



Performance Audit

State Correctional Institution at Forest

**Commonwealth of Pennsylvania
Department of Corrections**

November 2011

November 22, 2011

The Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Corbett:

The report contains the results of a performance audit of the State Correctional Institution at Forest of the Department of Corrections from July 1, 2008, to January 16, 2011. The audit was conducted under authority provided in Section 402 of The Fiscal Code and in accordance with generally accepted government auditing standards.

The report details the audit objectives, scope, methodology, findings, and recommendations. The report indicates that the institution did not properly monitor its service contract for radio maintenance. The report also notes that the institution did not provide the required fire safety training to fire emergency response team members during the training year ended June 30, 2010. We also noted deficiencies in training for fire emergency response team members in the two preceding audit reports.

We discussed the contents of the report with the management of SCI Forest, and all appropriate comments are reflected in the report.

Sincerely,

JACK WAGNER
Auditor General

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Background Information

This section contains information about the Department of Corrections and the State Correctional Institution at Forest.

Department of Corrections

*History, mission,
and operating
statistics*

The Pennsylvania General Assembly created the Pennsylvania Bureau of Corrections under the authority of the Pennsylvania Department of Justice with the passage of the Act of July 29, 1953, (P.L. 1428, Section I, No. 408).¹ In December 1980, responsibility moved from the Pennsylvania Department of Justice to the Office of the General Counsel under the Governor. The Governor signed the Act of December 30, 1984, (P.L. 1299, Act 245)² in 1984, elevating the Bureau of Corrections to cabinet level status as the Department of Corrections.

The mission of the Department of Corrections is as follows:

*Our mission is to protect the public by confining persons committed to our custody in safe, secure facilities, and to provide opportunities for inmates to acquire the skills and values necessary to become productive law-abiding citizens; while respecting the rights of crime victims.*³

The Department of Corrections is responsible for all adult offenders serving sentences of two years or more. As of February 1, 2011, it operated 26 correctional institutions, 1 motivational boot camp, 1 training academy, and 14 community pre-release centers throughout the Commonwealth of Pennsylvania. In addition to the 14 community pre-release centers, the Department of Corrections also had oversight for 39 contracted facilities, all part of the community corrections program.⁴

¹ 71 P.S. §§ 301-306.

² 71 P.S. §§ 310.1-310.14.

³ http://www.cor.state.pa.us/portal/server.pt/community/departement_of_corrections/4604/our_mission/716263

Accessed January 16, 2011, verified November 18, 2011.

⁴ Ibid.

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Inmate General Welfare Fund

The Department of Corrections centrally controls an Inmate General Welfare Fund to provide custodial services for inmate personal monies and to generate funds for recreational activities. Each correctional institution within the Department of Corrections maintains accounting records for its own portion of the fund. The prisons' funds are consolidated for control and investment purposes and administrated by a central council.

State Correctional Institution at Forest

The State Correctional Institution at Forest (SCI Forest) opened in October 2004 and is a maximum-security facility for adult males.⁵

Located in Marienville, Forest County, the facility is comprised of a 64-acre compound with 26 buildings, including ten housing units, three inmate dining halls, inmate health care areas, education and religious complex, warehouse, utility plant, and administration building.⁶ The main compound is enclosed with two 14-foot fences topped with razor wire.

The schedule on the following page presents select unaudited SCI Forest operating statistics compiled by the department for the years ended June 30, 2009, and 2010.

⁵ http://www.portal.state.pa.us/portal/server.pt/community/hidden_forest/11330 Accessed January 16, 2011, verified November 18, 2011.

⁶ Commission on Accreditation for Corrections, Standards Compliance Reaccreditation Audit, Pennsylvania Department of Corrections, State Correctional Institution at Forest, Marienville, Pennsylvania, April 20-22, 2009, page 2.

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	Using rounding	
	2009	2010
Operating expenditures⁷		
State	\$56,352,766	\$58,988,004
Federal	<u>30,258</u>	<u>15,301</u>
Total operating expenditures	<u>\$56,383,024</u>	<u>\$59,003,305</u>
Inmate population at year end	2,324	2,240
Capacity at year end ⁸	2,054	2,054
Percentage of capacity at year end	113.1%	109.1%
Average monthly inmate population	2,203	2,274
Average cost per inmate per year ⁹	\$25,594	\$25,947

⁷ Operating expenditures were recorded net of fixed asset costs, an amount that would normally be recovered as part of depreciation expense.

⁸ The operational bed capacity at SCI Forest increased from 1,980 in August 2008 to 2,125 in September 2008 and then to 2,047 in October 2008 and, finally, to 2,054 in December 2008.

⁹ Average cost was calculated by dividing the operating expenditures by the average monthly inmate population.

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**Objectives,
Scope, and
Methodology**

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**Audit
Objectives**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our performance audit of SCI Forest had four objectives. We selected the audit objectives from the following areas: the Inmate General Welfare Fund, service contracts, and personnel management. Personnel management included two areas of examination — hiring practices, and staffing levels. The specific audit objectives were as follows:

- One To determine whether SCI Forest operated the Inmate General Welfare Fund in accordance with Department of Corrections' policies and procedures and to assess the effectiveness of relevant management controls. (Finding 1)
- Two To determine whether SCI Forest effectively monitored its service contracts. Our audit included an examination of selected contracts to determine whether they duplicated, overlapped, or conflicted with other institution efforts to provide similar goods and services. (Finding 2)
- Three To determine whether SCI Forest hired employees in accordance with the Commonwealth of Pennsylvania's policies, and whether staff levels were sufficient to meet the needs of the institution. (Findings 3 and 4)

The scope of the audit includes the period of July 1, 2008, to January 16, 2011, unless indicated otherwise.

To accomplish our objectives, we obtained and reviewed records and analyzed pertinent policies, agreements, and guidelines of the Commonwealth and the Department of Corrections. In the course of our audit work, we interviewed various facility management and staff. The audit results section of this report contains the specific inquiries, observations, tests, and analyses conducted for each audit objective.

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We also performed inquiries and tests as part of, or in conjunction with, our current audit to determine the status of the implementation of the recommendations made during our prior audit. Those recommendations addressed employee training, building maintenance/construction, and building space utilization.

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Audit Results

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Audit Results

In the pages that follow, we have organized our audit results into three sections, one for each objective. Each of the three sections is organized as follows:

- Statement of the objective
- Relevant laws, policies, and agreements
- Audit scope in terms of period covered, types of transactions reviewed, and other parameters that define the limits of our audit
- Methodologies used to gather sufficient evidence to meet the objective
- Finding(s) and conclusion(s)
- Recommendation(s), where applicable
- Response by SCI Forest management, where applicable
- Our evaluation of SCI Forest management's response, where applicable

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**Audit Results:
Inmate General
Welfare Fund**

**Audit Results
for
Objective
One**

The objective

Objective one for our performance audit was to determine if SCI Forest operated the Inmate General Welfare Fund in accordance with Department of Corrections' policies and procedures and to assess the effectiveness of relevant management controls.

*Inmate General
Welfare Fund*

Scope of our audit work

We reviewed bank reconciliations conducted by SCI Forest from July 2008 through June 2010. We also reviewed supporting documentation for 48 of 7,789 disbursements transacted from July 1, 2008, to June 30, 2010, and supporting documentation for receipt deposits on 46 of the 522 days that batch deposits were made ("batch deposit days"), from July 1, 2008, to June 30, 2010.

Relevant policies

The Department of Corrections operates a single fund known as the Inmate General Welfare Fund at each institution in order to account for inmates' personal monies, as well as for revenues generated by inmate-related enterprises (such as sales from the commissary, hobby craft functions, and personal services available to facility employees.) The fund also includes donations from organizations or individuals for the benefit of inmates. Monies from all state correctional facilities are held in a central fund controlled by the Inmate General Welfare Fund Council and are invested on behalf of inmates.

The Department of Corrections has established policies and procedures for administering the Inmate General Welfare Fund.¹⁰ Policy Number 3.1.1 addresses fiscal administration, and Section K of the policy specifically addresses the Inmate General Welfare Fund.

The policy specifies the required approvals, nature, and processing of fund expenditures, as well as the collection and safeguarding of monies generated by the Inmate General Welfare Fund's revenue-producing

¹⁰ Commonwealth of Pennsylvania, Department of Corrections, Policy Number 3.1.1 – Fiscal Administration, Section K, "Inmate General Welfare Fund," issued April 27, 2007, and revised January 27, 2009.

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Welfare Fund**

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shops. Department of Corrections' policies and procedures also identify the financial reports to be prepared by the individual correctional facility, including monthly balance sheets and income statements for all fund activities.

Methodologies to meet our objective

To establish our understanding of the Inmate General Welfare Fund, we reviewed the Department of Corrections' Section K of Policy Number 3.1.1. We also reviewed the minutes of the quarterly meetings of the Inmate General Welfare Fund committee between September 2008 and September 2010.

We interviewed accounting personnel responsible for administration of the Inmate General Welfare Fund.

We examined the balance sheet and income statement for the fiscal year ended June 30, 2010.

We analyzed the June 2010 bank statement and associated reconciliation form for accuracy, and we evaluated the timeliness and management review of 24 monthly bank reconciliations conducted from July 2008 through June 2010.

We conducted an unannounced petty cash count on October 6, 2010.

We examined 48 of 7,789 disbursements from the Inmate General Welfare Fund transacted from July 1, 2008, to June 30, 2010. We also examined the supporting documentation for the 48 disbursement transactions.

We examined 46 of the 522 batch deposit days from July 1, 2008, to June 30, 2010. The 46 selected days had 186 batch deposits worth \$384,690.42, which we reconciled to the bank statements.

From the selected batch deposit days, we then selected one deposit from each of those deposit days, and recalculated the supporting detail for those deposits.

Finally, we examined 76 receipt transactions, from the 186 batch deposits, and the documentation supporting the transactions.

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**Audit Results:
Inmate General
Welfare Fund**

Finding 1

SCI Forest complied with Department of Corrections' policy and procedures and effectively managed the Inmate General Welfare Fund.

SCI Forest's accounting personnel obtained the proper approvals and processed the 48 selected disbursements and 76 selected receipts accurately. Additionally, the 48 disbursements were for items specified in the Department of Corrections' policy, such as books, periodicals, musical supplies, art materials, and inmate postage. The disbursements were also accompanied by cash slips, approved purchase orders, and invoices. The business manager conducted accurate monthly bank statement reconciliations within an average of two days after the statement closing date. The institution's business office personnel prepared the required Inmate General Welfare Fund financial statements. SCI Forest adequately segregated the check preparation and bank reconciliation duties. Finally, our unannounced petty cash count on October 6, 2010, did not reveal any discrepancies. Accordingly, we concluded that management controls over the institution's Inmate General Welfare Fund were effective.

Furthermore, according to SCI Forest management, the institution established an Inmate General Welfare Committee made up of institution employees and inmate representatives to provide input into Inmate General Welfare Fund activities. In addition, the institution posted a monthly statement of fund activities on all inmate bulletin boards in compliance with department policies and procedures.

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**Audit Results:
Service Contracts**

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**Audit Results
for
Objective
Two**

The objective

Objective two for our performance audit was to determine whether SCI Forest effectively monitored its service contracts. Our audit included an examination of selected contracts to determine whether they duplicated, overlapped, or conflicted with other institution efforts to provide similar goods and services.

Service Contracts

Scope of our audit work

We reviewed 10 of the 35 service contracts with documented expenditures paid between July 1, 2008, and June 30, 2010.

Relevant policies

Commonwealth institutions often contract with vendors instead of providing services in-house if, for example, the time required to complete the services does not justify new full-time positions, or if institution personnel do not possess the necessary expertise to provide the services. Contracted services at state correctional institutions include, but are not limited to, religious services, equipment service and maintenance, and waste removal.

The Commonwealth has established policies for the procurement of services. These policies address the monetary thresholds and procedures for formal bids, as well as contract payment methods and requirements.¹¹

The Department of Corrections has also established policy regarding service contracts¹² and contract compliance.¹³ SCI Forest's management is responsible for effectively monitoring contracted services performed at the facility.

¹¹ http://www.portal.state.pa.us/portal/server.pt/community/procurement_handbook/14304, Accessed September 17, 2010, verified November 18, 2011.

¹² Department of Corrections, Policy Number 3.1.1, "Fiscal Administration," November 20, 2007, and revised January 27, 2009.

¹³ Department of Corrections, Policy Number 1.6.3, "Contract Compliance," August 21, 2007.

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Methodologies to meet our objective

To establish our understanding of the procurement and monitoring requirements for contracts, we reviewed the Commonwealth of Pennsylvania's procurement manual, as well as Department of Corrections' policies for service contracts and contract compliance as referenced in the preceding summary of relevant policies.

We interviewed appropriate SCI Forest management and staff, including its purchasing agent and radio officer to obtain an understanding of contract efforts and contract compliance at SCI Forest.

We reviewed the Commonwealth's form for its standard service contract terms and conditions, particularly for the inclusion of a termination clause.¹⁴

We examined the institution's detailed list of 35 service contracts with documented expenditures paid between July 1, 2008, and June 30, 2010. Using our professional judgment, we then selected ten service contracts for detailed review of bidding, approvals, and monitoring of contract expenses. Our review included an examination of the contract terms, bid documentation, invoices, and payments associated with the ten service contracts.

Finding 2

SCI Forest did not properly monitor a costly radio maintenance contract.

SCI Forest bid/awarded the ten sampled contracts in compliance with Commonwealth and department procurement policies and procedures. The institution ensured compliance with the terms of agreement and verified receipt and the accuracy of vendor invoices prior to approval for payment. Additionally, the reviewed service contracts did not duplicate, overlap, or conflict with institution efforts to provide similar or related goods and services. However, SCI Forest did not adequately monitor a costly radio maintenance contract.

¹⁴ http://www.dgsweb.state.pa.us/comod/ArchivedForms/STD274SAP_050704.doc, Accessed October 14, 2010, verified November 18, 2011.

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In October 2006, SCI Forest entered into an agreement for the maintenance of its existing inventory of two-way radios. The contract, in effect from November 1, 2006, to June 30, 2009, provided that SCI Forest make three fixed annual payments to the vendor, as follows:

Service Period	Payment
November 1, 2006, to June 30, 2007	\$ 19,900
July 1, 2007, to June 30, 2008	41,900
July 1, 2008, to June 30, 2009	<u>45,900</u>
Total	<u>\$107,700</u>

At the inception of the contract, SCI Forest had an inventory of 155 radios with an original value of \$44,343.75. The radios included three different models:

Model	Radio Count	Unit Cost	Total Cost
Vertex VX-160U	120	\$240.00	\$28,800.00
Vertex VX-510L	5	\$552.75	2,763.75
Vertex VX-800	<u>30</u>	\$426.00	<u>12,780.00</u>
	<u>155</u>		<u>\$44,343.75</u>

The Commonwealth's standard terms and conditions for service contracts state the following:

...The Commonwealth shall have the right to terminate the Contract or a Purchase Order for its convenience if the Commonwealth determines termination to be in its best interest. The Contractor shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall the Contractor be entitled to recover loss of profits.¹⁵

¹⁵ http://www.dgsweb.state.pa.us/comod/ArchivedForms/STD274SAP_050704.doc Accessed October 14, 2010, verified November 18, 2011.

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Our review of vendor invoices showed that the cost per routine repair increased significantly over the 32 months of the contract, as detailed in the following table:

	November 1, 2006 to June 30, 2007	July 1, 2007 to June 30, 2008	July 1, 2008 to June 30, 2009	Totals
Number of routine radio repairs	123	44	47	214
Annual payment	\$19,900	\$41,900	\$45,900	\$107,700
Average cost per routine repair	\$161.79	\$952.27	\$976.60	\$503.27

The \$41,900 cost for routine radio repairs during the second year of the contract almost equaled the \$44,343.75 original cost of all 155 radios in inventory at SCI Forest. Also, the \$976.60 average cost per routine repair during the last year of the contract was greater than four times the \$240 unit purchase price of the Vertex VX-160, the institution's most commonly used radio model (\$240 per radio x 4 radios = \$960). Thus, SCI Forest could have purchased four new radios for less than the cost of repairing one radio during the last year of the contract (\$960 is less than \$976.60). Therefore, based on our analysis and the supporting figures, we concluded that SCI Forest did not properly monitor the contract for radio repairs and maintenance and did not terminate the contract when the contract costs escalated.

In addition, according to the terms of the contract, the three fixed payments from November 1, 2006, to June 30, 2009, did not cover services to radios that became defective due to physical or electronic abuse or misuse. The vendor charged for repairs to these radios on an individual basis. Over the course of the contract, SCI Forest paid the vendor an additional \$28,250 for repairs to "abused" radios, as detailed in the following table:

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	November 1, 2006 to June 30, 2007	July 1, 2007 to June 30, 2008	July 1, 2008 to June 30, 2009	Totals
Number of repairs to “abused” radios	0	45	172	217
Repair costs on invoices	\$0	\$5,675	\$22,575	\$28,250
Average cost per repair	\$0	\$126.11	\$131.25	\$130.18

Again, SCI Forest should have cancelled the contract at the end of the second year and saved at least \$39,731.25. We estimate that SCI Forest could have paid approximately \$6,168.75 for radio maintenance/repairs performed on an as-needed basis during the third year of the contract that ended on June 30, 2009. We calculated this estimate by multiplying the number of routine repairs (47) during the third year of the contract by \$131.25, which was the average cost of separately invoiced repairs by the vendor during the same period, (47 radios x \$131.25 per radio = \$6,168.75). Our assumption is that routine radio repair costs by another vendor would have been similar to the radio repair costs charged by the vendor in the terminated contract.

Since the expiration of this contract, SCI Forest has entered into a new statewide contract that provides for radio repairs to be paid on an as-needed basis.

**Recommendations
for Finding 2**

1. SCI Forest management should closely monitor all service contracts to ensure cost effectiveness.
2. If contracts are not cost effective, SCI Forest management should terminate the contracts.

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Response of the SCI Forest Management:

Concur with the AG findings and comments. As a result of last year's audit, all contracts are monitored throughout the year by the business office for compliance.

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Personnel
Management**

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**Audit Results
for
Objective
Three**

The objective

Objective three for our performance audit was to determine whether the institution hired employees in accordance with the Commonwealth of Pennsylvania’s policies, and whether staff levels were sufficient to meet the needs of the institution.

Scope of our audit work

*Personnel
Management*

We reviewed documentation supporting the hiring of 33 civil service employees between July 1, 2008, and June 30, 2010.

We also analyzed the Department of Corrections’ corrections officer manpower survey dated April 22, 2008, and SCI Forest’s individual staffing reviews conducted between April 2006 and March 2010 for the following staff areas: clerical services, maintenance, food service, business office, correction counseling, activities, chaplaincy, nursing, psychology, information technology, and dental personnel.

Relevant policies and procedures

Hiring Practices. The purpose of the “Civil Service Act” is stated as follows:

*Greater efficiency and economy in the administration of the government of this Commonwealth is the primary purpose of this act. The establishment of conditions of service, which will attract to the service of the Commonwealth qualified persons of character and ability and their appointment and promotion on the basis of merit and fitness are means to this end.*¹⁶

The Commonwealth of Pennsylvania’s State Civil Service Commission (Commission) has prescribed policies and procedures for the recruitment, eligibility assessment, interview, and selection of candidates for positions

¹⁶ Act of August 5, 1941, P.L. 752, as amended. 71 P.S. § 741.2 Purpose.

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classified as civil service.¹⁷ The Governor's Office of the Commonwealth of Pennsylvania has also issued a management directive regarding the use of veterans' preference for classified service employment.¹⁸

The commission provides information to potential applicants, recruits and tests applicants, and then sends lists of qualified applicants to agencies seeking to fill jobs. The commission ranks qualified applicants for specific job classifications based on the scores for written or oral examinations, demonstrations of skill, evaluations of experience and education, or a combination of these. If a vacant position is filled from an employment list, the agency must select a person who is among the three highest ranking available persons, this process is called the Rule-of-Three.¹⁹

Section 5b of the Commonwealth's management directive regarding the use of veterans' preference for employment states the following:

Eligible veterans, spouses of disabled veterans, and widows or widowers of veterans:

- (1) Receive 10 additional points on their final earned ratings, provided they pass the examination.*
- (2) Have mandatory appointment preference over non-veterans when their names appear together within the Rule-of-Three on certifications covered by this policy.*
- (3) May be given preference for selection from certifications covered by this policy regardless of their rank on the list.²⁰*

¹⁷ Commonwealth of Pennsylvania Governor's Office, Manual Number 580.1, "Certification of Eligibles for the Classified Service," April 7, 1997.

¹⁸ Commonwealth of Pennsylvania Governor's Office, Management Directive Number 580.21, "Veterans' Preference on Classified Service Employment Lists," May 5, 2008.

¹⁹ Commonwealth of Pennsylvania Governor's Office, Manual Number 580.1, "Certification of Eligibles for the Classified Service," April 7, 1997.

²⁰ Commonwealth of Pennsylvania Governor's Office, Management Directive Number 580.21, "Veterans' Preference on Classified Service Employment Lists," May 5, 2008.

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Staffing Levels. The Department of Corrections conducts periodic manpower surveys at each correctional institution to assess its security staffing requirements. In April 2008, such a survey of security staffing was conducted at SCI Forest.

Between April 2006 and March 2010, the Department of Corrections developed staffing requirements/plans for additional institution departments as well, including clerical services, maintenance, food service, business office, correction counseling, activities, chaplaincy, nursing, psychology, information technology, and dental. Overall, the Department of Corrections developed proposed staffing levels that addressed 564 of the institution's 657 salaried and wage positions.

Methodologies to meet our objective

We reviewed the policies and procedures specified in the Civil Service Commission's hiring manual, and in the Commonwealth of Pennsylvania's management directive regarding veterans' preference for employment.

We interviewed the SCI Forest human resources director to obtain an understanding of SCI Forest's personnel department actions with respect to hiring and maintaining sufficient levels of staff.

We analyzed the documentation associated with the hire of 33 civil service employees between July 1, 2008, and June 30, 2010.

We analyzed the Department of Corrections' corrections officer manpower survey dated April 22, 2008, and the SCI Forest individual staffing reviews conducted between April 2006 and March 2010 of the other areas.

We also examined SCI Forest's detailed salary and wage complement reports dated June 25, 2010, and October 1, 2010, as well as SCI Forest's vacancy report dated September 27, 2010, for comparison with the Department of Corrections' manpower survey and the individual staffing reviews.

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Finding 3

SCI Forest complied with hiring requirements for civil service employees.

Forest hired 33 civil service employees between July 1, 2008, and June 30, 2010. Our review of documentation for the 33 civil service hires showed that the facility hired employees in compliance with Commonwealth policies and procedures.

SCI Forest interviewed candidates and properly applied the Rule-of-Three and veterans' preference in its hiring of 15 veterans and 18 non-veterans for the positions of corrections officer, registered nurse, licensed practical nurse, and correctional activities specialist. The facility gave veterans preference for appointment regardless of their rank on the relevant employment lists, an option authorized by the Commonwealth of Pennsylvania's management directive.

Finding 4

SCI Forest's employee complement satisfied department requirements, and the institution adequately addressed its position vacancies.

SCI Forest's employee complement satisfied Department of Corrections' guidelines. At June 25, 2010, and October 1, 2010, the complement was commensurate with the staffing levels proposed in the individual Department of Corrections' staffing surveys conducted between April 2006 and March 2010.

Also, SCI Forest adequately addressed its position vacancies. Internal reports showed that 24 of Forest's 640 available salaried positions and 14 of its 17 available wage positions were vacant at September 27, 2010, for a total of 38 vacancies.

Personnel from SCI Forest's human resources department indicated that Forest was in the process of actively addressing the above vacancies. As of September 27, 2010, SCI Forest had taken the following steps:

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Actions	Number of Positions
The institution posted the position vacancies.	3
The institution requested a candidate listing from the Bureau of State Employment.	1
The institution scheduled, but had not yet conducted, the interview.	1
The institution conducted the interviews.	3
The selected candidates were awaiting criminal history and medical clearances.	2
The institution held Corrections Officer I positions open until Corrections Officer Trainees completed the necessary training.	6
The Department of Corrections was in the process of eliminating the positions at SCI Forest.	6
The institution was awaiting Department of Corrections' approval to fill the vacancies.	<u>16</u>
Total number of addressed vacancies	<u>38</u>

As a result of the actions taken by SCI Forest's human resources department, we concluded that SCI Forest effectively managed its staffing levels.

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**Status of
Prior Audits**

Our prior audit report of SCI Forest covered the period of July 1, 2006, to July 31, 2008, and contained three findings. Two of the findings (Findings 1 and 2) were positive and thus had no recommendations. The status of the remaining finding (Finding 3) and its accompanying recommendations is presented below.

The prior audit report also contained two still unresolved findings (Findings 3 and 5) from the audit report of SCI Forest that covered the period of September 29, 2004, to January 12, 2007. The status of the two unresolved findings and their accompanying recommendations is also presented below.

Scope and Methodologies of our audit work

To determine the status of the implementation of the recommendations made during the prior audits, we held discussions with appropriate institution personnel and performed tests as part of, or in conjunction with, the current audit.

Prior Finding 3 SCI Forest did not use a 28-bed dormitory since the institution opened in September 2004. (Resolved)

(from the audit report dated July 1, 2006, to July 31, 2008)

During the prior audit, our tour of SCI Forest and our review of its construction deficiencies showed that SCI Forest had not utilized a 28-bed dormitory since the institution opened in September 2004.

According to SCI Forest maintenance and security personnel, the design of the residential pod that included the vacant dormitory, a neighboring inhabited dormitory, and a shared restroom was flawed. The pod had only one entrance to the inmates' restroom, and that entrance was located within the confines of the dormitory that housed inmates. Thus, an inmate assigned to the vacant dormitory could access the restroom only by first entering the adjoining dormitory. SCI Forest security personnel could not observe any such inmate after entry to the neighboring dormitory.

SCI Forest maintenance and security personnel maintained that SCI Forest could utilize the vacant dormitory if the institution relocated the restroom door. In contrast, upper management at SCI Forest contended that the

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institution was able to use the 28-bed dormitory immediately without any construction or staffing modifications. According to upper management, the dormitory was part of a residential unit assigned for minimum custody (or low security) level inmates, and the Department of Corrections had not assigned SCI Forest sufficient numbers of minimum custody level inmates to warrant usage of the housing space.

Our analysis of inmate population statistics did not support upper management's contention. As of August 31, 2008, SCI Forest housed 735 minimum custody level inmates. SCI Forest's minimum custody level unit contained only 190 beds, including the 28 beds in the vacant dormitory. The 735 minimum custody level inmates were more than sufficient to populate the 190 beds.

We recommended that SCI Forest evaluate its inmate allocation decisions and transfer sufficient numbers of inmates to occupy the vacant dormitory. We also recommended that SCI Forest evaluate the necessity for the addition or relocation of the restroom door.

Status

To follow up on the dormitory usage deficiency noted in the prior report, the auditors interviewed the senior facility maintenance manager and the unit manager of the previously unused dormitory. The auditors also toured the facility and reviewed purchase orders for a security camera and glass installed in the unit that contained the previously vacant dormitory.

The current audit showed that SCI Forest complied with the recommendations of our prior report. Inmates have fully occupied the previously vacant 28-bed dormitory since October 2008. Prior to occupancy, the institution installed a security glass window in the restroom door and a security camera near the entrance to the restroom to accommodate security staff monitoring of inmate activity. As a result of the actions taken by SCI Forest, the prior finding is resolved.

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**Prior Finding 3 SCI Forest did not provide the required training to Fire
Emergency Response Team members. (Unresolved)**

(from the audit reports dated September 29, 2004, to January 12, 2007, and July 1, 2006, to July 31, 2008)

The two preceding audits reported that SCI Forest did not provide the required fire safety training to fire emergency response team members during the training years ended June 30, 2006, and 2008, the two years selected for audit.

Section 2 of the Department of Correction's Staff Development and Training Procedures Manual requires 16 hours of specialized fire emergency response team training annually for fire emergency response team members, as well as 1.5 additional hours of training in respiratory protection.²¹

The first audit reported that SCI Forest provided the mandated four quarterly hours of fire safety training to only 7 of the 17 members of the fire emergency response team in the third quarter of the training year ended June 30, 2006, and to only 4 of the 17 team members in the fourth quarter of the training year ended June 30, 2006. In our most recent audit, we found that the institution provided the Department of Corrections' mandated 16 annual hours of fire safety training to only 5 of 20 team members during the training year ended June 30, 2008.

We recommended that SCI Forest management ensure that all fire emergency response team members receive the required hours of fire safety training. We further recommended that SCI Forest conduct on-site training at least once quarterly and, more important, at a scheduled time and frequency that accommodates the working schedules of all team members.

Status

To follow up on the fire safety deficiencies noted in the prior reports, we interviewed SCI Forest's safety manager and reviewed the Department of Corrections' policies and procedures regarding staff development and

²¹ Department of Corrections, Policy Number 5.1.1, "Staff Development and Training," December 15, 2003, and revised June 2007 and October 2009.

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training.²² We also examined the attendance rosters and sign-in sheets for fire emergency response team and respiratory training sessions conducted during the training year ended June 30, 2010. Finally, we reviewed internal memoranda dated July 28, 2010, regarding the dismissal of fire emergency response team members.

In our current audit, we found that SCI Forest only partially complied with the recommendations of our prior report. During the training year ended June 30, 2010, only 6 of SCI Forest's 21 members on the July 1, 2009, fire emergency response team roster received 16 hours of specialized fire emergency response team training, as well as 1.5 additional hours of respiratory protection training.

Five of the fire emergency response team members did not receive the specialized fire emergency response team training because they were attending other emergency training, were injured, or had been transferred to another facility.

SCI Forest removed seven members from the team roster because the institution determined that these seven members did not meet the department's minimum training requirements for the training year ended June 30, 2010. Internal memoranda dated July 28, 2010, supported the removal of the seven members from the team for failing to receive 16 fire emergency response team training hours during the training year ended June 30, 2010.

The remaining three members of the team received 1.5 training hours in respiratory protection but less than 16 additional hours of specialized fire emergency response team training. SCI Forest included 1.5 hours of respiratory protection training as part of its 16 hours of on-site fire emergency response team training during the training year ended June 30, 2010, because SCI Forest management did not realize that the Department of Corrections mandated 1.5 hours of annual respiratory protection training in addition to the 16 required hours of specialized fire emergency response team training.

²² Department of Corrections, Policy Number 5.1.1, "Staff Development and Training," December 15, 2003, and revised June 2007 and October 2009.

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Despite the training deficiencies, SCI Forest took some measures to ensure that team members received the required annual fire safety training. Attendance rosters documented that the training department provided at least one fire safety training session and one make-up session each quarter. According to SCI Forest's safety manager, the institution varied the scheduled times of the training sessions to accommodate the working schedules of team members. Finally, as explained earlier, SCI Forest dismissed members from the team to ensure compliance with department training requirements.

Members of the institution's fire emergency response team must be trained in fire fighting, smoke control, and rescue techniques in order to reduce the risk of injury to inmates and staff during an emergency. Thus, the continued deficiency must be resolved.

**Recommendations
for Prior
Finding 3**

3. SCI Forest management should ensure that all fire emergency response team members annually receive the required 16 hours of specialized fire emergency response team training, as well as the additional 1.5 hours of respiratory protection training.

Response of the SCI Forest Management:

Forest's Fire/Safety Manager presented a Quarterly Drill Schedule for 2010/2011 fiscal year which was approved by DSFM (Deputy Superintendent of Facility Management), Michael D. Overmyer on 11/05/10. This schedule includes the regularly scheduled FERT [Fire Emergency Response Team] quarterly drills, as well as three (3) makeup drills for 2010-2011 team members. This schedule encompasses all three (3) shifts for attendance. FERT team members are personally sent (EMAIL) the approved schedule upon approval from the DSFM. The command center and commissioned officers are also given this schedule to ensure staff can be release for training. FERT members are responsible to get prior approval of shift commanders to attend these drills two weeks (at a minimum) in advance to meet union notification criteria. As of this reporting date, (06-06-11) there are two team members that may be dismissed due to not meeting the 16 hour training criteria out of 17 current members. Training dates left this fiscal year are 06-06-11 (1400-1800 hrs) and 06-24-11 (1400-1800 hrs).

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If a cross team member is also on CERT [Corrections Emergency Response Team], he is given credit for hours trained with FERT for that training date. Every effort is being made so that drills do not coincide on the same day. Management encourages training to be when the least amount of overtime is involved. FERT training dates for fiscal year 2010-2011 were all scheduled on OPEN dates. FERT is an all volunteer response team and is ever changing annually. Every effort has been made to correct deficiencies in the previous audits and will continue to do so to become compliant.

Prior Finding 5 Prison buildings were improperly constructed and allowed to leak for over 28 months. (Partially resolved)

(from the audit reports dated September 29, 2004, to January 12, 2007, and July 1, 2006, to July 31, 2008)

In our two prior audits, we reported that auditor tours of the facility showed ceiling leaks or water damage in several of the institution's buildings. Our tour of twelve buildings in July 2008 showed ceiling leaks or water damage in six support buildings and in one housing unit.

On December 27, 2007, SCI Forest submitted to the Department of Corrections a revised project approval request to perform necessary corrective water infiltration work. As of July 2008, the Department of Corrections had not approved the project, even though 22 months had elapsed since SCI Forest submitted its original project approval request, and more than four years had passed since the leaks were first identified. Finally, as of the close of audit field work in July 2008, SCI Forest and the Department of Corrections had not yet received any recompense from the general manager and/or construction contractor responsible for the construction deficiencies.

We recommended that SCI Forest and the Department of Corrections promptly take all necessary steps to correct the construction deficiencies and stop further damage to the buildings. We also recommended that SCI Forest and the Department of Corrections work with the Department of General Services in seeking recompense of all costs (including materials, repair labor, and costs) from the general manager and/or the construction contractor who incorrectly built the prison.

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Status

More than six years have elapsed since the leaks were first identified in May 2004, and four years have passed since SCI Forest and the Department of Corrections has alerted the Department of General Services of the need for recompense for the inferior construction. In our view, the greater the passage of time, the smaller is the likelihood of receipt of recompense from the general manager and/or the construction contractor.

To follow up on the construction deficiencies noted in the two preceding audit reports, we interviewed SCI Forest's business manager and facility maintenance manager. We toured five support buildings and the housing unit where the auditors noted ceiling leaks or water damage during the immediately preceding audit. We also reviewed the purchase requests and maintenance work orders associated with SCI Forest's completed water damage repairs. Finally, we reviewed e-mail correspondence between SCI Forest, the Department of Corrections, and the Department of General Services.

In our current audit, we found that SCI Forest has made progress in implementing the recommendations of the prior reports. Interviews, tours, and the review of maintenance work orders revealed that SCI Forest has made significant progress in identifying the sources of the water leaks, developing a plan of action, and curtailing the leaks noted in the prior audits.

According to SCI Forest management personnel, the Department of Corrections allocated \$20,000 in nonrecurring maintenance funds to the institution during the fiscal year ended June 30, 2009, to initiate the necessary repairs in house. As of August 2010, SCI Forest purchased approximately \$8,507 in materials (blocks, ceiling tiles, mortar, tar, and flashing) and expended about \$12,000 of in-house labor to correct the water infiltration problems. SCI Forest personnel have corrected the water infiltration problems in all but two support buildings and have repaired some, but not all, of the leaks in these two support buildings and in the housing unit. Also, all beds of the housing unit were in use.

With respect to receiving recoupment of costs from the construction project's general manager and/or the construction contractor, internal Department of Corrections' correspondence in August 2010 indicated that

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the Department of General Services was still awaiting information on the final cost of repairs from the Department of Corrections before proceeding against the construction project's general manager and/or the construction contractor. SCI Forest management personnel did not have a final cost for the remaining repairs since the repairs were ongoing.

Since the repairs are still unfinished, we concluded that there has been no further progress with respect to recoupment of costs from the construction project's general manager and/or the construction contractor, so this finding is not fully resolved.

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