Analysis of the Inmate Welfare Fund

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BACKGROUND

The Mississippi Legislative PEER Committee authorized a review of the amounts deposited into and expended from the Inmate Welfare Fund (IWF).

The IWF and the core expectations of use of the Fund are established by MISS. CODE ANN. § 47-5-158 (1972).

MDOC Internal Policy Number 02-11 is the only internal policy regarding the IWF. It establishes the expectation and operations of the IWF Committee.

The Deputy Commissioner for Administration and Finance of MDOC is charged with creating and maintaining the internal accounting controls which oversee the IWF, and the general operation of the fund is delegated to the IWF Committee. The Committee is tasked with all administrative and supervisorial tasks related to the IWF, including the creation and oversight of all fund regulations and the approval of any expenditures charged to the fund.

IWF Account Expenditures and Revenues

Annual Expenditures
Across the six years analyzed, FY 2023 had the highest amount expended at $1,985,003, representing a 52.7% increase in expenditures from FY 2018.

Annual Revenues
Revenues increased substantially between FY 2018 and FY 2023, peaking in FY 2023 at $6,184,521.10 and representing a 42.9% increase.

Comparison of Expenditures and Revenues
The IWF's revenues exceed its expenditures in all of the examined years. Across the six examined years an average of 62% of the total revenues was expended.

Expenditure Categories

MDOC and the IWF Committee only track expenditures on a purchase-by-purchase basis (i.e., what was purchased and the purchase price).

The most frequent expenditure category across the six-year period was Education, representing 724 purchases and $3,286,860.20 in expended funds. This focus on education represents a clear adherence to governing statute as well as an adherence to *MDOC Internal Policy Number 02-11*.

IWF Committee Goals and Transparency
The IWF Committee's failure to maintain an annual needs assessment and documented annual goals as dictated by *MDOC Internal Policy Number 02-11* could create uncertainty regarding the management of the fund and the applicability of expenditures.

Applicability of IWF Expenditures
While analysis of all available expenditure data suggests that the IWF Committee works to ensure the applicability of all expenditures, the IWF Committee should maintain clear documentation of needs assessments and goals. In doing this, the Committee will be able to verify that all expenditures align with the purpose of the IWF.

Management of the Fund

IWF Committee Goals and Expenditures
The IWF Committee does not maintain the annual needs assessment of the fund as required by *MDOC Internal Policy Number 02-11*. Because the Committee has full authority over the consideration and approval of all expenditures and is the primary entity responsible for ensuring responsible spending of the IWF, the failure to adhere to this policy means that internal audits surrounding the goals and direction of the fund are not maintained as required.

Examination of Two-quote Adherence
Across 50 examined purchases over the amount of $5,000, MDOC maintained correct documentation of all purchases, providing proof of two-quote consideration process and representing proper maintenance of the IWF.

Recommendations

1. In order to ensure proper adherence to *MDOC Internal Policy 02-11*, the IWF Committee should establish clear, documented procedures for the creation and recording of an annual needs assessment as defined by policy.

2. In order to ensure the continued application of the needs defined in annual assessments and to increase the ease in which the processes of the IWF Committee can be audited, the committee should also clearly identify all goals and projected needs for the fund within the minutes of all Committee meetings.

3. In order to ensure interest earned on the fund is returned to the IWF, MDOC should work with the Office of the Mississippi State Treasurer and the Department of Finance and Administration to ensure that, going forward, all interest is returned to the IWF.