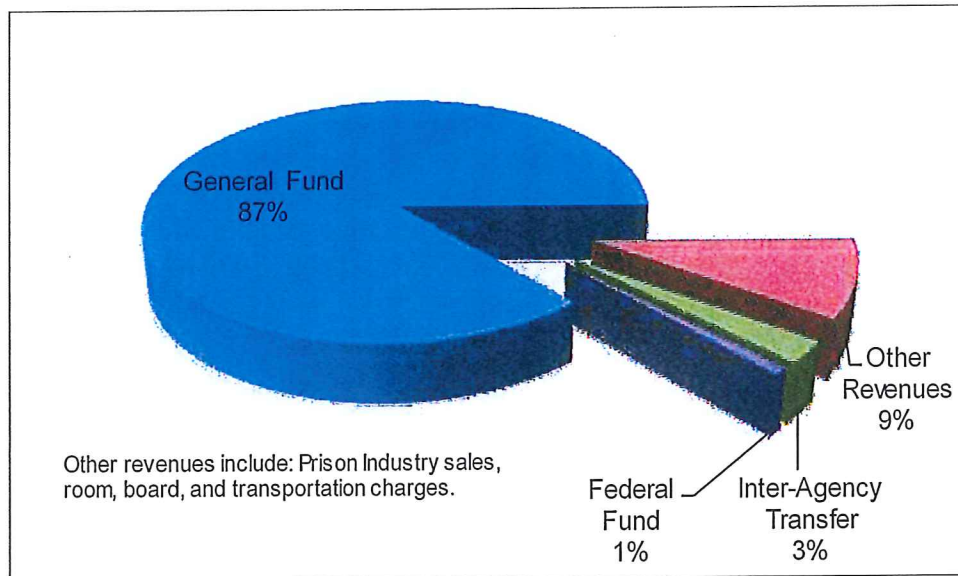


Exhibit II

Department Funding Sources for Fiscal Years 2012 - 2013



The State is the appropriate level of government to receive, retain, train and release offenders. The Department provides a single source of contact statewide for law enforcement, local governments and other states in dealing with individuals convicted of crimes in the State court system.

Scope and Objectives

We began audit work in March 2012. In the course of our audit, we interviewed officials from the Department, analyzed reports generated by the Department and reviewed Nevada Revised Statutes. As part of our field work, we surveyed other states concerning prison medical and prison industries operations. We interviewed individuals from the Division of Human Resource Management (DHRM) and the Nevada Gaming Control Board concerning personnel hiring processes. Additionally, we reviewed publications issued by the National Correctional Industries Association (NCIA), National Commission on Correctional Health Care (NCCHC) and the American Bar Association to gain an understanding of the challenges facing prison medical services and prison industries in Nevada as well as other states. We concluded field work and testing in August 2012.

Our audit focused on the following objectives:

- ✓ Can the Department enhance oversight of prison doctors?
- ✓ Can the Department expedite its hiring process?
- ✓ Can the Department enhance its Prison Industries program?

We performed our audit in accordance with the *Standards for the Professional Practice of Internal Auditing*.

The Division of Internal Audits expresses appreciation to the Department's management and staff for their cooperation and assistance throughout the audit. We also express appreciation to the Governor's Office of Economic Development, DHRM and the Nevada Gaming Control Board for their cooperation and assistance.

Contributors to this report included:

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Department of Corrections Response and Implementation Plan

We provided draft copies of this report to Department officials for their review and comments. The Department's comments have been considered in the preparation of this report and are included in Appendix F. In its response, the Department accepted each of the recommendations we made. Appendix G includes the Department's timetable to implement our recommendations.

NRS 353A.090 specifies within six months after the Executive Branch Audit Committee releases the final audit report, the Administrator of the Division of Internal Audits shall evaluate the steps the Department has taken to implement the recommendations and shall determine whether the steps are achieving the desired results. The Administrator shall report the six month follow-up results to the Committee and Department officials.

The following report contains our findings, conclusions, and recommendations.

Can the Department Enhance Oversight of Prison Doctors?

The Department can enhance oversight of prison doctors by monitoring doctor attendance. We estimate this could benefit the State by up to \$1.9 million annually.

The Department provides direct medical services at all correctional facilities and manages the inmate population to ensure necessary medical services are provided. Medical services address medical conditions of inmates, as well as, dental and mental health care. Primary health care is provided at all facilities. With the exception of the Northern Nevada Correctional Center, which has a Regional Medical Facility (RMF), all the other facilities have infirmaries. The Medical Division has 23 full-time doctors and 8 part-time doctors. See Exhibit III.

Exhibit III

Prison Doctors¹

Description	Full Time Employees	Part Time Employees
Psychiatrists	5	2
Physicians	12	2
Dentists	6	4
Total	23	8

Psychiatrists – The psychiatrists primarily provide mental health care including medication management.

Physicians – The physicians provide primary care to prison inmates. They screen inmates during the intake process and provide early detection of diseases.

Dentists – The dentists provide dental services to prison inmates such as extractions and fillings based on medical necessity.

¹ For the purposes of this report, the term “doctors” refers to psychiatrists, physicians, and dentists only.

Inmate Care

The Department indicated that every inmate is examined by doctors upon entering the Nevada prison system during the intake process. The inmates are tested for diseases such as HIV/AIDS, tuberculosis, sexually transmitted diseases, and other chronic diseases as requested by the doctor. Chronic care patients receive ongoing care through chronic care/specialty care clinics. In addition, inmates may request medical care by completing a form known as a "kite"². Kites are collected daily throughout the facilities and must be reviewed within 24 hours and triaged by a registered nurse. If it is determined based on the triage that an inmate needs medical attention, he/she must be seen by a doctor or other medical provider within 48 hours. As shown in Exhibit IV, the Department tracks medical care requests as well as medical services provided to the inmates on a monthly basis.

Exhibit IV

Prison Inmate Medical Statistics (FY 2012 Monthly Average)

Request for medical care (kites)	8,247
Clinic visits/services (inside)	16,027
Clinic visits/services (outside)	210
Hospital visits/services (outside)	22
Regional Medical Facility (RMF) hospital services	51
Prison infirmary admissions	70
Mental health unit admissions	74
Transportation to hospital via ambulance	14
Transportation to hospital via care flight	1

Routine medical cases are handled through the Department's infirmaries or at the RMF located inside the Northern Nevada Correctional Center. If it's an emergency, a correctional officer will call 911 for an ambulance to take the inmate to a hospital.

Community Standard of Care

The Department represents they meet the "community standard of care" which is the universally accepted standard for medical care within the prison environment. Community standard of care is defined as the accepted practice of health care in a given community. These standards require inmates to have access to care that meets their serious medical, dental, and mental health needs.

² A kite is a request for general services including non-emergency medical services.

The American Correctional Association sets standards for all correctional components of the criminal justice system. Conversely, the National Commission on Correctional Health Care (NCCHC) sets standards specifically for prison medical services. The NCCHC, established in 1983, is a recognized leader in setting standards for medical services. Their standards have been adopted by over 500 prisons, jails and juvenile facilities. These standards, for the first time, established adequate levels of health care services for prison inmates.

We reviewed the operating directives for medical care used by the Department's Medical Division. Some of the directives were adopted from the *2008 Standards for Health Care Services in Prisons* published by the NCCHC. The NCCHC standards address issues such as access to medical care, intake screening, medical examinations, and the need for linkages between correctional health and public health.

According to the NCCHC, "While the NCCHC standards are not clinical performance standards per se, the expected outcome of compliance is provision of health care that not only meets constitutional requirements but also conforms with community standards. The NCCHC standards are based on the assumption that correctional health care providers practice their clinical skills as they would in any other health setting."³ Additionally, the American Bar Association recognizes the NCCHC as an authoritative source for meeting community standards of care for the treatment of prisoners.

We surveyed eight states⁴ to determine the standards used by these states for providing adequate medical care to prison inmates. Five of the states indicated they follow the NCCHC standards while the other three follow the American Correctional Association's standards.

Prison Doctor Oversight

To gain access into any of the Nevada correctional facilities, doctors must sign an in/out log which is used to identify the doctor as well as the times he/she is in the facility. We examined the Prison Medical Division's in/out logs for doctors and determined that the doctors were working less than full days. We sampled 48 percent of the doctors working in the 7 correctional facilities during various time periods in fiscal year 2012. Exhibit V summarizes the number of doctors selected at each of the correctional facilities.

³ National Commission on Correctional Health Care, Resources & Links, "Spotlight on the Standards: Clinical Performance Enhancement Made Clear." <http://www.ncchc.org/resources/spotlight/18-2.html>. Accessed 20 September 2012.

⁴ Arkansas, Kentucky, Nebraska, New Hampshire, Oregon, Utah, Vermont, Wyoming

Exhibit V

Full-time and Part-time Doctors Sampled by Facility

Correctional Facility	Doctors
Ely State Prison	1 Physician 1 Dentist
Florence McClure Women's Correctional Center	1 Physician 1 Dentist 1 Psychiatrist
High Desert State Prison	1 Physician 1 Part-time Physician 1 Dentist 1 Part-time Dentist 1 Psychiatrist
Lovelock Correctional Center	1 Physician 1 Psychiatrist ⁵
Northern Nevada Correctional Center	1 Physician 1 Dentist 1 Psychiatrist ⁵
Southern Desert Correctional Center	1 Psychiatrist
Warm Springs Correctional Center	1 Psychiatrist ⁵

We sampled 13 full-time doctors and 2 part-time doctors. Ninety-two percent of the sampled full-time doctors were scheduled as working four 10-hour days per week. The 2 part-time doctors sampled were scheduled as working two 10-hour days per week. Based on our analysis, the full-time doctors worked on average 5.31 hours per day and the part-time doctors worked on average 5 hours per day; however, their bi-weekly timesheets⁶ did not show any reduction in hours worked. As a result, these full-time and part-time doctors were compensated for a full day for each day worked. When determining the actual hours worked by the doctors, we included their recorded leave in the calculation. We could not track any hours worked by doctors outside the facilities (e.g., notes or taking calls) to determine if this would have significantly increased their average hours worked. The Department did not provide documentation to support hours worked

⁵ Based on our review of in/out logs, this doctor worked at three facilities. However, there is no indication that he worked in more than one facility on any given day.

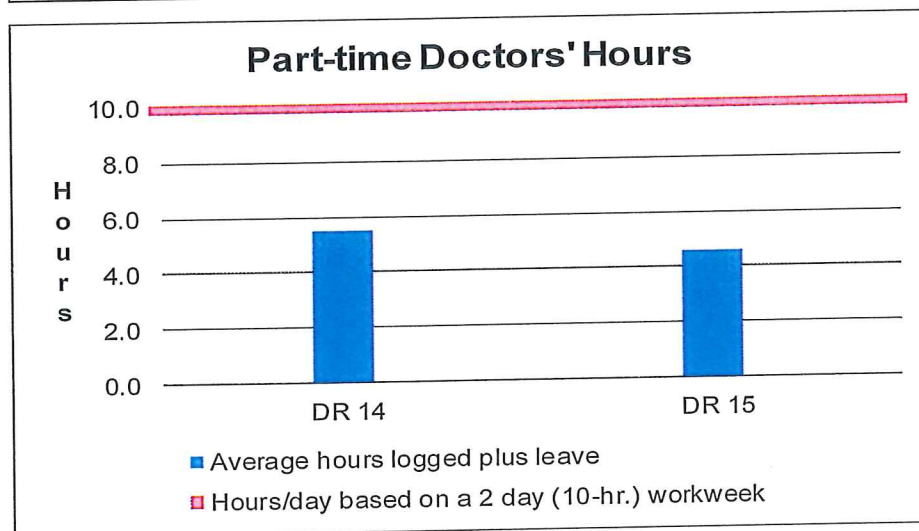
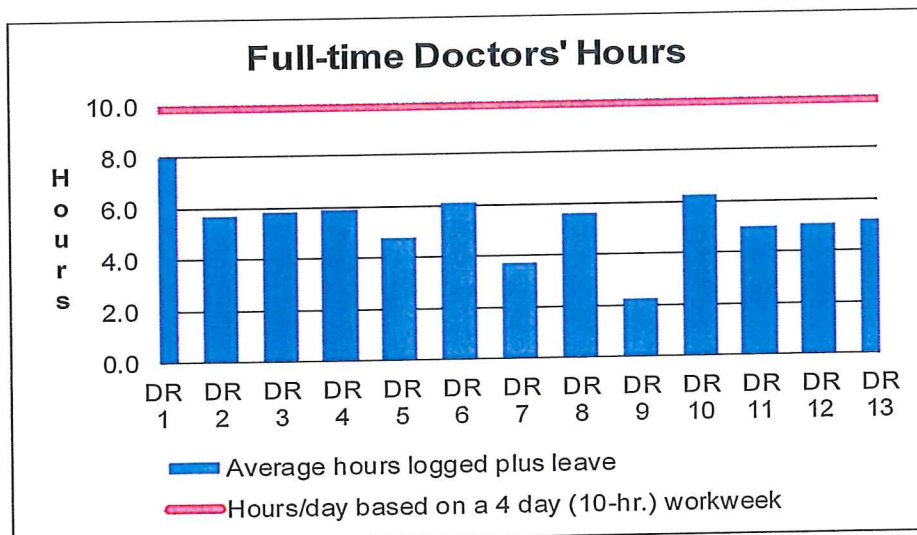
⁶ Source: Employee Paycheck Detail Report

outside the facilities. Exhibit VI summarizes our sample results for full-time and part-time doctors.

Doctors are exempt⁷ employees and are not legally required to work a full 10 hours in any given day, however, for most other exempt positions in the State, standard practice dictates that individuals provide something equivalent to a 40 hour workweek or more. Therefore, establishing a defined work schedule and tracking doctors' attendance will help ensure that doctors' actual hours worked are consistent with hours claimed.

Exhibit VI

Doctor Attendance Summary



⁷ According to the Fair Labor Standards Act, employees are either exempt or nonexempt. Exempt employees are not entitled to overtime pay and their salaries may not be reduced for partial day absences.

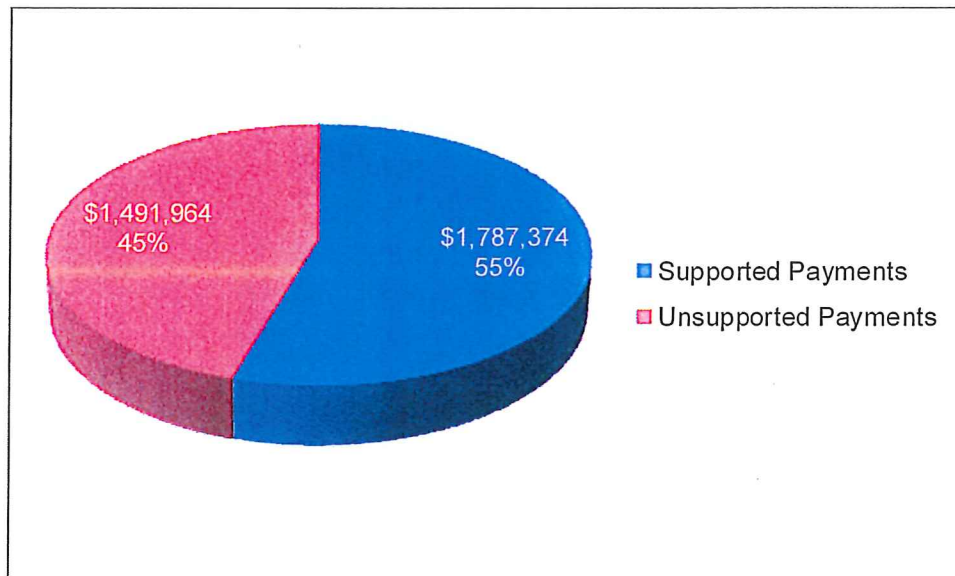
Unsupported Payments

Based on our sample, 45 percent of the salaries paid to full-time doctors and 57 percent of the salaries paid to part-time doctors were not supported by attendance logs. See Exhibits VII and VIII. Based on the Department's 23 full-time doctors and 8 part-time doctors, we estimate the annualized unsupported payments for full-time doctors and part-time doctors for fiscal year 2012 were approximately \$1.9 million⁸.

The Department should monitor doctor attendance to ensure doctors are working the hours reflected on their bi-weekly timesheets. If the Department cannot hold doctors accountable for their attendance, other alternatives should be considered, such as paying doctors for actual hours they are present or privatizing the prison medical services.

Exhibit VII

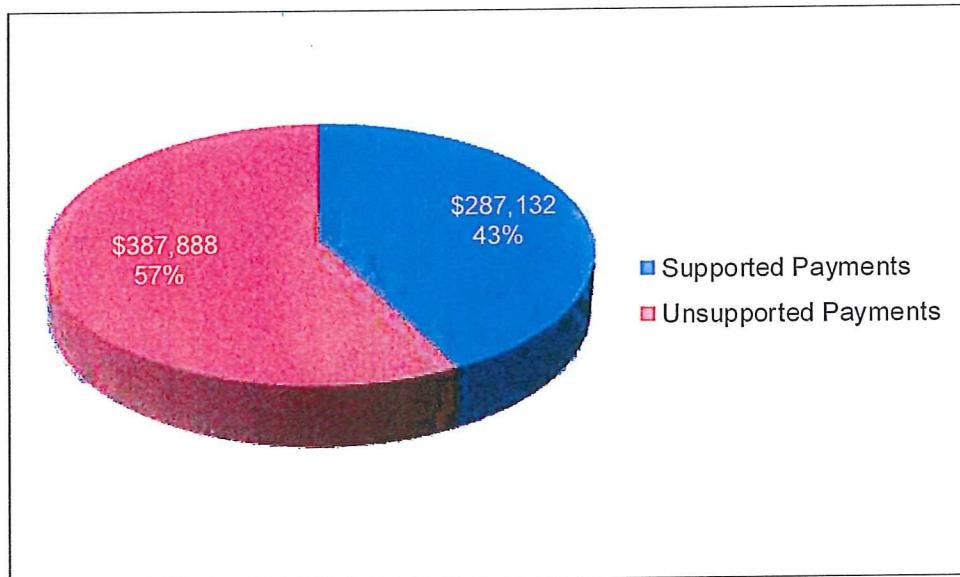
Salaries Paid to Full-Time Doctors (annualized basis)



⁸ See Appendix A.

Exhibit VIII

Salaries Paid to Part-Time Doctors (annualized basis)



Monitoring doctors' hours and establishing defined work schedules consistent with the hours of operation within each facility should enhance oversight of prison doctors and reduce future unsupported payments.

Recommendation

1. Monitor doctor attendance in facilities.

Can the Department Expedite Its Hiring Process?

The Department can expedite its hiring process by using the State developed Request to Fill (RTF) form or redesigning the in-house developed staffing requisition form (Form 1069) to include items that are needed in completing the computerized Nevada Applicant Processing & Placement System (NVAPPS) process.

Department's Hiring Process

The State's Division of Human Resource Management (DHRM) entered into an agreement with the Department where authority is delegated to the Department to hire for specific positions without going through the DHRM. All hiring functions for positions not specified in the delegated agreement (non-delegated) remain with the DHRM.

Delegated Agreement

The State's DHRM has delegation agreements with several agencies because these agencies are deemed unique in their operations and have more expertise in recruiting for specific jobs within the agency, thereby facilitating the agency's ability to fill positions on a timely basis. The specific positions stated in the Department's delegated agreement are listed in Appendix C. All hiring functions for positions not specifically included in the delegated agreement are the responsibility of the State's DHRM. The Department sends all non-delegated recruitment requests to the DHRM.

Initial Hiring Process

We reviewed the Department's hiring process to determine if there is a more efficient way to hire staff. The scope of this review was limited to the initial hiring process which involves creating a staffing requisition in NVAPPS. Based on our review of hiring documentation and discussions with the Department and other Nevada agencies⁹, we determined that the Department's hiring process could be improved.

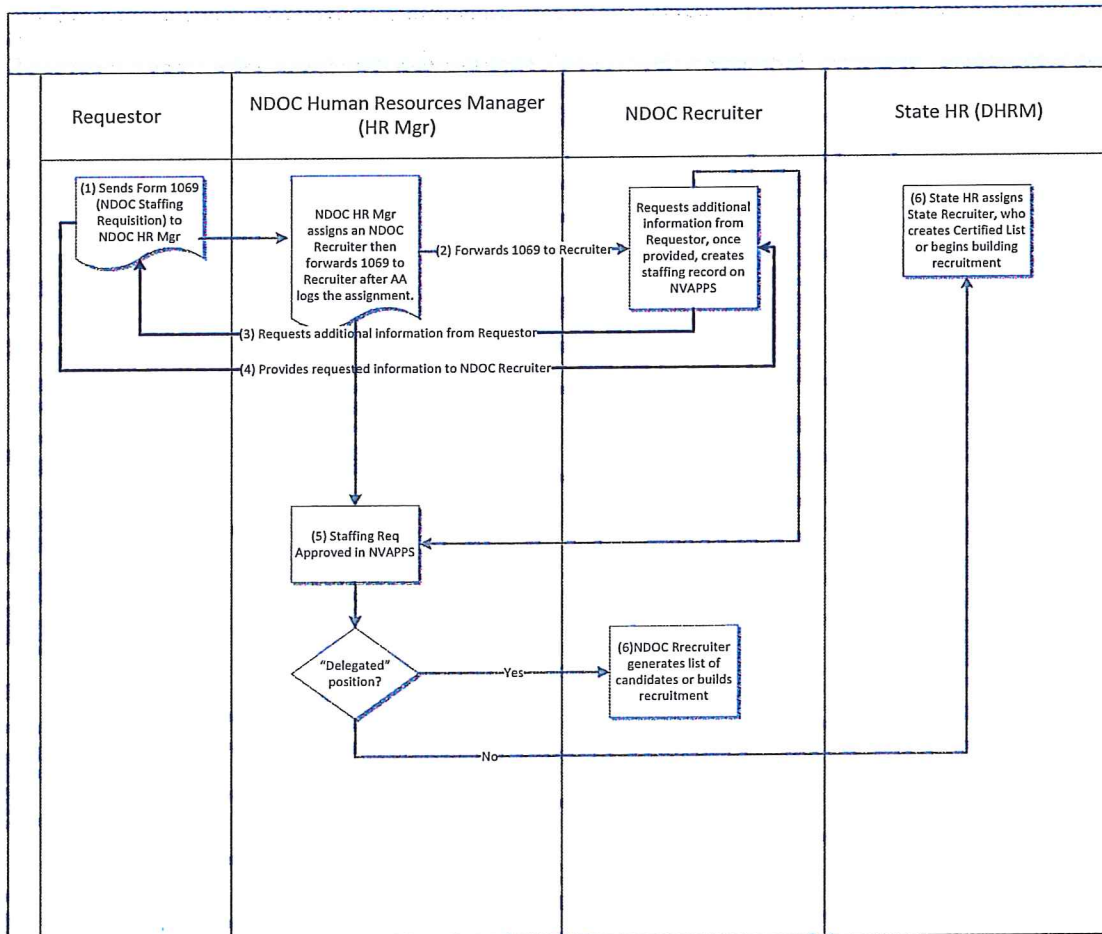
The Department's internal process begins when the Requestor completes and submits Form 1069 (see Appendix D) to the Department's Human Resources

⁹ DHRM and Nevada Gaming Control Board

Manager. The Human Resources Manager then assigns a Department Recruiter. An Administrative Assistant (AA) logs the form and forwards it to the assigned Recruiter. The Recruiter contacts the Requestor for additional information such as position description, selective criteria/justification, and recruitment duration. The current Form 1069 does not have all of the information necessary to create the staffing record in NVAPPS. See Exhibit IX for steps in the initial hiring process.

Exhibit IX

Department of Corrections Initial Hiring Process Steps



While the duration of the hiring process varies depending on circumstances such as list availability, location, and job position, we noted delays in the hiring process that could be attributable to required information not being provided initially. The Department's hiring process could be expedited by collecting complete information from the Requestor at the time the staffing requisition is submitted to the Department's Human Resources Manager using the RTF form

(see Appendix E). This form contains all the information needed to complete NVAPPS, thereby, eliminating the need to re-contact the Requestor for additional information. Alternatively, the Department could modify the current Form 1069 to include the additional information needed to complete the NVAPPS staffing requisition.

Recommendation

2. Consider using the State developed Request to Fill form when collecting information needed to complete the Nevada Applicant Processing & Placement System (NVAPPS) staffing requisition or revise Form 1069 to include additional information.

Can the Department Enhance its Prison Industries Program?

The Department can enhance its prison industries program by developing short-term and long-term strategic plans and working with partners in the business community and public institutions¹⁰ to increase program product sales and services.

Prison Industries is a self-supporting industrial program within the Nevada Department of Corrections. The program provides meaningful work and job training for prison inmates. Prison inmates acquire marketable skills in areas such as printing/bindery, garment sewing, and auto restoration/repair.

We interviewed Prison Industries staff, National Correctional Industries Association (NCIA) staff and reviewed statistical information provided by the NCIA. We randomly selected a sample¹¹ of 15 other states with prison inmate populations ranging from 2,500 to 25,000. Based on our sample, Nevada ranked 14th in total sales, and 15th in terms of percent of inmates working. See Exhibit X.

¹⁰ State and local governmental agencies and schools

¹¹ Sample selected from 2012 NCIA Directory

Exhibit X

Prison Industry Sales

	State ^a	Sales	Inmate Population
1	Colorado	\$ 66,493,765	21,989
2	Minnesota	\$ 38,012,922	9,338
3	Indiana	\$ 36,200,000	24,106
4	Oregon	\$ 24,200,000	13,983
5	Iowa	\$ 20,792,652	8,782
6	Utah	\$ 20,180,764	6,797
7	Massachussetts	\$ 10,453,525	11,276
8	Kansas	\$ 10,090,179	9,186
9	Kentucky	\$ 9,700,000	13,111
10	West Virginia	\$ 7,762,318	6,500
11	Idaho	\$ 7,512,588	7,578
12	Connecticut	\$ 6,711,974	18,538
13	Arkansas	\$ 6,246,000	13,903
14	Nevada	\$ 5,641,000	12,748
15	Delaware	\$ 2,068,953	5,543
16	New Hampshire	\$ 2,000,000	2,500

Ranking of Percent of Inmates Working

	State ^a	Inmate Population	Number of Inmates working	Percent of Inmates working
1	Minnesota	9,338	1,337	14.3%
2	New Hampshire	2,500	299	12.0%
3	Kansas	9,186	1,049	11.4%
4	Oregon	13,983	1,157	8.3%
5	Indiana	24,106	1,942	8.1%
6	Colorado	21,989	1,544	7.0%
7	Kentucky	13,111	917	7.0%
8	Utah	6,797	442	6.5%
9	Iowa	8,782	514	5.9%
10	Delaware	5,543	279	5.0%
11	Massachussetts	11,276	503	4.5%
12	Idaho	7,578	314	4.1%
13	Arkansas	13,903	533	3.8%
14	West Virginia	6,500	238	3.7%
15	Nevada	12,748	464	3.6%
16	Connecticut	18,538	407	2.2%

^a Information obtained from 2011 NCIA data included in the 2012 NCIA Directory

Develop Short-Term and Long-Term Strategic Plans

Currently, Prison Industries does not have short-term or long-term strategic plans and should develop such plans. Based on our sample of other states, 73 percent of the states have either short-term or long-term plans and 53 percent have both plans. See Exhibit XI. Some of the benefits of strategic planning include, but are not limited to the following:

- Establishing and communicating realistic goals and objectives to accomplish within a defined time frame.
- Ensuring the most effective use of resources by focusing on the key priorities, and
- Providing a base from which progress can be measured and establishing a mechanism for informed change when needed.

Exhibit XI

Sample States with Short/Long-term Strategic Plans

	State ^a	Sales	Short-Term Plan	Long-Term Plan
1	Colorado	\$ 66,493,765	Y	Y
2	Minnesota	\$ 38,012,922	Y	N
3	Indiana	\$ 36,200,000	Y	Y
4	Oregon	\$ 24,200,000	Y	Y
5	Iowa	\$ 20,792,652	Y	N
6	Utah	\$ 20,180,764	N	N
7	Massachussetts	\$ 10,453,525	N	N
8	Kansas	\$ 10,090,179	N	Y
9	Kentucky	\$ 9,700,000	N	N
10	West Virginia	\$ 7,762,318	Y	Y
11	Idaho	\$ 7,512,588	Y	Y
12	Connecticut	\$ 6,711,974	Y	N
13	Arkansas	\$ 6,246,000	Y	Y
14	Nevada	\$ 5,641,000	N	N
15	Delaware	\$ 2,068,953	Y	Y
16	New Hampshire	\$ 2,000,000	Y	Y

^a Information obtained from 2011 NCIA data included in the 2012 NCIA Directory

Public Sector Sales

Nevada Prison Industry sales to public sector institutions such as public schools, state agencies and local governments lag behind all of the other states in our sample.

We reviewed the 2012 NCIA Directory which contains other states' public sector sales and selected ten states without "mandatory source"¹² provisions. While Nevada's prison industry sales to public sector institutions were 13 percent in 2011, public sector sales for the other states averaged 70.6 percent. See Exhibit XII.

Exhibit XII

Ranking of Public Sector Sales

State ^a	Total Sales	Percent Sales to Public Sector Institutions				Total Public Sector	Private Sector
		State DOC	Other State Agencies	Local Gov't	Education		
Arkansas	\$ 6,246,000	37.0%	29.0%	3.0%	27.0%	96.0%	4.0%
Wisconsin	\$ 34,166,433	36.0%	33.0%	1.0%	25.0%	95.0%	5.0%
Kentucky	\$ 9,700,000	23.0%	50.0%	10.0%	5.0%	88.0%	12.0%
Delaware	\$ 2,068,953	40.0%	28.0%	10.0%	8.0%	86.0%	14.0%
Minnesota	\$ 38,012,922	36.0%	29.0%	1.0%	12.0%	78.0%	22.0%
Tennessee	\$ 34,567,800	42.0%	31.0%	2.1%	0.1%	75.2%	24.8%
Montana	\$ 14,607,366	45.0%	21.0%	4.0%	0.0%	70.0%	30.0%
Oregon	\$ 24,200,000	16.4%	35.5%	1.4%	8.8%	62.1%	37.9%
South Carolina	\$ 21,363,000	32.0%	5.0%	0.0%	20.0%	57.0%	43.0%
Idaho	\$ 7,512,588	3.0%	43.0%	4.0%	6.0%	56.0%	44.0%
Nevada	\$ 5,641,000	7.0%	5.0%	1.0%	NR	13.0%	87.0%
Average (excludes Nevada)						70.6%	

^a Information obtained from 2011 NCIA data included in the 2012 NCIA Directory
NR - Not Reported.

Our analysis also looked at the public sector sales per capita and sales per public employee. As illustrated in Exhibit XIII, Nevada's sales per capita and per public employee is lower than all the states in our sample. Based on this analysis, we believe opportunities exist for Nevada's Prison Industries in the public sector. More efforts should be devoted to explore these opportunities by working with schools, public sector agencies and local governments.

¹² Mandatory Source – requires state agencies to purchase products from Prison Industries, if pricing, quality, and availability are comparable.

Exhibit XIII

Public Sector Sales per Capita and Public Employee

State ^a	Public Sector Sales	Total Population ^b	Total Number of Public Employees ^c	Sales per Capita	Sales per Public Employee
Wisconsin	\$ 32,458,111	5,686,986	70,891	\$ 5.71	\$ 457.86
Minnesota	\$ 29,650,079	5,303,925	79,672	\$ 5.59	\$ 372.15
Tennessee	\$ 25,994,986	6,346,105	86,215	\$ 4.10	\$ 301.51
Oregon	\$ 15,028,200	3,831,074	65,542	\$ 3.92	\$ 229.29
Idaho	\$ 4,207,049	1,567,582	21,773	\$ 2.68	\$ 193.22
Montana	\$ 3,667,592 ^d	989,415	20,795	\$ 3.71	\$ 176.37
South Carolina	\$ 12,176,910	4,625,364	77,342	\$ 2.63	\$ 157.44
Kentucky	\$ 8,536,000	4,339,367	81,493	\$ 1.97	\$ 104.75
Arkansas	\$ 5,996,160	2,915,918	62,562	\$ 2.06	\$ 95.84
Delaware	\$ 1,779,300	897,934	26,215	\$ 1.98	\$ 67.87
Nevada	\$ 733,330	2,700,551	28,121	\$ 0.27	\$ 26.08

Source:

^a 2011 NCIA Data

^b 2010 U.S. Census Data (2011 not available)

^c 2011 Annual Survey of Public Employment and Payroll

^d Public sector sales exclude DOC sales because state has a mandatory source provision with their Department of Corrections.

Developing short and long-term strategic plans will help Prison Industries identify opportunities, increase public and private sector sales, and provide more jobs to inmates.

Pursue Opportunities in the Business Community

We contacted the Governor's Office of Economic Development (GOED) and learned that some of our rural manufacturers are having problems hiring and retaining employees in these communities. A prison industry official in one of the surveyed states¹³ represented that they are currently pursuing private sector opportunities in their rural areas due to labor shortages. Additionally, the official indicated that they coordinate with state and local economic development offices to enhance job opportunities for inmates.

¹³ Kansas

Based on our survey and discussions with GOED, we believe opportunities exist to use Prison Industries' labor, space, and equipment to create jobs for inmates as well as provide a needed labor force within our rural communities.

Recommendations

3. Develop short and long-term strategic plans to address issues such as markets targeted and public and private sector sales.
4. Coordinate with the Governor's Office of Economic Development to pursue opportunities in the business community.

Appendix A

Summary of Doctors' Payments

	Sample ^c	Sample Annualized Basis	Projected to Population (annualized) ^a	Percent of Total Payments
Full-Time Doctors				
Total Payments	\$ 842,924	\$ 1,853,539	\$ 3,279,338	
Supported Payments	\$ 431,302	\$ 1,010,255	\$ 1,787,374	55%
Unsupported Payments (Difference)	\$ 411,622	\$ 843,284	\$ 1,491,964	45%

	Sample ^c	Sample Annualized Basis	Projected to Population (annualized) ^b	Percent of Total Payments
Part-Time Doctors				
Total Payments	\$ 38,943	\$ 168,755	\$ 675,020	
Supported Payments	\$ 16,565	\$ 71,783	\$ 287,132	43%
Unsupported Payments (Difference)	\$ 22,378	\$ 96,972	\$ 387,888	57%

Estimated Savings

Full-Time Doctors - Unsupported Payments	\$ 1,491,964
Part-Time Doctors - Unsupported Payments	\$ 387,888
Total Estimated Savings	\$ 1,879,852 *

* \$1.9 million (rounded)

Summary Table	Sample	Population	Percent Sampled
Full-time Doctors	13	23	57%
Part-time Doctors	2	8	25%
Total Doctors	15	31	48%

^a Projected Total Payments = [\$1,853,539 (Annualized)/13 (sample # of FT doctors)] x 23 (total FT doctors) = \$3,279,338
 Projected Supported Payments = [\$1,010,255 (Annualized)/13 (sample # of FT doctors)] x 23 (total FT doctors) = \$1,787,374
 Projected Unsupported Payments = [\$843,284 (Annualized)/13 (sample # of FT doctors)] x 23 (total FT doctors) = \$1,491,964

^b Projected Total Payments = [\$168,755 (Annualized)/2 (sample # of PT doctors)] x 8 (total PT doctors) = \$675,020
 Projected Supported Payments = [\$71,783 (Annualized)/2 (sample # of PT doctors)] x 8 (total PT doctors) = \$287,132
 Projected Unsupported Payments = [\$96,972 (Annualized)/2 (sample # of PT doctors)] x 8 (total PT doctors) = \$387,888

^c Number of bi-weekly pay periods sampled varied per doctor. See Appendix B for additional details.

Appendix B

Analysis of Doctors' Hours and Payments

Doctor	Total Hrs Claimed on Bi-weekly timesheets	Total Hrs Logged + Leave (supported Hrs)	Difference (unsupported Hrs) ^a	Number of Bi-weekly Pay Periods Examined	Avg. Hourly Pay Rate*	Supported Payments ^b	Unsupported Payments ^c	Supported Payments (annualized basis) ^d	Unsupported Payments (annualized basis) ^e
DR 1	472	382	90	6	\$ 72.66	\$ 27,756	\$ 6,539	\$ 120,277	\$ 28,337
DR 2	464	273	191	6	\$ 64.65	\$ 17,649	\$ 12,348	\$ 76,481	\$ 53,509
DR 3	1,032	602	430	13	\$ 72.66	\$ 43,741	\$ 31,244	\$ 87,483	\$ 62,488
DR 4	1,016	612	404	13	\$ 64.65	\$ 39,566	\$ 26,119	\$ 79,132	\$ 52,237
DR 5	1,016	490	526	13	\$ 82.60	\$ 40,474	\$ 43,448	\$ 80,948	\$ 86,895
DR 6	480	293	187	6	\$ 64.95	\$ 19,030	\$ 12,146	\$ 82,465	\$ 52,631
DR 7	1,176	442	734	15	\$ 64.65	\$ 28,575	\$ 47,453	\$ 49,531	\$ 82,252
DR 8	1,104	627	477	14	\$ 64.95	\$ 40,724	\$ 30,981	\$ 75,630	\$ 57,536
DR 9	1,640	378	1,262	21	\$ 64.95	\$ 24,551	\$ 81,967	\$ 30,397	\$ 101,483
DR 10	1,008	647	361	13	\$ 74.98	\$ 48,512	\$ 27,068	\$ 97,024	\$ 54,136
DR 11	928	476	452	12	\$ 82.60	\$ 39,318	\$ 37,335	\$ 85,188	\$ 80,893
DR 12	776	402	374	10	\$ 72.66	\$ 29,209	\$ 27,175	\$ 75,944	\$ 70,655
DR 13	928	498	430	12	\$ 64.65	\$ 32,196	\$ 27,800	\$ 69,757	\$ 60,232
DR 14	229	131	98	6	\$ 72.66	\$ 9,518	\$ 7,121	\$ 41,247	\$ 30,856
DR 15	345	109	236	6	\$ 64.65	\$ 7,047	\$ 15,257	\$ 30,536	\$ 66,115
Total	12,614	6,362	6,252	166	\$ 69.93	\$ 447,867	\$ 434,000	\$ 1,082,038	\$ 940,255
Full-Time Total	12,040	6,122	5,918			\$ 431,302	\$ 411,622	\$ 1,010,255	\$ 843,284
Part-Time Total	574	240	334			\$ 16,565	\$ 22,378	\$ 71,783	\$ 96,972

a $\text{Unsupported Hrs} = \text{Total Hrs Claimed} - (\text{Total Hrs Logged} + \text{Leave})$
b $\text{Supported Payments} = \text{Supported Hrs} \times \text{Avg. Hourly Rate}$
c $\text{Unsupported Payments} = \text{Unsupported Hrs} \times \text{Avg. Hourly Rate}$
d $\text{Supported Payments (annualized)} = \text{Supported Payments} \times (\text{Number of bi-weekly pay periods examined} / 26 \text{ pay periods}) = (\text{e.g. } \$27,756 / 0.231)$
e $\text{Unsupported Payments (annualized)} = \text{Unsupported Payments} \times (\text{Number of bi-weekly pay periods examined} / 26 \text{ pay periods}) = (\text{e.g. } \$6,539 / 0.231)$
* Average hourly pay rate was calculated from each doctor's bi-weekly timesheets.

Appendix C

Department's Delegated Agreement

Department of Corrections Classes for which Recruitment and Functions are Delegated

3.108	Food Service Manager 2
3.107	Food Service Manager 3
3.207	Food Service Cook/Sup 3
6.106	Chief Engineer Pit Ops
7.333	Prison Industries Supervisor 1
7.332	Prison Industries Supervisor 2
7.818	Retail Storekeeper 4
7.819	Retail Storekeeper 3
7.820	Retail Storekeeper 2
7.821	Retail Storekeeper 1
9.422	Heat Plant Specialist 4
9.431	Locksmith 2
9.418	Locksmith 1
9.424	Carpenter 2
9.462	Plumber 2
10.124	Psychologist 4
10.126	Psychologist 3
10.132	Psychologist 2
10.143	Psychologist 1
10.261	Dental Prosthetics Tech
10.263	Dental Asst 2
10.264	Dental Asst 1
10.316	Correctional Nurse 3
10.318	Correctional Nurse 2
10.319	Correctional Nurse 1
10.358	Nurse 1
10.360	Licensed Practical Nurse 2
10.365	Licensed Practical Nurse 1
10.369	Certified Nursing Assistant
10.370	Nursing Assistant Trainee
10.617	Athletic & Rec Spec 2
10.616	Athletic & Rec Spec 1
12.460	Correctional Substance Abuse Program Dir.
12.501	Warden
12.553	Associate Warden
12.556	Correctional Casework Specialist 3
12.559	Correctional Casework Specialist 2
12.565	Correctional Casework Specialist 1
12.571	Correctional Casework Specialist Trainee
12.583	Inst. Chaplain
12.510	Correctional Manager
12.517	Correctional Assistant
13.310	Lieutenant
13.311	Sergeant
13.313	Correctional Officer
13.314	Correctional Officer Trainee

Appendix D
Staffing Requisition Form (Form 1069)

Nevada Department of Corrections
Human Resources
Staffing Requisition

Vacancy Information *(to be completed by the facility where vacancy exists)*

Job Title: _____
Budget Account: _____ Position Number: _____
Person responsible for filling vacancy: _____
Telephone Number: _____ Duty Location: _____

Date position became/will become vacant: _____ Who vacated the position: _____

Reason for vacancy: Retirement Promotion/Demotion Transfer Other

How would you like to fill this vacancy?

- New Recruitment
- Use existing list (if available)
- Don't know, please contact me.
- Underfill (contact HR to see if this is an option)

Comments: _____

Signature _____ Date _____

HUMAN RESOURCES USE ONLY:

Date Received: _____ LOG#: _____
Assigned to: _____ Existing List: (check one)
Date assigned: _____ Open Competitive
NVAPPS Staffing Req # _____ Dept/Promo
Recruitment # _____ Other:

RECRUITER NOTES: _____

STAFFING REQUISITIONS MUST BE PLACED IN THE RECRUITMENT FILE!!!

DOC 1059 (8/12)

Appendix E

Request to Fill Form

AGENCY HR SERVICES REQUEST TO FILL A POSITION / APPOINT A CANDIDATE		For HR Rep. use only
e-mail to: agencyhr@admin.nv.gov		Req. # _____
		Recruit # _____
A. AUTHORIZED POSITION INFORMATION (to be completed by supervisor or designated rep.)		
Budgeted Position Title: <input type="text" value="Select One"/>	Agency: <input type="text" value="Select One"/>	
Working Title (if different): <input type="text"/>	Home Org: <input type="text" value="Select One"/>	
Class Code: <input type="text" value="(Auto Fill)"/>	Grade: <input type="text" value="(Auto Fill)"/>	Position Control #: <input type="text"/>
<input type="checkbox"/> Agency has budget authority to fill this position <input type="checkbox"/> Essential Functions attached (Essential Functions to be used in interviews must be submitted along with this form)		
Position Location/Area: <input type="text" value="Select One"/>	Date of vacancy: <input type="text"/>	
Most recent incumbent: <input type="text"/>	Reason for vacancy: <input type="text" value="Select One"/>	
Position supervised by: <input type="text"/>	Title: <input type="text"/>	
Title for which recruitment requested: <input type="text" value="Select One"/>	Class Code: <input type="text" value="(Auto Fill)"/>	Grade: <input type="text" value="(Auto Fill)"/>
Type of recruitment		
<input type="checkbox"/> Divisional	<input type="checkbox"/> Statewide	<input type="checkbox"/> F/T
<input type="checkbox"/> Departmental	<input type="checkbox"/> Open Competitive	<input type="checkbox"/> P/T - % FTE: <input type="text"/>
<input type="checkbox"/> Other: <input type="text"/>	<input type="checkbox"/> Transfer	<input type="checkbox"/> Temp
	<input type="checkbox"/> Existing List	<input type="checkbox"/> Interim
Type of Position		
List Agency Application Reviewers		
Primary Contact: <input type="text"/>		
Additional Reviewers: <input type="text"/>		
Additional Reviewers: <input type="text"/>		
Additional Reviewers: <input type="text"/>		
Travel required: <input type="checkbox"/> None <input type="checkbox"/> Specify %: <input type="text"/>	Preferred Length of recruitment: <input type="text"/> day(s)	
Does this position require: <input type="checkbox"/> Fingerprinting/Background Check <input type="checkbox"/> Certification/Licensure - specify in Other <input type="checkbox"/> Standby/Call Back <input type="checkbox"/> CO		
<input type="checkbox"/> DOT Drug Testing <input type="checkbox"/> Preemployment Drug Testing <input type="checkbox"/> Nights/Weekends/Holidays <input type="checkbox"/> Transcripts <input type="checkbox"/> Other: <input type="text"/>		
Position description (required): <input type="text"/>		
Selective Criteria (Specific skills and experience needed, if applicable): <input type="text"/>		
B. PROPOSED APPOINTMENT INFORMATION (to be completed by supervisor or designated rep.)		
The following forms must be completed according to NAC and Department policy with all necessary signatures and must be attached to this request to fill.		
The following must be attached:		
<input type="checkbox"/> Appointee Application & Attachments	For External Candidate (3 for each Candidate)	If Current/Previous State Employee
<input type="checkbox"/> Essential Functions (signed by appointee)	<input type="checkbox"/> Job Reference Checks	<input type="checkbox"/> State Personnel File Review
<input type="checkbox"/> NPD-4 Request to Accelerate Salary (if applicable)	(for selected candidate)	<input type="checkbox"/> Job Reference Checks (for selected candidate)
PROPOSED CANDIDATE TO BE APPOINTED		
Name of Candidate: <input type="text"/>		
Work Shift: <input type="text" value="Day"/>	Work Cycle: <input type="text" value="Select One"/>	OT Cycle: <input type="text" value="Select One"/>
Supervisory Role: <input type="text" value="Select One"/>	Hiring Status: <input type="text" value="Select One"/>	State Ph. #: <input type="text"/>
Duty Location (Street Address & City): <input type="text"/>		
If non-class or unclass, hourly rate of pay: <input type="text"/>		
Current State of Nevada Employee (If yes, please complete the following)		
Current Agency: <input type="text"/>	Title: <input type="text"/>	Grade and Step: <input type="text"/>
C. APPOINTMENT INFORMATION (to be completed by supervisor or designated rep.)		
Start Date: <input type="text"/>	Date Offered: <input type="text"/>	Date Offer Accepted: <input type="text"/>
<input type="checkbox"/> Coded & Signed Eligible List Attached		

RTF Updated 06/01/12

Appendix F

Department of Corrections Response and Implementation Plan

Board of State
Prison Commissioners
BRIAN SARDOVAL
Governor
CATHERINE CONYER MASTO
Attorney General
ROSS MILLER
Secretary of State



**STATE OF NEVADA
DEPARTMENT OF CORRECTIONS**

Northern Administration
6200 Snyder Avenue, Carson City, NV 89702
Phone: (775) 887-4225 - Fax: (775) 887-2123

Southern Administration
3855 W. Russell Road, Las Vegas, NV 89118
Phone: (702) 482-8833 - Fax: (702) 482-3861



BRIAN SARDOVAL
Governor

JAMES G. COX
Director

DEBORAH L. REED
Deputy Director,
Support Services

November 14, 2012

Mr. Steven B. Weinberger, Administrator
Division of Internal Audits
Department of Administration
209 East Musser Street
Carson City, NV 89701

RE: Response to Audit, Nevada Department of Corrections
November, 2012

Dear Mr. Weinberger:

The Nevada Department of Corrections (NDOC) has reviewed the findings of your recent audit that was presented to Deputy Director Deborah Reed and me on October 30, 2012. I am pleased to forward the following responses to your recommendations. In each case, I have re-stated the audit finding, provided a simple response to the recommendation, and included a brief discussion of the Department's response for your consideration. I wish to express my appreciation to the audit team for providing our agency with a valuable service to help improve our operations. Your team conducted the audit in a professional manner and the information provided will help us improve our operations.

RECOMMENDATION #1:

Monitor doctor attendance in facilities.

RESPONSE: Agree

PROPOSED IMPLEMENTATION: Completed September 2, 2012

DISCUSSION:

The Department instituted a medical practitioner attendance tracking program on September 2, 2012. Medical practitioners at each institution have their hours tracked by the Director of Nursing Services. The Director of Nursing Services is the Health Services Administrator for their respective institutions. The medical practitioner attendance reports are completed weekly and submitted to the Deputy Director of Operations for review. All Department medical practitioners have been made aware of the new tracking program and process.

S:\Internal Audit\Shared\Audits\Audits\Corrections\Report\Response to Audit 20121108 (pg. 1).docx

In addition, the Work Performance Standards for all practitioners have been updated to reflect expectations regarding their respective work schedule. The revised Work Performance Standards have been reviewed with the practitioners.

The NDOC would like to highlight the comment made by the audit team that *"Doctors are exempt employees and are not legally required to work a full 10 hours in any given day..."* We believe that we are in full compliance with the audit finding at this time and want to urge caution in any further findings in this area until legal counsel is sought.

Our research into NRS, federal law, and NAC confirm the auditor's statement is absolutely correct. Their statement is supported by NRS 284.148 when discussing staff in the non-classified and classified services which are exempt pursuant to federal Fair Labor Standards Act and NAC 284.581 "wherein the federal Fair Labor Standards Act of 1938, as amended, and 29 C.F.R. Part 541 is adopted by reference." Additionally, NRS 281.1275 "Reduction in salary of certain public officers and employees for part-day absence from work prohibited; accounting for part-day absence; exception" must be noted when stating that the *"annualized unsupported payments for full-time doctors and part-time doctors for fiscal year 2012 were approximately \$1.9 million."* Nevada statute does not require the doctors, as non-classified state employees, to report anything less than 8 hours of non-attendance.

However, to request the doctors to account for their attendance and/or only pay doctors for actual hours worked, or privatizing the medical services within the NDOC could subject the state to severe litigation and potential loss greater than the \$1.9 million in unsupported payroll expenditures.

RECOMMENDATION #2:

Consider using the State developed Request to Fill form when collecting information needed to complete the Nevada Applicant Processing and Placement System (NVAPPS) or revise Form 1069 to include additional information.

RESPONSE: Agree

PROPOSED IMPLEMENTATION: March 1, 2013

DISCUSSION:

The auditor's determination that the Department's hiring process could be improved is accepted because we are in the process of assessing our Human Resources division's processes due to a new and innovative administrator. Processes and internal policies are being tested, changed, and adopted/rejected based on best practices.

Appendix E is required from State Agencies that do not have internal Human Resource services. It is required by State Human Resource Division because their recruiters/analysts do not operate within the agencies they serve. Therefore, the Department of Administration's Human Resource staff must rely on the agencies to provide the required information in order to activate the recruiting process for their customers.

Appendix D, the NDOC's "Staffing Requisition Form" (DOC 1069) is easier to expedite, allowing the Appointing Authority to speed up the process efficiently. Requiring the Appointing Authority to complete all the information is not necessary when the NDOC has its own Human Resources services in possession of its position histories. However, the

"Selective Criteria" section would be beneficial to both the Appointing Authority and the Division of Human Resources.

The NDOC Form 1069, Staffing Requisition Form, is being reviewed for modification.

RECOMMENDATION #3:

Develop short and long-term strategic plans to address issues such as markets targeted and public and private sector sales.

RESPONSE: Agree

PROPOSED IMPLEMENTATION: March 1, 2013

DISCUSSION:

Although we agree with your over-all findings we would like to offer additional data which we consider is important to the analysis of the success of Prison Industries in the State of Nevada.

If we review the entire nation of 50 states, Nevada is

- 19th out of 50 for inmate population (12,748 total Nevada inmate population)
- 11th out of 50 for Prison Industries' sales (17 states with sales below \$8 million.)
- 17th out of 50 for number of inmates worked (3.7 %.)

There are a number of reasons why sales differ so much across states; Prison Industries

- print a majority of state printing needs
- have different industries such as sign manufacturing for Department of Transportation
- have their Department of Corrections' purchases made from Prison Industries (mandatory purchasing from Prison Industries)
- have larger inmate populations, and
- most Department of Corrections mandate their inmates wear inmate uniforms manufactured by Prison Industries

We are offering the following strategies to increase sales and inmates worked:

Develop short term strategies that

- for fiscal year 2012 we have improved our sales to pre-recession (2007 – 2008) levels
- Continue to work with and participate with the Las Vegas Chamber of Commerce activities to promote Prison Industries

RECOMMENDATION #4:

Coordinate with the Governor's Office of Economic Development to pursue opportunities in the business community.

RESPONSE: Agree

DISCUSSION:

We are in the process of developing long term strategies to increase sales and number of inmates working by contacting the State Economic Develop Councils in rural and metropolitan areas and working with private entities to work inmates. This action will be an on-going function within Prison Industries.

Please remember that it is important not to rely on sales to the public sector markets. Prison Industries has a mandate not to compete with the public sector job market. In addition, we attempt to diversify our sales base to reduce the impact of any one market such as we had experienced in the Nevada public sector as a result of the recession.

Thank you again for the service you and your team provided the Nevada Department of Corrections as a result of this audit. We agree with your recommendation and will implement them as soon as possible. If you wish to discuss any of our responses, please let me know.

Sincerely,

James G. Cox, Director
Nevada Department of Corrections

cc: Deborah L. Reed, Deputy Director of Support Services, Nevada Department of Corrections
cc: E. K. McDaniel, Deputy Director of Operations, Nevada Department of Corrections
cc: Dr. Robert Bannister, Director of Medical Operations, Nevada Department of Corrections
cc: Brian Connett, Deputy Director of Prison Industries, Nevada Department of Corrections
cc: Betty Farris, Chief of Fiscal Services, Nevada Department of Corrections
cc: Chuck Schardin, Medical Administrator, Nevada Department of Corrections
cc: Sharlett Gabriel, Human Resources Administrator, Nevada Department of Corrections
cc: Diane Dastal, Chief Fiscal Officer of Prison Industries, Nevada Department of Corrections

Appendix G

Timetable for Implementing Audit Recommendations

In consultation with the Department, the Division of Internal Audits categorized the five recommendations contained within this report as having a period of less than six months to implement. The Department should begin taking steps to implement all recommendations as soon as possible. The Department's target completion dates are incorporated from Appendix F.

Recommendations with an anticipated implementation period of less than six months.

<u>Recommendations</u>	<u>Time Frame</u>
1. Monitor doctor attendance in facilities. (page 12)	Sep 2012
2. Consider using the State developed Request to Fill form when collecting information needed to complete the Nevada Applicant Processing & Placement System (NVAPPS) staffing requisition or revise Form 1069 to include additional information. (page 15)	Mar 2013
3. Develop short and long-term strategic plans to address issues such as markets targeted and public and private sector sales. (page 21)	Mar 2013
4. Coordinate with the Governor's Office of Economic Development to pursue opportunities in the business community. (page 21)	Mar 2013

The Division of Internal Audits shall evaluate the action taken by the Department of Corrections concerning report recommendations within six months from the issuance of this report. The Division of Internal Audits must report the results of its evaluation to the Committee and the Department.

