



PERFORMANCE AUDIT

**STATE CORRECTIONAL INSTITUTION
AT HUNTINGDON**

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF CORRECTIONS**

SEPTEMBER 2013

COMMONWEALTH OF PENNSYLVANIA

EUGENE A. DEPASQUALE - AUDITOR GENERAL

DEPARTMENT OF THE AUDITOR GENERAL





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EUGENE A. DePASQUALE
AUDITOR GENERAL

September 4, 2013

Honorable Tom Corbett
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Corbett:

This report contains the results of a performance audit of the State Correctional Institution at Huntingdon of the Department of Corrections for the period July 1, 2008, through December 3, 2012. 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 contains five findings and four recommendations. The report indicates that the institution:

- Did not ensure that accurate monetary credits were received for medications returned to the pharmaceutical vendor;
- Did not effectively monitor vending provider operations related to the Inmate General Welfare Fund; and
- Did not enter into a contract with a vending provider which resulted in conflicting understandings of the payments due to the Inmate General Welfare Fund.

However, the institution:

- Complied with the Commonwealth's *Procurement Handbook* related to purchasing goods and services off statewide contracts; and
- Effectively monitored the contract for dental services.

Finally, the report notes that the institution implemented all of our prior audit recommendations except for our recommendation to conduct monthly spot checks of its laundry inventory and to reconcile laundry inventory records.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

EUGENE A. DEPASQUALE
Auditor General

State Correctional Institution at Huntingdon
Department of Corrections

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**State Correctional Institution at Huntingdon
Department of Corrections**

**Background
Information**

*History, mission,
and operating
statistics*

Department of Corrections

The Pennsylvania General Assembly created the Bureau of Corrections under the authority of the Pennsylvania Department of Justice with the passage of Act 408 of July 29, 1953, P.L. 1428 Section I. In December 1980, responsibility moved from the Pennsylvania Department of Justice to the Office of the General Counsel under the Governor. On December 30, 1984, the Governor signed Act 245 of 1984,¹ elevating the Bureau of Corrections to cabinet level status as the Department of Corrections.

According to its website, the mission of the Department of Corrections is as follows:

Our mission is to reduce criminal behavior by providing individualized treatment and education to offenders, resulting in successful community reintegration through accountability and positive change.

The Department of Corrections is responsible for all adult offenders serving sentences of two or more years. As of August 24, 2012, 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.

State Correctional Institution at Huntingdon

The State Correctional Institution at Huntingdon, which we refer to as SCI Huntingdon or the institution in this report, is a security level 4 facility² for adult male offenders. It is located in the borough of Huntingdon, Huntingdon County, approximately 40 miles east of Altoona. The facility originally opened in 1889 as a reformatory for youths and later housed “defective delinquents” until 1960. In 1960, the facility became an adult male correctional institution.

¹ 71 P.S. § 310-1.

² The Department of Corrections classifies the security level on a scale from 1 (community) to 5 (maximum). As a

² The Department of Corrections classifies the security level on a scale from 1 (community) to 5 (maximum). As a security level 4 facility, the SCI Huntingdon population is designated as “close custody” level, which means it requires a high degree of supervision.

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SCI Huntingdon is situated on approximately 300 acres of land with ten acres inside a secure perimeter. The institution is comprised of 77 buildings. Four permanent cell blocks, one restricted housing unit, four modular cell units, and two honor block cell units provide housing for the inmates.

The table below presents unaudited SCI Huntingdon operating statistics compiled from Department of Corrections' reports for the fiscal years ended June 30, 2008, through June 30, 2011.

	Fiscal year ended June 30			
	2008	2009	2010	2011
Operating expenditures: ^{1/}				
State	\$58,319,526	\$60,437,207	\$61,988,887	\$64,484,394
Federal	21,473	23,034	20,812	15,129
Total operating expenditures	<u>\$58,340,999</u>	<u>\$60,460,241</u>	<u>\$62,009,699</u>	<u>\$64,499,523</u>
Inmate population at year end	2,122	2,227	2,134	2,140
Inmate capacity at year end	1,700	1,700	1,700	1,700
Percentage of capacity at year end	124.8%	131.0%	125.5%	125.9%
Average monthly inmate population	2,163	2,187	2,168	2,135
Average cost per inmate ^{2/}	\$26,972	\$27,645	\$28,602	\$30,211
^{1/} Operating expenditures were recorded net of fixed asset costs, an amount that would normally be recovered as part of depreciation expense. In addition, regional level and indirect charges were not allocated to the totals reported here.				
^{2/} Average cost per inmate was calculated by dividing total operating expenditures by the average monthly inmate population.				

As the table above demonstrates, total operating expenditures increased 10.5 % from 2008 to 2011 and the average cost per inmate increased 12 % during the same period, while the average monthly inmate population decreased slightly by 1.3%.

**State Correctional Institution at Huntingdon
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**Objectives,
Scope, and
Methodology**

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 Huntingdon had four objectives, each related to contracting. The specific audit objectives were as follows:

- One: To determine the efficiency and cost-effectiveness of SCI Huntingdon's use of selected statewide purchasing contracts. (Finding 1)
- Two: To assess how effectively SCI Huntingdon monitored the vending agreement associated with the Inmate General Welfare Fund. (Findings 2 and 3)
- Three: To evaluate how effectively SCI Huntingdon monitored contracted dental services. (Finding 4)
- Four: To determine whether SCI Huntingdon ensured that it received the proper monetary credits for medications returned to its pharmaceutical services provider. (Finding 5)

Unless indicated otherwise, the scope of the audit was from July 1, 2008, through December 3, 2012.

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

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 Integrated Enterprise System roles for purchasing agents, warehouse operations, State Employee Assistance Program coordinator assignments, training, and SCI Huntingdon's work order system.

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SCI Huntingdon management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that SCI Huntingdon is in compliance with applicable laws, regulations, contracts, grant agreements, and administrative policies and procedures. In conducting our audit, we obtained an understanding of SCI Huntingdon's internal controls, including any information systems controls, as they relate to those requirements and that we considered to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in internal control that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

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Audit Results

We organized our audit results into sections, one for each objective, 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 and appropriate evidence to meet the objective
- Finding(s)
- Recommendation(s), where applicable
- Response by SCI Huntingdon management, where applicable
- Our evaluation of SCI Huntingdon's management's response, where applicable

**State Correctional Institution at Huntingdon
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**Audit Results
for
Objective
One**

*Statewide
Contracts*

The objective

Objective one was to determine the efficiency and cost-effectiveness of SCI Huntingdon's use of selected statewide purchasing contracts.

Relevant laws, policies, and agreements

Under the authority of the Commonwealth Procurement Code,³ the Department of General Services (DGS) has issued the *Procurement Handbook*, which provides the policies, procedures, and guidelines for state agencies to use when procuring supplies, services, and construction.

Included in the *Procurement Handbook* are the requirements an agency must follow with regard to statewide contracts.⁴ This handbook states the following:

A statewide requirements contract is a contract which is entered into by DGS and includes the annual, semi-annual, or quarterly contract requirements for the specified items to meet the requirements of all Commonwealth agencies. Agencies order needed materials or services directly from the contractor. When a statewide requirements contract is established by DGS, [a]gencies are required to order their requirements for the specified items from the contractor(s) who holds the contract.

The *Procurement Handbook* provides a waiver to the mandatory use of a statewide contract for procurement. A waiver can be granted when the following conditions are met:

- DGS deems it to be in the best interest of the commonwealth to procure items that are covered by a statewide contract through a separate competitive procedure.
- DGS determines that the non-contracted supplier's material or service is comparable to the material or service on the statewide contract.
- DGS determines that significant savings can be realized through a separate competitive procurement.

³ 62 Pa.C.S. § 101 *et seq.* Hereafter, we refer to this law as the Procurement Code.

⁴ See the Department of General Services' *Procurement Handbook*, Part I, Chapter 9, "Statewide Requirements Contracts." We refer to a "statewide requirements contract" as a "statewide contract" throughout this report.

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- DGS approves the separate competitive procurement in writing.
- The requested material or service is procured through an appropriate method of procurement.

When these conditions are met, DGS grants the agency a waiver from using the state-wide contract.

Scope and methodology

Through statewide contracts, the commonwealth leverages its buying power in an effort to get the best price possible on materials and services. At the same time, the use of statewide contracts reduces the need for individual state agencies to seek competitive bids for like items. As of September 14, 2011, SCI Huntingdon procured goods and services through 74 different statewide contracts, each resulting in multiple purchases.

To accomplish our statewide contracts objective, we reviewed the Department of General Services' *Procurement Handbook* and its requirements related to the use of statewide contracts.

We interviewed SCI Huntingdon's purchasing agents, business office manager, and budget analyst.

Finally, using the list of 74 statewide contracts from which SCI Huntingdon procured goods and services, we selected two contracts for detailed analysis. From one of those contracts, we examined 13 office supply items that SCI Huntingdon purchased between May 16, 2011, and September 19, 2011, and from the second contract, we examined 61 maintenance supply items that SCI Huntingdon purchased during the same time period. We determined the amount SCI Huntingdon paid for these items based on invoices and credit card statements and, through Internet research, we determined if the items could have been purchased at a lower cost from another vendor. If the items could have been purchased at a lower cost, we determined if the savings were significant and if SCI Huntingdon requested a waiver to purchase from a non-contracted vendor.

**State Correctional Institution at Huntingdon
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Finding 1**SCI Huntingdon purchased goods and services off the statewide contracts as required by the commonwealth's *Procurement Handbook*.**

Based on the results of our audit procedures, it appears that during the audit period, SCI Huntingdon used the statewide contracts and the waiver process to procure goods and services in an efficient and cost-effective manner. The use of statewide contracts allowed SCI Huntingdon to: 1) make purchases without incurring the expense associated with the advertising and bidding process; and 2) benefit from the commonwealth's buying power to obtain goods and services at the best available price.

As previously stated, SCI Huntingdon is required to use statewide contracts to purchase goods and services. However, SCI Huntingdon has the option to seek a waiver from DGS to make purchases from vendors who offer a price lower than that available on the statewide contracts. The use of the waiver enables SCI Huntingdon to implement procurement practices that could be more cost-effective. To determine if SCI Huntingdon used the waiver option to purchase goods and services when non-contracted vendors offered the same items for less money, we examined 51 purchases that the institution made from two statewide contracts. Our testing disclosed the following:

- 31 items cost less from the statewide contracted vendors
- 19 items cost more from the statewide contracted vendors, and
- 1 item cost the same from the statewide contract as from the non-contracted vendor

Of the 19 items that cost less money if purchased from the non-contracted vendor, we determined that the savings that could have been realized were too minor for the institution to seek a waiver from DGS. For example, we found that a two-drawer file cabinet could have been purchased from a non-contractor vendor for a savings of \$57 which was not enough savings to justify the time and effort it would take to research prices and complete the waiver process.

We also selected two purchases for which SCI Huntingdon requested a waiver from DGS and we reviewed the related supporting documentation. DGS approved both requests. By making the purchases from a local vendor rather than from the statewide contracted vendor, SCI Huntingdon realized savings in excess of \$1,300 on one purchase and \$1,500 on the other purchase.

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**Audit Results
for
Objective
Two**

The objective

Objective two was to assess how effectively SCI Huntingdon monitored the vending agreement associated with the Inmate General Welfare Fund (IGWF).

*Inmate General
Welfare Fund
Vending Contract*

Relevant policies and agreements

The Department of Corrections has established a policy and various procedures to ensure that all facilities are operated in an efficient and effective manner. The policy includes a section on vending machines within the correctional institutions,⁵ which states the following:

Vending machines placed in locations where they are used primarily by visitors, and those machines located in an area where use is divided evenly between visitors and employees must be operated by the IGWF [Inmate General Welfare Fund].

In selecting a vendor to supply these machines, facilities are to consider the range of items available, the amount of commission offered, and the price for goods. All arrangements with vendors must include a provision that prices shall be comparable to those which the vendor charges in other machines located throughout the community.

The IGWF serves as a depository for inmates' personal monies and for revenues generated by inmate-related enterprises, including the operation of vending machines placed in locations used by both visitors and employees. SCI Huntingdon uses the services of a private vendor for operation of these vending services.

SCI Huntingdon's vending machine operations were not formalized in a contract. Rather, these operations are based on a proposal dated June 23, 2008, submitted by the vendor to the institution. According to SCI Huntingdon officials, the proposal served as the "arrangement" since it detailed the services the vendor planned to provide to SCI Huntingdon including equipment, promotions, accountability of sales data, a plan of

⁵ Department of Corrections, Policy Number 3.1.1, *Fiscal Administration Policy and Fiscal Administration Procedures Manual*, effective date January 27, 2009. Within the policy document, section IV, part P addresses vending machines in correctional institutions.

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operations, sanitation practices, refund policy, pricing structure, and commission rate schedule.

Scope and methodology

The scope of our work for this objective was primarily November 10, 2008, when the vendor established operations at SCI Huntingdon, through June 30, 2011; however, we also reviewed documents from the prior vendor for the period December 2007 through November 2008.

To accomplish this objective, we reviewed the Department of Corrections' policies and procedures to gain an understanding of vending operations at correctional facilities.

We obtained and reviewed the vending proposal, dated June 23, 2008, submitted by the vendor to SCI Huntingdon for vending services.

In addition, we interviewed SCI Huntingdon's business manager as well as the institution's accountant with responsibility over the IGWF. We also communicated with SCI Huntingdon's record keeper for the employee association⁶ as well as with one of the institution's purchasing agents.

Finally, we obtained and analyzed vending commission statements, IGWF bank statements, deposit slips, and check stubs for the period from December 2007 through June 2011. We analyzed this information to compare the prior vendor's activities to those of the current vendor.

Finding 2 SCI Huntingdon did not enter into a formal contract with the vending provider resulting in conflicting understandings of the payment of monies to the Inmate General Welfare Fund.

SCI Huntingdon's lack of a contract with the private vendor for vending services at the institution led to conflicting understandings of the arrangements for vending services.

⁶ Institutions that have a functioning, independent employee association must offer the association the opportunity to operate vending machines. To be eligible, the employee association must be open to membership from all employees. The employee association must make its own arrangements with a vendor for vending machines. SCI Huntingdon has an employee association that operates its own vending machines.

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When we asked for a copy of the agreement between the vendor and the IGWF, Huntingdon officials referred us to a June 2008 proposal from the vendor. A proposal is not an agreement; however SCI Huntingdon treated it as such. The proposal was for “vending and food service at SCI Huntingdon,” and the proposal did not explicitly state if it was for vending machines operated by the IGWF or the employee association. Therefore, the statements made in the proposal were open to various and differing interpretations, which we found to be disadvantageous to the IGWF.

We found one official at the institution who believed the terms of the proposal related to the employee association account while another employee thought the terms related to the IGWF. This confusion about the terms of the proposal led to instances where the IGWF may have been denied payments it was due.

For example, according to the terms of the proposal, the vendor was to pay SCI Huntingdon an up-front \$1,000 bonus. While the institution received the bonus, it was deposited in the employee association account. However, if the June 2008 proposal served as the agreement with the vendor for both the employee association and the IGWF then the bonus should have been split between the two funds.

Also, the proposal stated that the vendor would match the annual vending commissions received from the previous vendor if current commissions fell short of the prior annual amount. Although current year commissions fell short of the previous year commissions, the vendor did not make any payments to the IGWF. This would be a violation of the terms of the proposal if the proposal was the actual agreement with the IGWF.

Based on the examples above, as well as other deficiencies that we detail in Finding 3, we concluded that SCI Huntingdon needed to formalize its arrangement with the vendor by entering into a signed, written contract.

**Recommendation
for Finding 2**

1. SCI Huntingdon should formalize its arrangement with the vending provider by entering into a contract and ensuring that the terms and conditions of the contract are specific and clearly outlined. Further, SCI Huntingdon should require separate agreements for the IGWF and the employee association.

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**Management
Response**

Written comments provided by SCI Huntingdon management:

The \$1,000 bonus was an agreement between the vendor and the Employee Association not the IGWF. DOC Policy 03.01.01, paragraph P.3.b states:

Vending machines placed in locations where they are used primarily by visitors, and those machines located in an area where use is divided evenly between visitors and employees must be operated by the IGWF. In selecting a vendor to supply these machines, facilities are to consider the range of items available, the amount of commission offered, and the price for goods. All arrangements with vendors must include a provision that prices shall be comparable to those which the vendor charges in other machines located throughout the community.

SCI Huntingdon IGWF does in fact have an arrangement with a vendor to provide these services. SCI Huntingdon is complying with policy.

**Auditor's
Evaluation of
Management's
Response**

A proposal is not a substitute for a contract. SCI Huntingdon has not complied with policy because it does not have a signed, written agreement (contract) with the vendor.

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Finding 3

SCI Huntingdon did not effectively monitor vending provider operations related to the Inmate General Welfare Fund. As a result, the fund did not receive all monies that it was owed.

Our review of SCI Huntingdon's monitoring procedures over its Inmate General Welfare Fund vending operations disclosed ineffective monitoring practices.

We requested the monthly commission statements from November 2008 through June 2011 to determine if the commission amount earned and owed to the IGWF was deposited into the account. SCI Huntingdon management could only provide eight of the 32 requested statements and stated that it did not have copies of the other 24 statements. The business manager explained that the vendor mailed the IGWF's monthly commission checks and statements to the employee association record keeper who then forwarded the commission checks to the appropriate accountant within the institution for deposit. The IGWF accountant did not request copies of the commission statements from the employee association record keeper or the vendor. Without these statements, the accountant would have no way to confirm the accuracy of the commission payments.

For the eight statements we were able to obtain,⁷ we determined that the commission checks were properly deposited.

Our audit also disclosed that management was unaware that:

- 1) fuel surcharges were deducted from the vendor's commission payments, which then lowered the commission revenues into the fund even though the vendor's proposal did not state that such deductions would be made; and
- 2) the IGWF received a lower commission rate than the employee association.

After we brought the issues related to the fuel surcharges and the lower commission rate to the business manager, he contacted the vendor to discuss the differences. While the two parties agreed that the vendor would continue to deduct fuel surcharges, they agreed that the charges

⁷ SCI Huntingdon provided statements for December 2008; January, April, May, June, and July 2009; and August and September 2010.

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would be divided between the employee association account and the IGWF. Further, the vendor agreed to increase the IGWF commission rate to 12 percent.

The IGWF received a lower commission rate than the employee association for more than two years because SCI Huntingdon officials failed to effectively monitor vending operations.

When we discussed the poor monitoring of the IGWF with SCI Huntingdon's business manager, he stated that monitoring vending commissions was not a high priority at the institution because the fund's low account balance did not warrant the time and effort needed to monitor the accuracy of vending commissions. While we recognize that the IGWF may be a low priority, it is still prudent for the institution to implement basic monitoring procedures to ensure compliance with vendor agreements and to maximize revenues to the fund. We believe that the institution could perform limited monitoring activities, such as reviewing the monthly commission statements, which would not require extensive time and effort.

**Recommendation
for Finding 3**

2. SCI Huntingdon should monitor the vending operations of the IGWF. Such monitoring should include obtaining copies of the monthly commission statements; verifying that the correct commissions are obtained; and ensuring all other revenues and expense charges are accurate and in compliance with the terms and conditions of the formal arrangement. (We recommended the institution enter into a contract for vending serviced in recommendation 1).

**Management
Response****Written comments provided by SCI Huntingdon management:**

During the audit it was found that the person auditing the vending commission was not retaining the vending commission report paperwork. At the time the discovery was made the person was immediately informed they must retain this information and a second review is made monthly by a second person to ensure the commission is correct. The vendor is willing to work with us and has increased the commission received by the IGWF. A representative of the IGWF meets with the current vendor and attends all meetings scheduled. They are also included in any discussions with new vendors when new proposals are offered.

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Department of Corrections**

**Audit Results
for
Objective
Three**

*Contract for
Dental Services*

The objective

Objective three was to evaluate how effectively SCI Huntingdon monitored contracted dental services.

Relevant law and contract

DGS entered into a statewide medical services contract which includes dental services.⁸ This contract was originally effective from March 27, 2009, through March 26, 2011. The contract was renewed, and it is now in effect through March 9, 2014.

SCI Huntingdon uses dentists under the statewide contract to provide dental services to the inmates in the institution. This contract specifies the allowable services as well as the hourly rates that the contractor can charge SCI Huntingdon for the services of each dentist.

SCI Huntingdon initially contracted for dental services through the statewide contract for one dentist in March 2009. The services provided by this contracted dentist supplemented those of SCI Huntingdon's full-time staff dentist. The full-time dentist resigned in July 2011. Since then, SCI Huntingdon has tried repeatedly, but unsuccessfully, to recruit a full-time dentist to join the institution's staff. Therefore, SCI Huntingdon has contracted for the services of two additional dentists.

Scope and methodology

The audit period for this objective was March 10, 2009, through June 30, 2011, with updates through October 31, 2011.

To accomplish this objective, we obtained the statewide contract for medical services. We focused our review of this contract on those sections related to the dentists providing dental services to SCI Huntingdon's inmates.

Further, we obtained each invoice that SCI Huntingdon processed for the services provided by the three contracted dentists. There were 159 invoices for the three dentists during the period March 10, 2009, through

⁸ Contract #4400004062 between the Commonwealth of Pennsylvania and Liberty Healthcare Corporation. Please refer to <http://www.emarketplace.state.pa.us/FileDownload.aspx?file=4400004062%5CContractFile.pdf>, accessed October 11, 2012, and verified on December 6, 2012.

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October 31, 2011. We compared each of these 159 invoices to the individual weekly time sheets of each dentist to verify the dates and number of hours each dentist provided services at SCI Huntingdon. We also compared these invoices to comptroller payment reports to determine the accuracy of the payments made to the contractor.

We also obtained information documenting each contracted dentist's entry and exit at the secured perimeter of the institution to ensure the dentists were at SCI Huntingdon on days stated on the invoices. This information included both biometric records⁹ and sign-in sheets.

We obtained and reviewed the purchase orders that pertained to each contracted dentist who provided dental services at SCI Huntingdon. These purchase orders, which were part of the contract, detailed the number of hours and the hourly rates that the contractor can charge for each dentist. We compared this information to those amounts stated on the invoices to ensure compliance with the terms of the purchase orders and the contract.

In addition, we interviewed SCI Huntingdon's business manager and its corrections health care administrator, who was responsible for contract monitoring.

Finally, we selected a group of daily dental records to review for services provided. These daily dental records were attached to the dentists' invoices and reflected the inmates served as well as the diagnoses and treatments provided to the inmates. Using these daily dental records, we examined the invoices and time sheets for the same dates to corroborate the number of service hours claimed by the dentists and paid for by SCI Huntingdon.

Finding 4**SCI Huntingdon effectively monitored contracted dental services and ensured payments it made for those services complied with the terms of the contract.**

SCI Huntingdon paid for three contracted dentists to provide dental services to its inmates over the course of our audit period, with the majority of contracted services provided by one of the dentists. For the period March 10, 2009, through October 31, 2011, SCI Huntingdon paid \$161,650 for these dental services. The hourly rate for the services ranged

⁹ SCI Huntingdon uses a security system that captures evidence of each person's entry and exit at the secured perimeter of the institution using "biometrics," which identifies humans by a characteristic or trait such as a thumb print.

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from \$100.64 to \$117.85. During this time period, the three contracted dentists provided care on 268 days.

Our audit work showed that SCI Huntingdon made payments for the dental services in accordance with the terms of the statewide contract. The hourly rates, the number of hours that services were provided, and the types of services provided were all in agreement with the terms of the contract. Further, we found that SCI Huntingdon had adequate control procedures in place to ensure that billings from the contractor were accurate and that the contractor billed only for the services provided.

Internal controls in place at SCI Huntingdon include the use of a biometric system. The biometric security system at SCI Huntingdon captures evidence of each person's entry and exit at the secured perimeter of the institution.

We obtained documentation from this system for the 268 days that the contracted dentists billed for services, and we found that the dentists were on-site for each day claimed. Further, our review of the patient logs, daily dental records, and weekly time sheets showed that dentists did perform dental services on those days.

Because we obtained documentation on each of the 268 days that the contractor billed SCI Huntingdon for the services of the three dentists and found no errors or discrepancies, we concluded that the institution effectively monitored contracted dental services.

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**Audit Results
for
Objective
Four**

The objective

Objective four was to determine whether SCI Huntingdon ensured that it received the proper monetary credits for medications returned to its pharmaceutical services provider.

*Pharmacy
Contract*

Relevant policies, laws, and contracts

The Department of Corrections has issued a policy statement to ensure all inmates have access to health care including pharmaceutical services.¹⁰ One section of this policy lists guidelines for ordering, storing, maintaining, administering, and destroying medications.

For purposes of this audit objective, we focused on the section of the policy related to returning medications, which states:

All unused or expired medications, except Schedule II,¹¹ shall be returned to the pharmacy for destruction. The facility must maintain a list of all medications sent back to the pharmacy. Schedule II medications must be disposed of in the facility by the vendor pharmacist.

Because the state's correctional institutions do not have pharmacies and pharmacists on site, pharmaceutical services must be provided through a contracted vendor. DGS entered into a statewide contract for pharmaceutical services for the state's correctional institutions.¹² This contract is valid from June 15, 2010, through July 31, 2015. This contract specifies the types of services the vendor will provide to the correctional institutions, including SCI Huntingdon.

One section of this contract addresses the return of medications to the vendor by the correctional institutions. As shown on the vendor's credit statements, medication returns fall into two categories: standard returns and credit authorizations. The two categories are defined below:

¹⁰ Department of Corrections, Policy Number 13.2.1, *Access to Health Care*, effective June 28, 2004. Within the policy document, section 12 addresses pharmacy guidelines.

¹¹ The Controlled Substances Act (21 U.S.C. §812) identifies Schedule II drugs. Schedule II drugs have legitimate medical uses but are considered to have a strong potential for abuse or addiction.

¹² Contract #4400007074 between the Commonwealth of Pennsylvania and Diamond Drugs, Inc. Please refer to <http://www.emarketplace.state.pa.us/FileDownload.aspx?file=4400007074\ContractFile.pdf>, accessed on November 15, 2012, and verified on December 6, 2012.

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Standard returns. The return of medications that SCI Huntingdon ordered and the vendor properly delivered but that the institution did not use.

Credit authorizations. The return of unordered or improperly packaged medications.

The contract allows for monetary credit for returned medications as follows:

- For standard returns, credit will be given for the actual acquisition cost of the medication less a \$1.00 return processing fee.
- For credit authorizations, credit will be given for the full acquisition cost (no processing fee is deducted).
- Medications must be returned in their original packaging within three months of the medication's expiration date.
- Standard credits are limited to medications that are in the form of capsules or tablets.
- Medications that have been released directly to inmates cannot be returned for credit.
- Credit will not be issued on medications with a return value of \$2.95 or less.

Scope and methodology

For this objective our audit period was July 1, 2010, through June 30, 2011, with updates through November 5, 2012.

To accomplish this objective, we obtained the statewide contract for pharmaceutical services at correctional institutions. We focused our review of this contract on those sections related to monetary credits owed to an institution when purchased medications are returned to the vendor.

We interviewed SCI Huntingdon's corrections health care administrator, who is responsible for monitoring the pharmacy contract, to determine the procedures SCI Huntingdon used when returning medications to the vendor as well as to determine the number and dollar value of returned medications during fiscal year 2010-11.

Further, we obtained a report listing all medications returned to the vendor by SCI Huntingdon during fiscal year 2010-11. We also obtained a report

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that listed all approved credits granted to the institution from the vendor for medications returned during fiscal year 2010-11.

Using those reports, we selected 60 days in fiscal year 2010-11 in which SCI Huntingdon returned medications to the vendor and compared the returned medications to the credit reports generated by the vendor to determine if SCI Huntingdon received the proper credits.

Finding 5**SCI Huntingdon did not ensure that it received proper credits for all returned medications which resulted in potential overpayments to the pharmacy services vendor.**

SCI Huntingdon paid approximately \$1.6 million to the contracted pharmaceutical vendor during fiscal year 2010-11 for pharmacy services and medications. This expense included the purchase of 41,327 prescriptions.

During that fiscal year, SCI Huntingdon returned 802 prescriptions that were classified as “standard returns” and received a credit of \$2,698. In addition, SCI Huntingdon returned 70 other prescriptions that were classified as “credit authorizations” which resulted in a \$20,455 credit to the institution.

We reviewed all medication returns for 60 days randomly selected for detailed testing to determine if SCI Huntingdon received the proper credit for those medications.

For those 60 days, based on a report listing all returned medications, SCI Huntingdon returned 239 prescriptions that were classified as “standard returns.” Of that number, 28 prescriptions were eligible for a credit. The other 211 medications did not qualify for a refund because the prescriptions were released directly to the inmate population, were expired, were in liquid or cream form, and/or had a calculated return value equal to or less than \$2.95.

We found that SCI Huntingdon received the proper credit amount for the 28 returned prescriptions that were eligible for a credit. We also found that the institution’s corrections health care administrator reviewed monthly credit statements from the pharmacy vendor to ensure that the proper credit was processed each month for those medications that SCI Huntingdon returned. SCI Huntingdon staff followed prescribed

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procedures for processing standard returns, which ensured proper credits were received.

During those same 60 days and again based on a report listing all returned prescriptions, SCI Huntingdon returned 35 prescriptions that were classified as “credit authorizations.” However, we found that SCI Huntingdon staff did not consistently follow procedures for processing this type of return. As a result, SCI Huntingdon had no assurance that it received the proper credit for those returned medications.

Specifically, when the pharmacy delivered medications that SCI Huntingdon did not order or that were improperly packaged, SCI Huntingdon staff were to complete a “medication event form” when they returned those medications. This form should be wrapped around the medication packages and sent to the vendor for return processing. Without the medication event form attached to the prescription, SCI Huntingdon would not receive credit for returned items.

When we requested copies of all the medication event forms for the 35 “credit authorizations” prescriptions that we selected, SCI Huntingdon’s corrections health care administrator stated that the institution’s staff did not consistently complete a medication event form each time an incorrect delivery occurred and the medication was returned.

While the corrections health care administrator reconciled the completed medication event forms to the monthly credit statement from the pharmacy vendor, such reconciliations did not ensure that a form was completed each time medication was returned.

As a result, we concluded that SCI Huntingdon did not receive all the credits it was owed. Further the \$20,455 that SCI Huntingdon stated was the fiscal year 2010-11 credit for “credit authorizations” returns was not the full amount that the institution would have received that year if it had consistently followed procedures for processing those returns.

These medications were sent to SCI Huntingdon without SCI Huntingdon ordering them, and the vendor charged the institution for all medications sent. Because SCI Huntingdon did not ensure that it properly processed all returned medications, SCI Huntingdon paid the vendor for medications that it never ordered.

We discussed the inconsistent use of the medication event form with SCI Huntingdon’s corrections health care administrator, and she stated that the staff should take the time to complete a medication event form.

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Alternatively, she stated that it might be beneficial for the institution to develop an additional procedure to include the completion of a single form for processing “credit authorizations” returns to ensure a medication event form is attached to each medication the institution returns to the vendor.

**Recommendations
for Finding 5**

3. SCI Huntingdon should ensure staff consistently uses the medication event form when returning medications it did not order or that were improperly packaged.
4. In addition to using the medication event forms, SCI Huntingdon should develop a new system that allows all incorrect medication deliveries to be captured on a single form as they occur and then use that form to process “credit authorizations” returns.

**Management
Response****Written comments provided by SCI Huntingdon management:**

Medical staff (Nursing) is aware that they must fill out Medication Event Form for any medication error. We will begin using the attached form [which was provided to the Department of the Auditor General] when sending medications back for full credit due to error or for other reason.

**Auditor’s
Evaluation of
Management’s
Response**

We are pleased that SCI Huntingdon took action to implement our recommendation of a single form to process credit authorizations returns. We will review this area again in future audits to confirm that the staff is using the form consistently and correctly to ensure that the institution receives all credits due.

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**Status of
Prior Audit**

The prior audit report of SCI Huntingdon covered the period July 1, 2005, through June 6, 2008, and contained five findings. Four of the findings (Findings 2, 3, 4, and 5) were positive and thus had no recommendations. The remaining finding (Finding 1), its accompanying recommendation, and the status of SCI Huntingdon’s implementation of the recommendation are presented below.

The prior audit report also contained four still unresolved findings (Findings II-1, II-3, III-1, and V-1) from the audit report of SCI Huntingdon that covered the period of July 1, 2002, through May 13, 2005. The unresolved findings, their accompanying recommendations, and the status of SCI Huntingdon’s implementation of the recommendations are also presented below.

Scope and methodology

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
II-1**

(from the audit reports for the periods July 1, 2002, to May 13, 2005, and July 1, 2005, to June 6, 2008)

Certain Integrated Enterprise System (IES) roles compromised the segregation of duties. (Resolved)

The initial audit report for the period July 1, 2002, through May 13, 2005, revealed that SCI Huntingdon assigned one of its two purchasing agents the incompatible roles of purchaser, requisitioner, and receiver. As a result, this employee was capable of creating purchase requisitions, completing purchase orders, and then receiving and posting the order for goods valued up to \$3,000.

Further, the prior audit for the period July 1, 2005, to June 6, 2008, found that SCI Huntingdon had four purchasing agents, and each was assigned the incompatible roles of requisitioner, purchaser, and receiver.

We recommended that SCI Huntingdon should evaluate the roles assigned to its purchasing personnel and remove any conflicting roles. We also recommended that if conflicting roles were necessary to perform essential functions, SCI Huntingdon should request the appropriate waivers and develop compensating controls.

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SCI Huntingdon management responded that all purchases are made through the Automated Purchasing Request computer system which requires approvals from a supervisor, department head, deputy, and business manager. Management also stated that it would implement a system within the business office to ensure purchasing agents are not requisitioning, purchasing, and receiving items, and it would pull a random sample of purchase orders to check that purchasing does not enter a goods receipt.

Status as of this audit. In our current audit, we found that on December 8, 2011, the conflicting role of receiver was removed from those roles assigned to each of the purchasing agents at SCI Huntingdon. A review of the remaining roles assigned to the purchasing agents did not identify any conflicting roles. As such, SCI Huntingdon did not need to seek a waiver or develop compensating controls.

Further, we noted that SCI Huntingdon developed a review procedure whereby the business manager reviews all open purchase orders less than \$5,000 for accuracy, correctness, and completion. As part of this review, the business manager looks to see if the purchasing agents receive the goods.

Our review of 68 purchase orders for the month of August 2011 indicated that the business manager reviewed each purchase costing less than \$5,000 to determine if the purchasing agent had received the goods. No exceptions were found. Further, our review of documentation related to the purchase orders for ten months during fiscal year 2010-11 found no instances where the purchasing agents received the items that they purchased.

As a result of our work in the current audit, we concluded that SCI Huntingdon implemented our prior audit recommendations.

**Prior Finding
II-3**

(from the audit reports for the periods July 1, 2002, to May 13, 2005, and July 1, 2005, to June 6, 2008)

**SCI Huntingdon's physical inventory controls were weak.
(Partially Resolved)**

The initial audit report for the period July 1, 2002, through May 13, 2005, reported that SCI Huntingdon had not conducted an annual physical inventory in over two years. In addition, warehouse personnel who had access to inventory were also the same persons who conducted weekly spot checks of inventory, and individuals who were independent of warehouse operations did not review material changes to the master inventory list.

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While our prior audit, which covered the period July 1, 2005, to June 6, 2008, disclosed that SCI Huntingdon adopted some measures to safeguard its warehouse inventory, we also noted that the overall inventory controls remained weak.

We recommended that SCI Huntingdon should develop, implement, and enforce comprehensive internal control policies and procedures for its warehouse inventory. We also recommended that management should review assignments to ensure that custodial and recordkeeping duties are adequately segregated. In the absence of adequate segregation of duties, we recommended that management should implement compensating controls to prevent errors, waste, or fraud, such as having the business manager investigate and approve all adjustments to warehouse inventory balances on hand. Finally, we recommended that SCI Huntingdon should train its employees in, and enforce the use of, stock transfer orders.

SCI Huntingdon management responded in 2008 that a review of all roles assigned to the warehouse staff was being conducted and that management was in the process of updating the warehouse procedures book. Management also stated that procedures related to inventory adjustments and approvals would be written.

Further, SCI Huntingdon management stated that SCI Huntingdon was implementing a system where all inventory adjustments would be approved by the business manager, and all documentation would be kept with the approval and filed for future reference. Management stated that training on stock transfer orders had taken place and such procedures were being used at SCI Huntingdon.

Status as of this audit. In our current audit, we found that SCI Huntingdon partially implemented our recommendations.

Specifically, we found that SCI Huntingdon adjusted the roles assigned to the warehouse staff to segregate custodial and recordkeeping duties. SCI Huntingdon eliminated the IES roles of the warehouse stock clerks that permitted the clerks to make adjustments to the perpetual inventory. The supervisor is now the only employee in the warehouse who is assigned the IES role of recording adjustments to the perpetual inventory balances.

Further, SCI Huntingdon's business manager stated that training related to the use of stock transfer orders had occurred and that employees were currently following the procedures covered in the training. However, when we asked for evidence of such training, SCI Huntingdon staff did not provide any documentation.

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With regard to warehouse inventory controls, we found that SCI Huntingdon developed and implemented effective controls for its inventory located at the warehouse, but it did not implement effective controls, such as spot checks, for its inventory stored in the laundry area.

As part of our audit work, we compared the documentation from the physical inventory conducted in April 2011 at both the warehouse and in the laundry area to the perpetual inventory records of both facilities to determine the accuracy of the perpetual inventory records.

We found that for the warehouse, the physical counts matched the perpetual record for 296 of the 316 items (or 93.7 percent) stored at the warehouse. Further, SCI Huntingdon investigated and analyzed the variances for the other 20 items, documented this analysis in inventory records, and made appropriate adjustments to the perpetual inventory records to ensure their accuracy.

However, we did not find the same controls for inventory maintained in the laundry area. In fact, for the 274 items, including clothing and bed sheets, stored in the laundry area, we found that inventory records varied for 179 of these items (or 65.3 percent). Overall, the dollar value of the perpetual inventory records exceeded the dollar value determined by the physical count by \$43,129.

We also found that SCI Huntingdon staff did not include 50 items when counting the inventory during the annual physical inventory. These items consisted of inmate release clothes. Further, the employee in charge of the inventory at the laundry did not prepare accurate adjustments to the perpetual inventory records to update those records after the annual inventory count was completed.

As a result of our work, we concluded that SCI Huntingdon did not ensure the accuracy of its perpetual inventory records for the inventory items stored at the laundry area. SCI Huntingdon must safeguard its inventory. The failure to accurately account for its inventory may lead to unnecessary purchases, overstocked items, or shortages of critical items. Furthermore, inaccurate records could allow theft to occur without detection.

When we discussed the lack of controls over the laundry area inventory with SCI Huntingdon officials, they stated that the variances were a result of math and data entry errors. Nonetheless, they stated that SCI Huntingdon will adopt measures to resolve the inventory control deficiencies in the laundry area. Specifically, officials stated that SCI Huntingdon will conduct monthly spot checks on the laundry inventory to

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ensure all items are accounted for, and staff will make adjusting entries to the perpetual inventory records when variances are found.

**Recommendations
for Prior Finding
II-3**

5. SCI Huntingdon staff should conduct monthly spot checks of the laundry inventory and investigate/analyze all variances from the perpetual inventory records after each spot check.
6. SCI Huntingdon staff should accurately prepare and make adjusting entries to the perpetual inventory records based on both the monthly spot checks and the annual physical inventory count to ensure the perpetual inventory records are accurate and updated.
7. SCI Huntingdon staff should include all items stored at the laundry when conducting annual physical inventory counts.

**Management
Response**

Written comments provided by SCI Huntingdon:

Periodic spot checks are being performed on random items in the Laundry. Discrepancies are being investigated and the Department Head in charge of that section is being notified of results.

All adjusting entries must now be approved by the Department Head in charge of the Laundry.

Items stored in the Laundry area were included in the April 2012 annual inventory and will continue to be included.

**Prior Finding
III-1**

SCI Huntingdon's State Employee Assistance Program (SEAP) coordinator was improperly assigned. (Resolved)

(from the audit reports for the periods July 1, 2002, to May 13, 2005, and July 1, 2005, to June 6, 2008)

The initial audit report for the period July 1, 2002, through May 13, 2005, revealed that SCI Huntingdon's field office SEAP coordinator position was assigned to an employee who did not meet the criteria as outlined in commonwealth guidelines. The guidelines state that agencies may assign the role of SEAP coordinator to any human resources position except labor relations. Further, the role should not be assigned to positions covered by a collective bargaining agreement. At that time, SCI Huntingdon had assigned the SEAP coordinator role to an employee who was in a position covered by a collective bargaining agreement. In

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addition, the employee did not hold a position in human resources.

In that report we recommended that SCI Huntingdon assign the field office SEAP coordinator position to an employee who met the criteria outlined in commonwealth guidelines.

In the audit which covered the period July 1, 2005, through June 6, 2008, we reported that SCI Huntingdon had assigned the duties of the SEAP coordinator to its training coordinator who was an employee of the human resources unit and who was not covered by a collective bargaining agreement. Then in August 2007, SCI Huntingdon moved that employee into the position of labor relations liaison while continuing to have that person function as the SEAP coordinator. This assignment was in violation of commonwealth guidelines which do not allow labor relations employees to serve as SEAP coordinators.

Also, in August 2007, the institution hired a new training coordinator. In July 2008, SCI Huntingdon stated that as soon as the training coordinator hired in August 2007 received SEAP training, SCI Huntingdon planned to assign the duties and role of SEAP coordinator to that new training coordinator.

Because SCI Huntingdon was close to naming a new SEAP coordinator at the time of our 2008 audit report's release, we did not make a recommendation in this area. Rather, we stated that we would continue to monitor the issue during the next audit to ensure that SCI Huntingdon transferred the SEAP coordinator duties and role assignment to its new training coordinator.

Status as of this audit. In September 2008, SCI Huntingdon assigned SEAP coordinator duties to the training coordinator it hired in August 2007. Because this person serves as the SEAP coordinator for SCI Smithfield in addition to serving in that role for SCI Huntingdon, SCI Huntingdon also designated a management employee as the SEAP site liaison for the institution. The individual who serves as the SEAP site liaison is available to employees in the event the SEAP coordinator is at SCI Smithfield.

As a result of these assignments, we concluded that SCI Huntingdon fully addressed our prior concerns.

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**Prior Finding
V-1**

Not all SCI Huntingdon employees met mandatory training requirements. (Resolved)

(from the audit reports for the periods July 1, 2002, to May 13, 2005, and July 1, 2005, to June 6, 2008)

The initial audit report for the period July 1, 2002, through May 13, 2005, revealed that SCI Huntingdon did not comply with the Department of Corrections' mandatory training requirements. In that audit we reported that 16 of the 24 employees in our test group did not meet the mandatory training requirements for the years ended June 30, 2003, and 2004.

In our prior report for the period July 1, 2005, to June 6, 2008, we found that SCI Huntingdon again did not provide all required training to its employees during the fiscal year ended June 30, 2007. We examined the training records for 36 employees and found that 32 received the minimum number of hours for in-service training, but only 1 of the 36 employees received all of the specific courses required for his job classification. Missed courses included training in fire safety, CPR, first aid, hostage survival, and suicide prevention.

We recommended that SCI Huntingdon management ensure that employees receive all mandatory training. Further, we recommended that managers and supervisors should use the training status reports prepared by the training coordinator to ensure that subordinate employees attend all required courses.

SCI Huntingdon officials responded that management staff worked diligently to ensure that staff met or exceeded the 90 percent requirement regarding mandatory training. (The Department of Corrections considers SCI Huntingdon to be in compliance with policy requirements as long as 90 percent of employees required to complete any individual class receive that specific training).

Management also stated that one training coordinator was responsible for two institutions, and this person was implementing new training strategies to meet expected goals. Individual department heads were instructed to ensure that staff meets training requirements. SCI Huntingdon planned to meet training goals by scheduling select staff for eight-hour training days and through designated training days.

In addition, SCI Huntingdon management stated that the Department of Corrections' training academy was developing a new training system which should improve how training is logged and tracked.

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Status as of this audit. In our current audit, we found that SCI Huntingdon made efforts to implement our recommendations during fiscal years 2009-10 and 2010-11. We reviewed the weekly staff meeting minutes and found that SCI Huntingdon's superintendent and/or its human resources director reminded department heads to ensure that staff members met training requirements.

We also found that SCI Huntingdon's training coordinator implemented an internal tracking system for non-corrections officer staff in 2010. In 2011, SCI Huntingdon expanded this tracking system to capture training of corrections officers.

The training lieutenant assigned to each shift uses this tracking system. Each time a training session is conducted, the shift training lieutenant is responsible for documenting the training. At any given time, the training coordinator and the shift training lieutenant can review what training has been completed and what training is still required.

We also noted that when the Department of Corrections conducted its internal audit of SCI Huntingdon's training records for the 2009-10 fiscal year, it found SCI Huntingdon did not meet the 90 percent attendance goal in four of the 65 mandatory classes. The audit report indicated that SCI Huntingdon staff met to discuss this finding and proposed a plan of correction, which DOC accepted.

Finally, according to the internal audit for the 2010-11 fiscal year, the institution met the 90 percent attendance goal for all 65 mandatory training requirements.

Based on the Department of Corrections' internal audit reports as well as our own audit work, we concluded that SCI Huntingdon has taken appropriate action to ensure employees attend mandatory training classes. With all classes meeting the 90 percent rate of attendance in 2010-11, we concluded the use of the tracking system assisted SCI Huntingdon in attaining the attendance goal. As a result, we consider this finding resolved.

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Prior Finding 1 SCI Huntingdon did not comply with the Department of Corrections' maintenance policy and did not effectively administer its work order system. (Resolved)

(from the audit report for the period July 1, 2005, to June 6, 2008)

The audit report for the period July 1, 2005, through June 6, 2008, revealed that SCI Huntingdon management did not enforce the policy that required maintenance employees to document work order data. The analysis of 40 closed work orders showed that the closed work orders did not always include a priority level, labor and material costs, or the completion date.

Further, the review of 24 work orders listed as open on April 2, 2008, showed that management did not assign a priority code to any of the tested work orders. Management did not always monitor work orders to ensure their timely completion or compliance with Department of Corrections' policy.

We recommended that SCI Huntingdon management enforce Department of Corrections' policy and procedures that require maintenance employees to document job priorities, completion dates, inspections, and labor and material costs on work orders. We also recommended that management consistently monitor open work orders to ensure timely completion and compliance with policy.

SCI Huntingdon management responded that maintenance management staff would be instructed to retrain/inform their subordinate staff to ensure correct documentation was being completed. Likewise, each manager would be held accountable for their requirements as well as with this process.

Management also stated that at the July 16, 2008, maintenance department meeting, all trades and labor staff were directed to fill in all appropriate data on the electronically generated work orders (parts and labor along with costs). Maintenance department supervisors now assign priority codes to each work order and continue to review each work order as it is completed and returned to the office.

SCI Huntingdon management also responded that it would ensure that completed work orders were immediately changed from active to completed status and then retired, which would then eliminate work orders remaining on the system for protracted periods.

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Status as of this audit. In our current audit, we found that maintenance employees documented job priorities, completion dates, and labor and material costs on work orders. We also found that management monitored work orders to ensure timely completion and compliance with Department of Corrections' policy.

In order to confirm that SCI Huntingdon implemented our prior recommendations, we examined 328 work orders that SCI Huntingdon issued during May 2011. We obtained a summary list of these work orders dated August 29, 2012, and found that each of them had been completed by that date. We also found that each of the 328 work orders contained the work order numbers, date issued, date completed, employee or inmate labor hours, labor cost, and the cost of the materials.

We also randomly selected 59 of the work orders for detailed testing. We found that each of these 59 work orders contained a priority code. We examined these 59 work orders to determine the amount of time SCI Huntingdon took in completing the requested work. Because seven of those work orders were ultimately cancelled, we based our calculations on the other 52 work orders in our test group. We found that the maintenance department completed these 52 work orders, all categorized as "routine," an average of 16.5 days from the date of request.¹³ In six cases, the maintenance department completed the requested work on the day that the work order was issued.

Finally, we interviewed facility maintenance managers who stated that staff was retrained on work order documentation as a result of our prior report. Further, these officials stated that they evaluate, assign, and retire all work orders as well as monitor open work orders to ensure timely completion (based on assigned priority codes) and compliance to policies.

As a result of our work in the current audit, we concluded that SCI Huntingdon implemented our prior audit recommendations.

¹³ In our prior audit, our test work showed that SCI Huntingdon took an average of 34 days to complete the work orders we examined.

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