

Performance Audit

Youth Development Center at New Castle

**Commonwealth of Pennsylvania
Department of Public Welfare**

July 1, 2007, to January 26, 2010



Performance Audit

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August 4, 2011

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

Dear Governor Corbett:

This report contains the results of a performance audit of the Youth Development Center at New Castle of the Department of Public Welfare from July 1, 2007, to January 26, 2010. 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 Youth Development Center at New Castle did not take adequate measures to minimize employee injuries or effectively address repeated allegations of abuse. Moreover, the facility's abuse investigations and reports were not always timely or comprehensive. The report notes deficiencies in the facility's supervisory coverage, employee screening procedures, and records management. Finally, the facility did not maintain a board of trustees, an unresolved finding from our prior audit. We discussed the contents of the report with the management of the Youth Development Center at New Castle, and all appropriate comments are reflected in the report.

Sincerely,

JACK WAGNER
Auditor General

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Background Information

Background Information

Department of Public Welfare – Office of Children, Youth and Families and Bureau of Juvenile Justice Services

The Youth Development Center/Youth Forestry Camp system was originally established in 1959 under authority of the Department of Public Welfare.¹ The Office of Children, Youth and Families was established in 1980 as a distinct office within the Department of Public Welfare, and at the time of this audit fell under the Deputy Secretary for Children, Youth and Families.² The responsibilities of the Office include child welfare services, the operation of youth development centers and youth forestry camps, and child day care services.

Pennsylvania's child welfare system is county-administered and state-supervised. County children and youth agencies and county juvenile probation offices organize, manage, and deliver child welfare and juvenile justice services.³

The Department of Public Welfare established the Bureau of State Children and Youth Programs within the Office of Children, Youth and Families in 1988.⁴ The Bureau of State Children and Youth Programs became the Bureau of Juvenile Justice Services in 2009.⁵ The bureau is responsible for the management, operations, program planning, and oversight of the youth development center and youth forestry camp facilities. These facilities are designed to provide state-of-the-art treatment, care, and custody services to Pennsylvania's most at-risk youth.⁶

¹ Act of November 21, 1959 (P.L. 1579).

² Commonwealth of Pennsylvania, Governor's Office, Executive Board Resolution Number OR-94-055, dated April 5, 1994.

³ We originally accessed this information at <http://www.dpw.state.pa.us/About/OCYF/> on November 5, 2009. However, that site was no longer available as we wrote this report. We found the same information on a revised site, <http://www.dpw.state.pa.us/dpworganization/officeofchildrenyouthandfamilies/index.htm>, which we verified on May 23, 2011.

⁴ Commonwealth of Pennsylvania, Governor's Office, Executive Board Resolution Number OR-88-190, dated August 24, 1988.

⁵ Commonwealth of Pennsylvania, Governor's Office, Executive Board Resolution Number OR-09-244, dated September 9, 2009.

⁶ We originally accessed this information at <http://www.dpw.state.pa.us/About/OCYF/003676770.htm> on November 5, 2009. However, that site was no longer available as we wrote this report. We found the same information on a revised site, <http://www.dpw.state.pa.us/dpworganization/officeofchildrenyouthandfamilies/bureauofjuvenilejusticeservices/index.htm>, which we verified on May 23, 2011.

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The youth entrusted to those facilities are male and female adolescents who have been adjudicated delinquent by the county judicial system. According to the website for the Bureau of Juvenile Justice Services, its treatment services value strong child, family, and community partnerships, as well as promote competency development and victim awareness.⁷ The bureau employs the restorative justice concept, which emphasizes that facility programs provide equal attention to the victim, the youth, and the community.⁸

Youth Development Center at New Castle

The Youth Development Center at New Castle referred to as YDC New Castle in the remainder of this report, is located in Lawrence County, approximately 50 miles north of Pittsburgh. YDC New Castle provides secure programming (including both educational and rehabilitative) for adjudicated delinquent males.⁹ The facility's campus encompasses 206 acres. At June 30, 2009, YDC New Castle's treatment program consisted of a 62-bed residential component and a 126-bed secure treatment component.

The following schedule presents selected unaudited YDC New Castle operating data for the fiscal years ended June 30, 2007, June 30, 2008, and June 30, 2009:

⁷ Ibid.

⁸ Ibid.

⁹ We originally accessed this information at

<http://www.dpw.state.pa.us/ServicesPrograms/JuvenileJustice/003676635.htm> on November 5, 2009.

However, that site was no longer available as we wrote this report. We found the same information on a revised site,

<http://www.dpw.state.pa.us/forchildren/juvenilejustice/juvenilejusticenewcastleyouthdevelopmentcenter/index.htm>, which we verified on May 23, 2011.

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	Using Rounding		
	2007	2008	2009
Operating expenses¹⁰	\$26,060,266	\$28,552,806	\$26,552,608
Employee complement at year-end			
Filled positions	347	378	380
Vacant positions	<u>29</u>	<u>23</u>	<u>24</u>
Total	<u>376</u>	<u>401</u>	<u>404</u>
Bed capacity at year-end ¹¹			
YDC New Castle Secure Treatment Unit	118	118	126
YDC New Castle Residential Unit	<u>62</u>	<u>62</u>	<u>62</u>
Total	<u>180</u>	<u>180</u>	<u>188</u>
Available student days of care for the year ¹²			
YDC New Castle Secure Treatment Unit	43,070	43,188	43,838
YDC New Castle Residential Unit	<u>22,630</u>	<u>22,692</u>	<u>22,630</u>
Total	<u>65,700</u>	<u>65,880</u>	<u>66,468</u>
Actual student days of care for the year			
YDC New Castle Secure Treatment Unit	47,493	48,056	41,989
YDC New Castle Residential Unit	<u>20,336</u>	<u>21,766</u>	<u>21,000</u>
Total	<u>67,829</u>	<u>69,822</u>	<u>62,989</u>
Average daily student population ¹³			
YDC New Castle Secure Treatment Unit	130	131	115
YDC New Castle Residential Unit	<u>56</u>	<u>59</u>	<u>58</u>
Total	<u>186</u>	<u>190</u>	<u>173</u>
Percent of utilization ¹⁴			
YDC New Castle Secure Treatment Unit	110.3%	111.3%	95.8%
YDC New Castle Residential Unit	89.9%	95.9%	92.8%

¹⁰ Operating expenses were recorded net of fixed assets, an amount that would normally be recovered as part of depreciation. In addition, regional level and indirect charges were not allocated to the totals reported here.

¹¹ The bed capacity of YDC New Castle's secure treatment unit increased to 126 on March 27, 2009.

¹² The available student days of care were calculated by multiplying the bed capacity by the number of calendar days in the year.

¹³ The average daily student population was calculated by dividing the actual student days of care for the year by the number of calendar days in the year.

¹⁴ The percentage of utilization was calculated by dividing the actual student days of care by the available student days of care.

Objectives, Scope, and Methodology

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.

The audit objectives are detailed in the body of the report. We selected the objectives from the following general areas: personnel management, including a review of YDC New Castle's employee injuries, staff levels, staff qualifications, bonuses, and complaint management; client management, including an assessment of the adequacy of the facility's prevention, investigation, and management of resident abuse; expense management, including an evaluation of YDC New Castle's general expenses and food service expenses. Our audit objectives also included a determination of the status of prior audit findings and recommendations regarding the absence of a board of trustees, purchasing card and advancement account procurement, and staff training.

To accomplish our objectives, we interviewed various YDC New Castle management and staff, reviewed available records, and analyzed pertinent regulations, policies, and guidelines.

The scope of the audit was from July 1, 2007, to January 26, 2010, unless indicated otherwise in the body of the individual findings.

Audit Results

Audit Results: Employee Injuries (Finding 1)

The Objective. Our first objective for this performance audit was to evaluate the adequacy of YDC New Castle’s measures to minimize the frequency of employee injuries and the attendant costs.

Relevant laws, policies, and agreements. The Pennsylvania Workers’ Compensation Act defines the liability of employers when employee injury, death, or disease results directly from employment.¹⁵ The Commonwealth has self-insured its workers’ compensation risk since July 1983. A third party administrator, CompServices, Inc., handles the claims for the Commonwealth.¹⁶

Workers’ compensation indemnity benefits are payable when employee disability results in the loss of earnings. The three major types of indemnity benefits are total, partial, and specific loss. Total disability benefits may last indefinitely as long as the employee remains disabled. Partial disability benefits, payable for a maximum of 500 weeks, are based on two-thirds of the employee’s wage loss subject to maximum allowable benefit levels. Specific loss benefits, also known as scheduled loss benefits, are paid when the employee has a specific loss, or loss of use, of a body part.¹⁷

Part one of the workers' compensation law and injury leave policy manual quantifies total disability benefits on page 1.7 as follows:

*Total disability benefits are paid based on two-thirds of employee’s average weekly wage, subject to allowable maximum and minimum benefit levels at the time of injury and are payable for the duration of the disability, subject to the seven day waiting period for disabilities lasting less than 14 days....*¹⁸

According to YDC New Castle’s human resource personnel, employees injured in the course of their work duties in the absence of physical interaction with a student may qualify for the above workers’ compensation indemnity benefits. Additionally, direct contact employees

¹⁵ 77 P.S. § 1 *et seq.*, can be found at <http://www.portal.state.pa.us/portal/server.pt?open=514&objID=553007&mode=2>, accessed January 4, 2010. Verified July 5, 2011.

¹⁶ Commonwealth of Pennsylvania, Governor’s Office, Manual M530.2, “Injury Leave Manual,” May 1, 2002.

¹⁷ Ibid.

¹⁸ Ibid.

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injured due to an incident with a student may be entitled to Act 534 benefits.¹⁹ An employee awarded Act 534 benefits receives full salary, pension accumulation, and accrued annual and sick leave until the associated disability no longer prevents his/her return at a salary earned at the time of injury. The Commonwealth pays the medical bills and rehabilitation expenses associated with either workers' compensation or Act 534 injuries.

Methodologies to meet our objective. In order to accomplish our objective, we performed the following procedures:

- Reviewed state laws and Commonwealth and Department of Public Welfare policies and procedures regarding work-related injuries, including the Pennsylvania Workers' Compensation Act,²⁰ Act 534 of 1959, as amended,²¹ the Commonwealth's injury leave manual,²² the Commonwealth's directive on workplace safety and health,²³ and the Department of Public Welfare's policy regarding its work-related injury program.²⁴
- Interviewed YDC New Castle staff, including its director, human resource personnel, and an acting youth development counselor manager; interviewed Department of Public Welfare personnel, including its safety coordinator and the institutional safety manager for the Bureau of Juvenile Justice Services; and interviewed an audit/report processing manager from the Department of Labor & Industry's Bureau of Workers' Compensation, as well as an accident and illness prevention program coordinator and the chief of the absence and safety division from the Office of Administration.
- Reviewed YDC New Castle's list of employees on injury leave as of February 25, 2009, as well as the associated third party administrator claim reports.

¹⁹61 P.S. §§ 951, 952 (Act 534 of 1959, as amended, extended the benefits to any employee of a state mental hospital or Youth Development Center.).

²⁰77 P.S. § 1 *et seq.* can be found at

<http://www.portal.state.pa.us/portal/server.pt?open=514&objID=553007&mode=2>, accessed January 4, 2010. Verified July 5, 2011.

²¹61 P.S. §§ 951, 952.

²²Commonwealth of Pennsylvania, Governor's Office, Manual M530.2, "Injury Leave Manual," May 1, 2002.

²³Commonwealth of Pennsylvania, Governor's Office, Management Directive 530.31, "Workplace Safety and Health Program," dated September 29, 2008.

²⁴Commonwealth of Pennsylvania, Department of Public Welfare, Manual M7155, "Work Related Injury Program," October 21, 2003.

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- Examined YDC New Castle's summary of 185 work-related injury claims for the period of July 1, 2007, through February 3, 2009; and analyzed the supporting documentation for 36 injury claims selected at random from the 185 work-related injury claims that occurred between July 1, 2007, and February 3, 2009.
- Reviewed indemnity payments recorded on YDC New Castle's human resource management system between January 1, 2008, and March 31, 2009.
- Examined the available supervisor logbooks for 47 randomly selected days between July 1, 2007, and February 28, 2009.
- Analyzed supervisor work schedules for 1,810 shifts during 4 separate 21-day periods between September 27, 2008, and April 10, 2009.
- Assessed the frequency of physical altercations, assaults, major disturbances, and major injuries or illnesses listed for YDC New Castle on the Bureau of Juvenile Justice Services' automated intake and incident reporting system between January 1, 2009, and March 31, 2009.
- Reviewed minutes of the meetings of the safety committee for the period of July 25, 2007, through January 21, 2009.
- Reviewed the undated draft of YDC New Castle's accident and illness prevention program provided to us on April 24, 2009.
- Examined the Governor's Office of Administration's memorandum (dated April 22, 2008) regarding workplace safety and health.
- Examined a purchase order (dated April 23, 2009) for video surveillance equipment.

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Finding 1:

YDC New Castle did not take adequate measures to maximize employee safety and thus minimize employee injuries and the attendant \$6.7 million in costs.

Injury Claim Statistics. YDC New Castle documented 185 work-related injury claims between July 1, 2007, and February 3, 2009. The facility classified the injury claims as follows:

Claim Type	Description	Number of Claims between July 1, 2007, and February 3, 2009	Percent
Incident only	Employee did not seek medical attention and did not lose time from work.	69	37.3%
Medical with seven or less days lost	Employee sought medical attention and returned to work within seven days.	62	33.5
Medical with greater than seven days lost	Employee sought medical attention and lost greater than seven days from work.	<u>54</u>	<u>29.2</u>
Total		<u>185</u>	<u>100.0%</u>

YDC New Castle indicated that 135 of the 185 injury claims, or 73 percent, involved employee interaction with a student.

Impact of Workers' Compensation and Act 534. YDC New Castle also provided a snapshot of the number of employees on injury leave. On February 25, 2009, YDC New Castle reported that 41 of the 390 employees, or 10.5 percent, were on injury leave. Moreover, 35 of the 41 employees were injured as a result of interaction with students. In other words, 12.5 percent of YDC New Castle's 279 direct care workers received Act 534 benefits on February 25, 2009. Six of these employees received Act 534 injury benefits for greater than 10 years.

As of March 4, 2009, CompServices, Inc., the Commonwealth's third party administrator, documented that YDC New Castle spent a cumulative \$5,170,000 for the workers' compensation indemnity, medical, rehabilitation, legal, and other expenses for the above 41 injured employees. YDC New Castle paid about \$5,018,000 of this \$5,170,000 figure to the aforementioned Act 534 recipients. Human resource personnel estimated that YDC New Castle also paid \$1,558,000 for the incremental Act 534 indemnity costs to the 35 employees injured due to interaction with a student. Overall, YDC New Castle spent at least \$6,728,000 for all 41 employees, including at least \$6,576,000 for the Act 534 recipients. Finally, the \$6,576,000 spent for the Act 534 recipients did not include the cost of employee

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annual and sick leave accruals, pension benefits attributable to the time on Act 534 injury leave, or any attendant overtime costs.

Our review of the supporting documentation for 36 work-related injury claims, the minutes of the meetings of YDC New Castle's safety committee, and YDC New Castle's draft accident and illness prevention program revealed that YDC New Castle's supervisory staff, upper management, and safety committee did not take adequate measures to maximize employee safety and thus minimize employee injuries and the attendant care costs.

Supervisors did not perform their responsibilities adequately. Part two of the Commonwealth's injury leave manual outlines the responsibilities of supervisors when injuries to employees arise during the course of employment. The manual requires supervisors to complete the workers' compensation claim report (form JPA-797), requests that witnesses complete witness statement forms, investigate the incident, and prepare an investigation report. The preventative importance of these actions is illustrated within the manual, which specifically states that the supervisor must "determine how to prevent similar incidents."²⁵

Our review of the supporting documentation for 36 work-related injury claims (including 25 claims classified as Act 534) revealed that supervisor investigation reports were not comprehensive. Specifically, although we found that each of the 36 files did include form JPA-797, witness statement forms, and standardized investigation reports, we also found that the investigation reports did not adequately address the prevention of similar incidents.

None of the 25 investigation reports associated with Act 534 injuries recommended changes to employee actions/conduct in the workplace, while only 3 such reports noted that student counseling occurred. In fact, supervisors left the section regarding preventive measures blank on 11 of the Act 534 investigation reports and wrote comments that appear dismissive or almost flippant, such as "students could be in a physical confrontation at any time" on others.

For the 11 work-related injury claims that did not involve interaction with a student, (non-Act 534), we found that supervisors recommended corrective/preventive measures for only 7 of the 11 injury claims.

Neither the safety coordinator nor YDC New Castle's upper management performed their responsibilities adequately. Department of Public Welfare policy requires center administrators to ensure that "all injuries are thoroughly investigated by the supervisor

²⁵ Commonwealth of Pennsylvania, Governor's Office, Manual M530.2, "Injury Leave Manual," May 1, 2002.

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and/or safety manager.”²⁶ However, none of the 36 injury investigation reports documented review by the safety coordinator or upper management despite the fact that the standardized forms included a space for the safety coordinator’s signature. The standardized forms did not include a space for the signature of upper management.

As noted in findings 10 and 11 of this audit report, YDC New Castle upper management did not ensure optimal supervisory coverage in the facility’s student cottages. More specifically, our review of available supervisor logbooks for 47 days between July 1, 2007, and February 28, 2009, revealed that supervisors covered more than one building during 204 of 400 shifts, or 51 percent of the shifts. Supervisors covered more than two buildings during 28 of 141 supervisory midnight shifts (i.e., midnight to 8:00 a.m.), or 19.9 percent. Additionally, our analysis of work schedules for 23 supervisors assigned to specific cottages during the waking hours of 4 separate 21-day periods between September 27, 2008, and April 10, 2009, revealed that program directors did not schedule optimal numbers of supervisory staff to work the afternoon (i.e., 4:00 p.m. to midnight) and evening (i.e., 1:00 p.m. to 9:00 p.m.) shifts.

The automated intake and incident reporting system showed us that many of the incidents occurred at YDC New Castle between 2:00 p.m. and midnight during the three-month period of January 1, 2009, and March 31, 2009. The breakdown of the incidents during this period is as follows:

Incident Type	Number	Percentage
Physical Altercations	25 of the 40	62.5%
Assaults	7 of the 14	50.0%
Major Disturbances	3 of the 4	75.0%
Major Injuries and Illnesses	3 of the 9	33.3%

YDC New Castle’s safety committee also did not perform its responsibilities adequately. The Commonwealth directive regarding workplace safety and health requires agency safety committees to “review or investigate injuries and provide recommendations to prevent recurrences.”²⁷ Our review of the minutes of the meetings of YDC New Castle’s safety committee revealed that the committee conducted 17 meetings between July 25, 2007, and January 21, 2009, but generally documented only a brief summary of the statistics for

²⁶ Commonwealth of Pennsylvania, Department of Public Welfare, Manual M7155, “Work Related Injury Program,” October 21, 2003.

²⁷ Commonwealth of Pennsylvania, Governor’s Office, Management Directive 530.31, “Workplace Safety and Health Program,” dated September 29, 2008.

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YDC New Castle’s work-related injuries. The minutes for 12 of these meetings did not document any discussions about the prevention of recurrences. The discussions in the remaining five meetings were limited to recommendations regarding the repair of potholes, employee stretching before and after student restraints, and an electrician’s check of residential doors.

No accident and illness prevention program. Section 1001 of the Pennsylvania Workers’ Compensation Act requires each self-insured employer to maintain an accident and illness prevention program in order to retain its self-insured status. The program must be developed, implemented, and monitored by the employer and contain the following: surveys, recommendations, training programs, consultations, and analyses of accident causes.²⁸ An April 2008 memorandum from the Governor’s Office of Administration directed each agency to establish a safety program “tailored to meet the needs of the agency.” The Office of Administration provided program templates to each agency to assist in this endeavor and then issued the related management directive in September 2008. Even so, as of August 2009, YDC New Castle was still in the process of developing its specific program goals and objectives.

Unused video surveillance equipment valued at \$17,300. According to YDC New Castle’s upper management, the use of video surveillance equipment in student living quarters would assist in the investigation and prevention of injuries due to interactions with students. In May 2009, YDC New Castle received video surveillance equipment (valued at approximately \$17,300) for one residential unit. As of August 2009, YDC New Castle had not installed the equipment due to related discussions with union representatives. According to management, the union representatives consider the installation of the surveillance equipment to be a change in working conditions and, thus, an issue for collective bargaining.

Recommendations for Finding 1:

1. YDC New Castle should adopt the necessary measures to maximize employee safety and thus minimize employee injuries and the attendant care costs.
2. YDC New Castle supervisors should conduct thorough investigations of employee injuries and document all related corrective/preventive actions.

²⁸ <http://www.portal.state.pa.us/portal/server.pt?open=514&objID=553007&mode=2>, accessed January 4, 2010. Verified July 5, 2011.

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3. Upper management, the safety coordinator, and the safety committee should review the investigation reports and ensure implementation of the necessary preventive measures.
4. YDC New Castle should complete and implement the required specific accident and illness prevention program.
5. YDC New Castle should review its supervisory staff levels for all shifts and ensure adequate supervisory coverage.
6. Finally, YDC New Castle management should evaluate the efficacy of video surveillance equipment and resolve the issue of installing it.

Department of Public Welfare response to Finding 1:

The [Department of Public Welfare] concurs with this finding. [YDC] New Castle has provided agency supervisors with additional instruction regarding completion of the Workman's Compensation Claim Report form. Special emphasis was placed on the preventive measures section of the form; supervisors were instructed to supply recommendations for corrective/preventive measures.

The Safety Committee has established an Accident & Illness Prevention Program in order to comply with the requirements of Section 1001 of the Pennsylvania Workers' Compensation Act. The committee now reviews and discusses all injuries, and provides recommendations to prevent recurrences. The Bureau of Juvenile Justice Services Safety Coordinator also receives and reviews all incident reports.

Video cameras have been installed in all program living areas on grounds. The installation of video cameras in the Frew Mill School and the Dietary is currently underway. The cameras have given management the ability to review video tapes of incidents, which is extremely helpful to management as they prepare their prevention recommendations.

Supervisory coverage is ensured at all shifts in every cottage with the addition of twelve Youth Development (YD) Aide Supervisors. The YD Aide Supervisors work with the YD Counselor Supervisors in providing supervisory coverage in our programs.

Audit Results

**Audit Results: Student/Resident Abuse
(Findings 2, 3, and 4)**

The Objective. Our second objective for this audit was to assess the adequacy of YDC New Castle’s prevention, investigation, and management of student abuse. More specifically, we conducted our audit work to determine whether YDC New Castle provided employee training in abuse prevention, reporting, and management; ensured timely and comprehensive abuse investigations and reports; and applied appropriate corrective and preventive measures in response to alleged incidents of abuse.

To ensure the safety, security, and well-being of residents, both the Department of Public Welfare and YDC New Castle have established policy and procedures regarding alleged abuse.

Relevant laws, policies, and agreements. YDC New Castle policy defines abuse as “any act or omission which may cause actual physical or emotional harm or injury to a student, or any act which willfully deprives a student of his rights...”²⁹

Department of Public Welfare policy outlines four categories of abuse, as follows:

Exploitation – Resident exploitation is an unjust or improper use of a person for the benefit or advantage of another.

Neglect – Any act or omission which causes or may cause emotional or physical pain, harm or injury to a resident or which violates that resident’s rights, done carelessly and unintentionally, which falls below reasonable standards of conduct expected of employees in the performance of their jobs.

Non-Physical – Any act or omission which reasonably may cause or causes emotional harm, psychological harm, mental distress or humiliation to a resident, or where it is reasonable to believe that harm would result regardless of the cognitive sensory level of the resident...

*Physical – Any act or omission which reasonably may cause or causes physical pain, harm or injury to the resident or where it is reasonable to believe that pain, harm or injury would result...*³⁰

²⁹ Commonwealth of Pennsylvania, Department of Public Welfare, Youth Development Center at New Castle, Manual Code 122, “Handling of Alleged Abuse Cases,” June 17, 1999.

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Additionally, Department of Public Welfare policy defines a child as any individual less than 18 years of age and then specifies various acts or omissions which constitute child abuse.³¹

Methodologies to meet our objective. In order to accomplish our audit objective, we performed the following procedures:

- Reviewed Department of Public Welfare³² and YDC New Castle³³ policies and procedures regarding the reporting and investigation of alleged incidents of abuse, as well as Bureau of Juvenile Justice Services policy and procedures regarding the reporting of incidents in the automated intake and incident reporting system.³⁴
- Interviewed YDC New Castle management, including its director and human resource analyst.
- Reviewed the Bureau of Juvenile Justice Services training plans for direct care employees for the fiscal years ended June 30, 2008, and June 30, 2009.
- Examined the record of abuse investigation training provided by the Department of Public Welfare to each of YDC New Castle's 34 abuse investigators, as well as the documentation for abuse policy training provided by YDC New Castle to 37 direct care employees during the fiscal year ended June 30, 2008.
- Analyzed the documentation associated with the investigations of 9 of the 48 incidents of alleged abuse at YDC New Castle between July 1, 2007, and March 6, 2009.
- Examined the automated intake and incident reporting system listing for alleged abuse incidents between January 1, 2009, and March 31, 2009.
- Reviewed internal correspondence and investigation reports that documented common themes in YDC New Castle incidents of alleged abuse.

³⁰ Commonwealth of Pennsylvania, Department of Public Welfare, Bureau of State Children and Youth Programs Manual 1.06, "Reporting and Investigating Alleged Child/Resident Abuse," February 20, 2004.

³¹ Commonwealth of Pennsylvania, Department of Public Welfare, Bureau of State Children and Youth Programs Manual 1.06, "Reporting and Investigating Alleged Child/Resident Abuse," February 20, 2004.

³² Ibid.

³³ Commonwealth of Pennsylvania, Department of Public Welfare, Youth Development Center at New Castle, Manual Code 122, "Handling of Alleged Abuse Cases," June 17, 1999.

³⁴ Commonwealth of Pennsylvania, Department of Public Welfare, Bureau of Juvenile Justice Services Manual 1.03, "Automated Intake and Incident Reporting System (AIIRS)," October 31, 2005.

Audit Results

Finding 2:

YDC New Castle provided the required training for abuse investigators and direct care staff.

Our review of training records revealed that each of YDC New Castle's 34 abuse investigators received the Department of Public Welfare's abuse investigation training prior to conducting any investigations. In addition, Bureau of Juvenile Justice Services training plans required employees with care and custody responsibilities to receive crisis management and abuse policy training during the fiscal years ended June 30, 2008, and June 30, 2009. Our review of 2007-2008 training records for a sample of 37 direct care employees revealed that each employee received the required training.

Finding 3:

YDC New Castle's abuse investigations and reports were not always timely or comprehensive.

Department of Public Welfare policy requires YDC New Castle to report and independently investigate any allegation of resident abuse. The Department of Public Welfare and YDC New Castle have developed detailed procedures to follow up on any such allegation of physical or emotional abuse to a student. For our testing, we selected the following procedures which should have been routinely followed on all allegations of abuse:

- When an employee observes or has reason to suspect abuse of a student, the employee must immediately notify a supervisor who must, in turn, notify the director or designee.
- Supervisory and/or management employees must make arrangements for a licensed medical professional to immediately examine the student. The licensed medical professional must document the types of injuries and treatment.
- The director or designee must immediately make an oral report of suspected child abuse to Pennsylvania's ChildLine and Abuse Registry. The registry then forwards the report to the county children and youth agency for independent investigation.

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- YDC New Castle must immediately implement a plan to ensure the safety of the resident. The safety plan requires the separation of the alleged victim from the accused staff member until resolution of the complaint.
- Supervisory/management staff, as well as any employee witnesses, must complete individual reports in the Department of Public Welfare’s incident reporting system, or automated intake and incident reporting system.
- The director or designee must immediately commence an internal investigation or instruct trained management employees to conduct an investigation immediately.³⁵

YDC New Castle’s database of abuse investigations documented 48 incidents of alleged resident abuse between July 1, 2007, and March 6, 2009. We found that YDC New Castle did address all 48 incidents with supporting investigation files. However, we also found—in our detailed review of the investigation files for our sample of 9 of the 48 abuse incidents—that YDC New Castle did not always follow the aforementioned required procedures.

More specifically, we found the following deficiencies:

- **Not timely as required.** YDC New Castle assigned one of the nine sampled investigations ten days after personnel input the corresponding incident into the automated intake and incident reporting system.
- **No exam by medical professionals as required.** The investigation files for two of the seven incidents that involved allegations of physical abuse did not document the examination of the student by a licensed medical professional.
- **No written safety plan as required.** The investigation files for three of the nine sampled incidents did not include a written safety plan.
- **No copies of intake and incident reports as required.** The investigation files for two of the nine sampled incidents initially did not include a copy of the required automated intake and incident reporting system reports. After we

³⁵ Commonwealth of Pennsylvania, Department of Public Welfare, Bureau of State Children and Youth Programs Manual 1.06, “Reporting and Investigating Alleged Child/Resident Abuse,” February 20, 2004; Commonwealth of Pennsylvania, Department of Public Welfare, Youth Development Center at New Castle, Manual Code 122, “Handling of Alleged Abuse Cases,” June 17, 1999.

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notified YDC New Castle management of this deficiency, management printed the automated intake and incident reporting system report associated with one of the two incidents. However, by the end of our audit work on site, YDC New Castle personnel had not yet input the remaining incident into the automated intake and incident reporting system.

- **No documented investigation by Children and Youth as required.** The investigation files for three of the five incidents that involved students less than 18 years of age did not include documentation of the investigation conducted by Lawrence County Children and Youth Services.

Overall, we found that YDC New Castle management did not enforce Department of Public Welfare and facility policies and procedures regarding the reporting and investigating of alleged incidents of abuse. YDC New Castle management did not develop an effective monitoring method (such as a standard checklist) to ensure that personnel timely conducted all required procedures and/or included the appropriate documentation in all abuse investigation reports. Ultimately, YDC New Castle investigators deemed the nine sampled allegations to be unsubstantiated. However, because of the failure of YDC New Castle staff to follow procedures, we could not determine the correctness of the investigators' ultimate decisions.

The failure to follow required procedures in response to abuse allegations jeopardizes the safety, security, and well-being of YDC New Castle students and staff. Management cannot effectively assess the legitimacy of abuse investigation conclusions in the absence of a comprehensive investigation or investigation report. Accordingly, management cannot ensure that the facility has adopted appropriate corrective or preventive measures. Finally, the failure to properly address accusations of abuse results in the potential for financial liability to the Commonwealth.

Recommendations for Finding 3:

7. YDC New Castle management should enforce Department of Public Welfare and facility policies and procedures regarding the reporting and investigating of alleged incidents of abuse.
8. YDC New Castle management should implement a monitoring system (such as a standard checklist) to ensure that personnel conduct all required

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procedures in a timely manner and include the proper documentation in all abuse investigation reports.

Department of Public Welfare response to Finding 3:

The [Department of Public Welfare] concurs with this finding. [YDC] New Castle has established a weekly investigation review comprised of Human Resources, agency directors, and any investigator with an open case. The group reviews each investigation to assess progress, ensure policies are being adhered to, and to determine if additional information or documents are required.

[YDC] New Castle has developed and implemented a new investigation packet to help staff throughout the investigation process. The packet includes an Investigation Checklist, which lists documents required, and action steps to be taken by the facility director or designee, investigator, and Labor Relations. The Investigative Plan form is to be completed by the investigator within 24 hours of his assignment; a list of people to be interviewed and schedule is to be added to the form. Finally, an Investigation Planner is included in the packet to provide the investigator with a place to document meetings and dates, prepare a timeline, and make notes.

Finding 4:

YDC New Castle did not effectively address repeated allegations of abuse.

One YDC New Castle direct care employee was the accused in seven separate abuse allegations between December 2007 and September 2008. All seven allegations were subsequently deemed unsubstantiated following YDC New Castle investigations. However, after the sixth such alleged incident (and the fourth such incident in 2008), the former director of residential services issued an internal memorandum to upper management to note both the commonality of theme and staff in the abuse allegations. The director described the theme as “staffs throw and/or hold the resident’s head onto the floor.” The director further indicated that two direct care employees, including the aforementioned employee, “have been involved in investigations which contain this theme” and that “residents state that they fear staff retaliation if they speak out.” The director suggested that YDC management conduct a follow-up investigation to determine why residents fear staff retaliation and repeatedly accuse the same two direct care employees.

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Despite the director's memorandum, YDC New Castle management did not conduct the follow-up investigation. According to human resources personnel, upper management counseled—but did not discipline—the employee accused of the seven separate occasions of abuse. Moreover, YDC New Castle management did not even document the existence or content of the counseling session.

Our conclusion is that management's failure to conduct the more extensive investigation jeopardizes the safety and security of YDC New Castle students and staff.

Our review of YDC New Castle's database of abuse investigations between July 1, 2007, and March 6, 2009, did not show any other claims of abuse after September 24, 2008, involving the direct care employee who was accused in seven separate incidents. However, because YDC New Castle management did not conduct the recommended follow-up investigation, we could not determine whether the lack of reported allegations against the accused was due to an actual absence of incidents or whether the lack of reported allegations was because the students feared retaliation or because of some other factor. It is significant that YDC New Castle's lack of investigations resulted in our inability to make such a determination.

YDC New Castle policy states that employees "have a responsibility to protect the rights of students from others who may seek to violate their rights."³⁶ Accordingly, YDC New Castle management is responsible for investigating common themes and staff in alleged abuse incidents, as well as student concerns about staff retaliation.

Recommendations for Finding 4:

9. YDC New Castle management should properly address repeated allegations of abuse.
10. YDC New Castle should investigate common themes and staff in abuse allegations, as well as student concerns about staff retaliation, and then adopt/implement appropriate corrective and preventive measures.
11. YDC New Castle management should document employee counseling sessions.

³⁶ Commonwealth of Pennsylvania, Department of Public Welfare, Youth Development Center at New Castle, Manual Code 122, "Handling of Alleged Abuse Cases," June 17, 1999.

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Department of Public Welfare response to Finding 4:

The [Department of Public Welfare] concurs with this finding. Through the Investigation Review Committee, management is able to address repeated allegations. If an employee is found to have repeated allegations of abuse, retaliation, or any other common theme, management conducts a formal conference with the employee; this conference is documented.

With specific regard to the aforementioned direct care employee, the assignment of an internal investigation was facilitated following each allegation and as prescribed by agency policy. Each investigation was completed by a different member of the supervisory/management team trained in incident investigations by the Department of Public Welfare. In every instance, the conclusion of the independent investigator was that insufficient evidence existed to demonstrate substantiation of the claim. Additionally, Childline conducted investigations wherein the claimant was under the age of eighteen years. All Childline investigations were also unfounded. In spite of our collective concern and suspicions, there was simply no evidence available to support an effort in disciplinary action. A conference was conducted with the employee to explore our concerns of continued claims of abuse by residents. During that meeting, a number of behaviors were identified as having the potential to negatively impact a crisis situation. The employee indicated that he would be able to implement the recommendations developed during the meeting. From the date of that conference until January 1, 2011, no further allegations of abuse have been reported involving said employee.

Audit Results

Audit Results: Staff Qualifications
(Findings 5, 6, 7, and 8)

The Objective. Our third objective for this audit was to assess whether YDC New Castle employed qualified personnel to care for its students. More specifically, we conducted our audit work to determine whether YDC New Castle employed properly licensed nurses, promoted qualified personnel to supervisory positions, and provided timely and effective criminal and child abuse background screenings of prospective employees, as well as required training for new hires.

Relevant laws, policies, and agreements. The Commonwealth has passed an act entitled the Child Protective Services Law,³⁷ and the Department of Public Welfare has promulgated regulations, policies, and procedures regarding criminal history background checks, including the 2006 amendment to Pennsylvania’s Child Protective Services Law.³⁸ In addition, the Department of Public Welfare has also promulgated regulations for child residential and day treatment facilities,³⁹ child protective services,⁴⁰ and policy about the implementation of amendments to the Child Protective Services Law.⁴¹ State law and Department of Public Welfare regulations, policies, and procedures establish requirements for the verification of criminal histories, training, and qualifications of YDC New Castle’s employees.

YDC New Castle provides secure programming for adjudicated delinquent males. Services include education, work training, medical care, substance abuse treatment, counseling, and social development.

YDC New Castle must hire and train qualified personnel to ensure that students receive competent care; the facility employs youth development aides, youth development counselors, social workers, and related supervisors to provide direct supervision of YDC New Castle’s students, as well as nurses to provide professional medical services.

³⁷ Child Protective Services Law, 23 Pa.C.S.A. §§6301-6386 and codified at 55 Pa. Code §§3490.1-3490.136.

³⁸ <http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2005&sessInd=0&billBody=S&billTyp=B&billNbr=1054&pn=2247>, accessed November 12, 2009. Verified July 5, 2011.

³⁹ 55 Pa. Code §§3800.51 and §3800.52.

⁴⁰ <http://www.pacode.com/secure/data/055/chapter3490/subchapAtoc.html>, accessed July 13, 2009. Verified May 23, 2011.

⁴¹ Commonwealth of Pennsylvania, Department of Public Welfare, Office of Children, Youth and Families Bulletin Number 3490-08-03, “Implementation of Act 179 of 2006 and Act 73 of 2007 Amending the Child Protective Services Law,” June 27, 2008.

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Moreover, YDC New Castle employs support staff to provide administrative and maintenance services.

Methodologies to meet our objective. In order to accomplish our audit objective, we performed the following procedures:

- Reviewed state law and Department of Public Welfare regulations, policies, and procedures regarding criminal history background checks, including the 2006 amendment to Pennsylvania's Child Protective Services Act, regulations for child residential and day treatment facilities, regulations for child protective services, and policy about the implementation of amendments to the Child Protective Services Act.
- Interviewed human resource analysts from YDC New Castle and the Youth Development Center at Loysville, as well as the human resource director for the Bureau of Juvenile Justice Services.
- Reviewed the Bureau of Juvenile Justice Services training plans for the fiscal years ended June 30, 2008, and June 30, 2009.
- Examined the criminal history background checks and training records for 20 of 100 YDC New Castle employees hired between July 1, 2007, and April 12, 2009.
- Verified the existence and propriety of licensure for the 11 registered nurses employed by YDC New Castle at June 17, 2009.
- Reviewed the specifications for 14 job titles at YDC New Castle.⁴²
- Reviewed the qualifying education and experience of the 13 employees promoted to the position of youth development counselor supervisor and the 8 employees promoted to the position of youth development aide supervisor after October 25, 1999.

⁴² <http://www.jobclass.state.pa.us>, accessed March 23, 2009. Verified July 5, 2011.

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Finding 5:

YDC New Castle did not always comply with FBI clearance requirements.

The Child Protective Services Law mandates that YDC New Castle must require all job applicants to submit with their applications a child abuse background check, as well as a Pennsylvania State Police criminal history background check. As of July 1, 2008, prospective YDC New Castle employees must also submit a federal criminal history background check through the Federal Bureau of Investigation (FBI). Section 6344 (c) of the Child Protective Services Law precludes the hiring of an employee who has been convicted of any of the offenses listed in the Act. Moreover, the law prohibits YDC New Castle from hiring an individual named as the perpetrator of a founded report of child abuse within the last five years.⁴³

The review of background checks for 20 of the 100 employees hired between July 1, 2007, and April 12, 2009, revealed that all 20 sampled employees submitted the child abuse and Pennsylvania State Police criminal history background checks before hire. On one hand, we found that, according to the background checks, none of the 20 sampled employees had been convicted of a crime that precluded employment. On the other hand, we found that two of the seven employees hired after July 1, 2008, received their FBI clearances *after* hire instead of beforehand. Equally important, we found that YDC New Castle management did not obtain FBI background clearances *at all* for three new hires transferred to the facility after July 1, 2008, from Mayview State Hospital.

According to YDC New Castle and Loysville human resource personnel, Youth Development Center at Loysville processed the requests for background checks of prospective YDC New Castle employees and then informed YDC New Castle upon receipt of the clearances. The two employees received the FBI clearances late due to delays in the Department of Public Welfare's implementation of the FBI fingerprint check process. The human resource analyst at Youth Development Center at Loysville attributed the failure to obtain FBI clearances for the three transferred employees as an oversight.

The Child Protective Services Law requires background checks to ensure the safety of children in facilities subject to approval, licensure, registration, or certification by the Department of Public Welfare.⁴⁴ As a result of hiring employees without the required FBI

⁴³ Commonwealth of Pennsylvania, Department of Public Welfare, Office of Children, Youth and Families Bulletin Number 3490-08-03, "Implementation of Act 179 of 2006 and Act 73 of 2007 Amending the Child Protective Services Law," June 27, 2008.

⁴⁴ Ibid.

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clearances, YDC New Castle's management was not fully aware of the criminal histories of its employees and thus placed its students at risk.

Recommendations for Finding 5:

12. YDC New Castle management should require the three employees transferred from Mayview State Hospital to obtain FBI criminal history clearances.
13. YDC New Castle management should ensure that all prospective employees submit all required child abuse and criminal history background checks as a condition of employment.

Department of Public Welfare response to Finding 5:

The [Department of Public Welfare] concurs with this finding. [YDC] New Castle management has ensured that all new hires receive the proper child abuse and criminal history background checks.

Finding 6:

YDC New Castle provided the required training to the new hires whose records we sampled.

The Bureau of Juvenile Justice Services has established guidelines regarding the content and timing of training courses for newly hired direct supervision and support service employees at YDC New Castle. These training plans specify the minimum number of training hours required for the various classifications of employees during their first calendar year of employment. According to the training plans for the fiscal years ended June 30, 2008, and June 30, 2009, the Bureau of Juvenile Justice Services required employees who directly supervise students to attend the Bureau of Juvenile Justice Services' new employee academy within 60 days of hire and successfully complete 80 hours of training during the first calendar year of employment. In the fiscal year ended June 30, 2008, the Bureau of Juvenile Justice Services required support staff to successfully complete 40 hours of approved training during the first year of employment. In the fiscal year ended June 30, 2009, the

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Bureau of Juvenile Justice Services required support service employees to receive 20 hours of approved training during the first employment year.

Our review of training records for 20 of 100 YDC New Castle employees hired between July 1, 2007, and April 12, 2009, revealed that YDC New Castle provided the required training to new hires.

Finding 7:

YDC New Castle employed properly licensed nurses.

Our review of licensure on the Commonwealth's Department of State's website⁴⁵ revealed that all 11 registered nurses employed by YDC New Castle on June 17, 2009, possessed the appropriate licenses.

Finding 8:

YDC New Castle promoted qualified personnel to supervisory positions.

The website for the Governor's Office of Administration includes specifications regarding the minimum experience and training for youth development aide supervisors⁴⁶ and youth development counselor supervisors.⁴⁷ Our review of personnel records for 13 YDC New Castle employees promoted to the position of youth development counselor supervisor and 8 YDC New Castle employees promoted to the position of youth development aide supervisor showed that all possessed the minimum experience and education listed for their positions.

⁴⁵ <http://www.licensepa.state.pa.us>, accessed June 17, 2009. Verified May 23, 2011.

⁴⁶ http://www.jobclass.state.pa.us/Specs/41791.asp?JOB_CD=41791&PAY_SCL_GRP=05&PAY_SCL_TYP=ST&BG_UNIT=N2&JOB_TYP_SVC=C&EBA_LAST_UPDATE=1/5/2007&EBA_NO=665&EBA_ITEM_CD=17, accessed March 23, 2009. Verified May 23, 2011.

⁴⁷ http://www.jobclass.state.pa.us/Specs/41820.asp?JOB_CD=41820&PAY_SCL_GRP=08&PAY_SCL_TYP=ST&BG_UNIT=F5&JOB_TYP_SVC=C&EBA_LAST_UPDATE=1/25/2007&EBA_NO=665&EBA_ITEM_CD=19, accessed March 23, 2009. Verified May 23, 2011.

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Audit Results: Staffing Levels
(Findings 9, 10, and 11)

The Objective. Our fourth objective for this audit was to evaluate the sufficiency of YDC New Castle's staff levels.

Relevant laws, policies, and agreements. The Department of Public Welfare has promulgated regulations⁴⁸ and an associated licensing measurement instrument for child residential and day treatment facilities.⁴⁹ YDC New Castle has developed policy and procedures for records management.⁵⁰

YDC New Castle must provide sufficient staff levels in its cottages to ensure the safety of both staff and committed youth, as well as to satisfy program goals. According to management, YDC New Castle generally schedules its supervisory staff by program area and its direct care workers by cottage.

At the time of our audit, YDC New Castle operated three distinct programs for adjudicated delinquent males: the secure treatment program, the adolescent sexual offenders program, and the specialized residential program. Students assigned to the secure treatment program resided in two buildings, each with three cottages (i.e., dormitories). Students assigned to the adolescent sexual offenders program resided in one building with five cottages. Finally, students assigned to the specialized residential program resided in two buildings, one with three cottages and the other with two cottages.

Methodologies to meet our objective. In order to accomplish this objective, we performed the following procedures:

- Interviewed YDC New Castle's director, administrative assistant, and clerical personnel, as well as a human services program specialist supervisor for the Department of Public Welfare's Bureau of Policy and Program Development.
- Reviewed Department of Public Welfare regulations and the associated licensing measurement instrument for child residential and day treatment

⁴⁸ 55 Pa. Code §3800.

⁴⁹ Commonwealth of Pennsylvania, Department of Public Welfare, "Licensing Measurement Instrument: Child Residential and Day Treatment Facilities," May 22, 2000.

⁵⁰ Commonwealth of Pennsylvania, Department of Public Welfare, Youth Development Center at New Castle, Manual Code 110.03, "Records Management/Logbooks," May 23, 2003.

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facilities, and YDC New Castle’s policy and procedures regarding records management.

- Examined the daily student census reports and the available supervisor logbooks for 47 randomly selected days between July 1, 2007, and February 28, 2009.
- Analyzed supervisor work schedules for 1,810 work shifts during 4 separate 21-day periods between September 27, 2008, and April 10, 2009.
- Assessed the frequency of physical altercations, assaults, and major disturbances listed for YDC New Castle on the Bureau of Juvenile Justice Services’ automated intake and incident reporting system between January 1, 2009, and March 31, 2009.

Finding 9:

YDC New Castle did not consistently maintain its supervisor logbooks.

YDC New Castle policy requires the maintenance of logbooks, as follows:

All work sites at the New Castle Youth Development Center having direct or indirect involvement with the student population will be required to maintain Daily Logs detailing such interaction. The Daily Logbooks will be considered a permanent and official record of day-to-day operations at the work sites. It will be the responsibility of staff using the logs to safeguard them from alteration, tampering, destruction, loss, or removal.⁵¹

YDC New Castle utilizes logbooks, in part, “to serve as a basis for statistics and other pertinent data relating to the ongoing operations at a given work site.”⁵² According to YDC New Castle management, the supervisor logbooks should include the names of the employees who worked in each cottage during each shift. Moreover, as public records, the logbooks can be subpoenaed by law enforcement agencies, by committees of either branch of the General Assembly, or by adult and juvenile courts.

⁵¹ Commonwealth of Pennsylvania, Department of Public Welfare, Youth Development Center at New Castle, Manual Code 110.03, “Records Management/Logbooks,” May 23, 2003.

⁵² Ibid.

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Our attempt to review supervisor logbooks for 47 days between July 1, 2007, and February 28, 2009, had two results.

First, in the logbooks that YDC New Castle *could* locate for our review, we found that YDC New Castle did not consistently maintain them. Supervisors did not record the census of youth development aides who worked 58 shifts and the census of supervisors who worked 2 shifts.

Second, we found that YDC New Castle could not locate supervisor logbooks associated with 7 of the 47 randomly selected dates for our audit sample, thus precluding audit access to employee census data for 105 youth development aide shifts and 21 supervisory shifts. This problem of not being able to find the logbooks occurred because YDC New Castle did not establish written procedures to account for the location of the logbooks. Generally, the supervisor logbooks were retained at the cottages while in active use. However, management personnel removed the logbooks for grievance reviews, overtime schedules, and investigations without any sign-out procedure. Although upper management verbally required supervisors to forward the logbooks to the administration building for archiving, YDC New Castle did not develop procedures or a master list of logbooks to ensure that supervisors had submitted all completed logbooks. Thus, even though YDC New Castle required upper management's written approval for the release of any archived logbooks, YDC New Castle did not ensure that the archives were comprehensive.

In summary, we found that supervisors at YDC New Castle did not consistently record staff coverage information in the supervisor logbooks and that YDC New Castle did not establish written procedures to account for the location of the logbooks. Thus, we could not assess the sufficiency of staff levels for 163 of 2,256 youth development aide shifts, or 7.2 percent, and 23 of 423 supervisory shifts, or 5.4 percent, selected for our audit sample. Moreover, YDC New Castle would be unable to provide the aforementioned official records if subpoenaed.

Recommendations for Finding 9:

14. YDC New Castle should train its supervisory staff to record all pertinent employee census data consistently in the logbooks.
15. YDC New Castle should establish and enforce written procedures to account for the location of all logbooks.

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Department of Public Welfare response to Finding 9:

The [Department of Public Welfare] concurs with this finding. [YDC] New Castle management has reissued Manual Code 724 of the New Castle Youth Development Center Policy Manual titled “Communication Log” to reinforce to staff the requirement to record all pertinent employee census data in the cottage logbooks.

[YDC] New Castle has developed a logbook recording system to keep track of all logbooks stored in the archives. Staff must turn in logbooks as soon as they are completed. With this tracking system, logs for missing time periods can be easily identified.

Finding 10:

YDC New Castle schedules did not maximize supervisory coverage during waking hours for the periods that we sampled.

Upper management at YDC New Castle developed a work schedule to maximize supervisory coverage in its student cottages during all waking hours (i.e., daylight, afternoon, and evening shifts) for all seven days of each week. The following chart summarizes this optimal 21-day supervisory schedule:

Shift	No. of Days	Percentage of Total Schedule
8:00 a.m. to 4:00 p.m.	7	33.3%
4:00 p.m. to 12:00 a.m.	5	23.8
1:00 p.m. to 9:00 p.m.	3	14.3
Days Off	<u>6</u>	<u>28.6</u>
Total	<u>21</u>	<u>100.0%</u>

Our analysis of work schedules for the 23 supervisors assigned to specific cottages during the waking hours of 4 separate 21-day periods between September 27, 2008, and April 10, 2009, revealed that YDC New Castle did not maximize its supervisory coverage for the 1,810 shifts in the sample. Program directors scheduled supervisory staff to work the

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daylight (i.e., 8:00 a.m. to 4:00 p.m.) shift 203 times more often than the optimal schedule required. In contrast, program directors scheduled supervisory staff to work the afternoon (i.e., 4:00 p.m. to midnight) and evening (i.e., 1:00 p.m. to 9:00 p.m.) shifts 233 fewer times than dictated by the optimal schedule. The following chart compares the actual supervisory coverage to the optimal schedule for the 1,810 sampled shifts:

Shift Identification	No. of Actual Supervisory Shifts	Optimal No. of Supervisory Shifts	Difference
8:00 a.m. to 4:00 p.m.	806	603	203
4:00 p.m. to 12:00 a.m.	363	431	(68)
1:00 p.m. to 9:00 p.m.	94	259	(165)
Days Off	518	517	1
Training ⁵³	<u>29</u>	<u>N/A</u>	<u>29</u>
Total	<u>1,810</u>	<u>1,810</u>	<u>0</u>

By way of background, YDC New Castle's upper management explained that, during the 1990's, youth development counselor supervisors were scheduled exclusively to the daylight shift from Monday through Friday. Although that practice no longer existed during our audit period, the other shifts still did not have sufficient numbers of supervisors on duty.

Scheduling less supervisory coverage on the afternoon and evening shifts jeopardized the safety of YDC New Castle staff and residents. This conclusion is supported by the fact that, according to the automated intake and incident reporting system, many of the reportable incidents at YDC New Castle between January 1, 2009, and March 31, 2009, occurred during those shifts between 4:00 p.m. and midnight. The breakdown of the incidents during this period is as follows:

Incident Type	Number	Percentage
Physical Altercations	18 of the 40	45%
Assaults	6 of the 14	43%
Major Disturbances	3 of the 4	75%

Recommendation for Finding 10:

16. YDC New Castle management should enforce its established work schedule to ensure optimal supervisory coverage during all waking hours.

⁵³ Upper management did not account for training in its optimal schedule.

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Department of Public Welfare response to Finding 10:

The [Department of Public Welfare] concurs with this finding. [YDC] New Castle management has reviewed the supervisory schedules and has balanced rotations to ensure adequate supervisory coverage on all shifts.

Finding 11:

YDC New Castle did not provide the supervisory coverage required by Department of Public Welfare regulations for child residential and day treatment facilities.

Department of Public Welfare regulations mandate the staff-to-child ratios for child care supervisors⁵⁴ and direct child care workers⁵⁵ for child day treatment centers and residential facilities (including child detention centers) licensed by the Commonwealth. Although facilities operated directly by the Department of Public Welfare are exempt,⁵⁶ such as YDC New Castle, management of the facility maintains that YDC New Castle endeavors to follow Department of Public Welfare staffing regulations.

Department of Public Welfare regulations mandate the minimum supervisory coverage for child residential and day treatment facilities, as follows:

For facilities serving 16 or more children, whenever 16 or more children are present at the facility, there shall be at least one child care supervisor present at the facility.⁵⁷

According to the Department of Public Welfare's licensing measurement instrument for child residential and day treatment facilities, the "term facility as used in the regulations is an individual free-standing building..."⁵⁸ Each of YDC New Castle's five buildings housed more than 16 residents.

⁵⁴ 55 Pa. Code §3800.54.

⁵⁵ 55 Pa. Code §3800.55 and §3800.274.

⁵⁶ 55 Pa. Code §3800.3.

⁵⁷ 55 Pa. Code §3800.54(b).

⁵⁸ Commonwealth of Pennsylvania, Department of Public Welfare, "Licensing Measurement Instrument: Child Residential and Day Treatment Facilities," May 22, 2000.

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Our review of the available supervisor logbooks for 47 days between July 1, 2007, and February 28, 2009, revealed that YDC New Castle did provide *the direct child care worker staff levels* required by Department of Public Welfare regulations for 2,042 of the 2,093 examined youth development aide shifts, or 97.6 percent.⁵⁹ But YDC New Castle did not provide *the supervisory coverage* required by Department of Public Welfare regulations. Supervisors covered more than one building during 204 of the 400 sampled supervisory shifts, or 51 percent.⁶⁰

Despite the language in the Department of Public Welfare’s licensing measurement instrument, YDC New Castle management interpreted the term “facility” to refer to a program rather than an individual free-standing building. According to this interpretation of Department of Public Welfare regulations, YDC New Castle encompassed a total of three facilities to correspond with its number of programs rather than five facilities to correspond with its number of buildings. Nevertheless, for the shifts we reviewed, supervisors covered more than two buildings on 28 of the 141 midnight-to-8 a.m. shifts, or 19.9 percent.

Inadequate supervisory coverage could jeopardize the safety of YDC New Castle staff and residents.

Recommendation for Finding 11:

17. YDC New Castle should take the necessary measures to provide the staff-to-child ratios required by the Department of Public Welfare for licensed child residential and day treatment facilities.

Department of Public Welfare response to Finding 11:

The [Department of Public Welfare] concurs with this finding. [YDC] New Castle has incorporated the use of YD Aide Supervisors to increase the number of supervisory positions available to ensure compliance by having a supervisory staff assigned to each facility 24 hours per day. A total of twelve YD Aide Supervisors have been added to the program area complement.

⁵⁹ As noted in Finding 9 of this report, we could not assess the sufficiency of staff levels for 163 of 2,256 youth development aide shifts due to misplaced or incomplete logbooks.

⁶⁰ As noted in Finding 9 of this report, we could not assess the sufficiency of staff levels for 23 of 423 supervisory shifts due to misplaced or incomplete logbooks.

Audit Results

Audit Results: Employee Complaints
(Finding 12)

The Objective. Our fifth objective for this audit was to determine the existence and effectiveness of the employee complaint systems at YDC New Castle.

Relevant laws, policies, and agreements. The Commonwealth of Pennsylvania has developed policy regarding discrimination complaints,⁶¹ grievance administration,⁶² and classification grievance processing.⁶³ In addition, the Department of Public Welfare has established policy and procedures regarding the management of employee complaints at youth development centers. This policy addresses the reporting, investigation, and resolution of employee complaints.⁶⁴

At the time of our audit, YDC New Castle employed about 400 personnel, including youth development aides, youth development counselors, clerical staff, nurses, and security guards. Five different unions represented approximately 370 of these employees. The largest union at YDC New Castle is the American Federation of State, County and Municipal Employees, known as AFSCME, which during our audit represented about 260 employees, including youth development aides and clerical staff.

Methodologies to meet our objective. In order to accomplish this objective, we performed the following procedures:

- Interviewed YDC New Castle staff, including directors and human resource analysts.
- Reviewed Department of Public Welfare policy and procedures regarding the management of complaints, as well as Commonwealth policy regarding discrimination complaints, grievance administration, and classification

⁶¹ Commonwealth of Pennsylvania, Governor's Office, Management Directive 410.10, "Guidelines for Investigating and Resolving Internal Discrimination Complaints," dated February 21, 2008.

⁶² Commonwealth of Pennsylvania, Governor's Office, Management Directive 590.7, "Labor Relations - Grievance Administration," dated June 8, 2006.

⁶³ Commonwealth of Pennsylvania, Governor's Office, Management Directive 590.8, "Classification Grievance Processing," dated March 30, 2006.

⁶⁴ Commonwealth of Pennsylvania, Department of Public Welfare, Bureau of State Children and Youth Programs, Manual 1.09, "Management of Complaints," dated February 20, 2004.

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grievance processing. We also reviewed the collective bargaining agreements and rosters for the institution's five active unions.

- Reviewed YDC New Castle's logs of union grievances filed by employees between January 1, 2008, and May 2, 2009.
- Analyzed the documentation for 11 of 47 grievances filed between January 1, 2008, and May 2, 2009, to assess timeliness and adherence to policies.
- Reviewed YDC New Castle's log of abuse complaints filed by employees or students between July 1, 2007, and March 6, 2009.

Finding 12:

YDC New Castle established effective employee complaint systems.

YDC New Castle established both informal and formal complaint processes. The facility provided employees a suggestion box, as well as the opportunity to report complaints to immediate supervisors. YDC New Castle employees filed 15 complaints of abuse between July 1, 2007, and March 6, 2009. YDC New Castle investigated all 15 complaints in a timely fashion.

The collective bargaining agreements for each of the facility's five active unions established formal procedures for resolving employee grievances. The agreements specified time requirements for each step of the grievance process from grievance notification to the initial meeting between union representatives and YDC New Castle management and finally to formal arbitration for unresolved issues.

At December 31, 2008, the facility's five unions represented 366 employees. Between January 1, 2008, and May 2, 2009, members of these five unions filed 47 grievances, as illustrated in the table on the next page.

The review of documentation for 11 of the 47 grievances filed between January 1, 2008, and May 2, 2009, revealed that the complaint process timely addressed grievances in accordance with the formal procedures of the collective bargaining agreements.

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Summary of Grievances

Union	Represented Employees	Number of Employees	Number of Grievances
American Federation of State, County and Municipal Employees	Youth Development Aides and Supervisors, Clerical Staff, Food Service Staff, Custodial Staff	256	25
Pennsylvania Social Services Union	Counselors, Counselor Supervisors	87	20
Service Employees International Union	Health Care Workers	9	2
United Government Security Officers of America	Security Guards	13	0
Office and Professional Employees International Union	Registered Nurse Supervisor	<u>1</u>	<u>0</u>
Total		<u>366</u>	<u>47</u>

Audit Results

Audit Results: General Expenses
(Finding 13)

The Objective. Our sixth objective for this audit was to determine whether YDC New Castle's expenditures were appropriate for the facility's mission.

Relevant laws, policies, and agreements. The mission of YDC New Castle is to provide secure programming for adjudicated delinquent males.⁶⁵ To accomplish its mission, YDC New Castle provided various education, work training, maintenance, medical, counseling, and administrative services. The Commonwealth established a procurement manual for purchasing goods and services.⁶⁶

During the fiscal year ended June 30, 2007, YDC New Castle expended approximately \$26.1 million for its operations, including about \$22.3 million for employee salaries and benefits. During the fiscal year ended June 30, 2008, YDC New Castle expended approximately \$28.6 million, including about \$23.4 million for salaries and benefits.

Methodologies to meet our objective. In order to accomplish this objective, we performed the following procedures:

- Interviewed YDC New Castle's financial manager.
- Reviewed the procurement requirements found in the Commonwealth's procurement handbook.
- Reviewed the facility's expenditure ledger for the fiscal years ended June 30, 2007, and June 30, 2008.

⁶⁵ We originally accessed this information at <http://www.dpw.state.pa.us/ServicesPrograms/JuvenileJustice/003676635.htm> on September 23, 2009. However, that site was no longer available as we wrote this report. We found the same information on a revised site, <http://www.dpw.state.pa.us/forchildren/juvenilejustice/juvenilejusticenewcastleyouthdevelopmentcenter/index.htm>, which we accessed May 23, 2011.

⁶⁶ Commonwealth of Pennsylvania, Department of General Services, Field Procurement Handbook, M215.3, Revision No. 5, July 20, 2005. Accessed at www.portal.state.pa.us/portal/server.pt/community/procurement_handbook/14304, accessed March 10, 2010, verified May 23, 2011.

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- Examined the supporting documentation for 133 non-payroll transactions from 36 different vendors during the fiscal years ended June 30, 2007, and June 30, 2008, for evidence that the transactions were necessary and supported the mission of the institution.

Finding 13:

YDC New Castle expenditures were consistent with the facility's mission.

Our review of the supporting documentation for 42 transactions from 12 different vendors during the fiscal year ended June 30, 2007, and for 91 transactions from 24 different vendors during the fiscal year ended June 30, 2008, did not show any excessive expenditures. The sampled expenditures, which totaled approximately \$998,000 in the earlier year and \$2,150,000 in the later year, were necessary for operations and consistent with the facility's mission. The 42 transactions during the fiscal year ended June 30, 2007, involved utilities, medical services, drugs, and maintenance services. The 91 transactions during the fiscal year ended June 30, 2008, involved utilities, medical services, drugs, computer equipment, maintenance supplies and services, and fitness equipment.

Audit Results

Audit Results: Food Services
(Finding 14)

The Objective. Our seventh objective for this performance audit was to assess the adequacy of controls over food service expenditures, including a review of the economy and efficiency of operations, food production rates, and pricing.

Relevant laws, policies, and agreements. YDC New Castle's dietary department is responsible for ordering food, as well as for providing three meals and a snack daily to its student population. YDC New Castle prepares meals according to a menu designed by a registered dietician at the Bureau of Juvenile Justice Services.

During the fiscal years ended June 30, 2007, and June 30, 2008, YDC New Castle expended approximately \$1.1 million and \$1.3 million, respectively, for food services.

Methodologies to meet our objective. In order to accomplish this objective, we performed the following procedures:

- Interviewed YDC New Castle's staff, including a director and food service manager, as well as the dietary management specialist for Bureau of Juvenile Justice Services.
- Examined Bureau of Juvenile Justice Services master menus from the fall/winter cycle of the fiscal year ended June 30, 2008, through the spring/summer cycle of the fiscal year ended June 30, 2009.
- Analyzed dietary expenditure reports for the fiscal years ended June 30, 2007, and June 30, 2008.
- Analyzed the daily food production and waste reports for four three-week cycles in June 2008, September 2008, December 2008, and April 2009.
- Examined YDC New Castle's employee complement reports for July 1, 2007, and July 1, 2008.

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- Reviewed the separate agreements between the Commonwealth and the American Federation of State, County and Municipal Employees⁶⁷ and the Pennsylvania Social Services Union.⁶⁸

Finding 14:

YDC New Castle adequately controlled its food service expenditures.

YDC New Castle's food service expenditures increased 17.4 percent from \$1,131,228 for the fiscal year ended June 30, 2007, to \$1,328,063 for the fiscal year ended June 30, 2008. Because YDC New Castle provided 1,993 more days of student care during the latter fiscal year, the average food service expenditures per student day of care actually increased by less than 17.4 percent, or by 14 percent, from \$16.68 for the fiscal year ended June 30, 2007, to \$19.02 for the fiscal year ended June 30, 2008. We believe that the increase in expenditures was reasonable.

During the fiscal year ended June 30, 2008, YDC New Castle filled a dietary staff vacancy and paid each of its food service staff a one-time lump sum bonus required by union agreements and an executive board resolution from the Governor's Office of Administration.⁶⁹ As a result, payroll expenditures for the dietary staff rose from \$734,870 for the earlier fiscal year to \$845,022 for the subsequent fiscal year.

YDC New Castle effectively controlled its raw food costs. In fact, the facility's raw food costs grew by less than one percent from \$633,325 for the fiscal year ended June 30, 2007, to \$637,969 for the fiscal year ended June 30, 2008, while the United States Department of Agriculture's economic research service reported that the price index for food at home rose 4.2 and 6.4 percent during the 2007 and 2008 calendar years, respectively.⁷⁰ Finally, YDC New Castle improved its daily meal production and decreased its waste. The analysis of meal production and leftover records for four three-week cycles in June 2008, September 2008, December 2008, and April 2009 revealed that leftovers averaged 10.7 percent of production for the 12 sampled weeks. YDC New Castle reduced its excess production from 10.7 percent in June 2008 to 8.2 percent in April 2009.

⁶⁷ Master Agreement between Commonwealth of Pennsylvania and Council 13, American Federation of State, County and Municipal Employees, AFL-CIO, July 1, 2007, to June 30, 2011.

⁶⁸ Agreement between Commonwealth of Pennsylvania and PSSU, Local 668 SEIU, Pennsylvania Social Services Union, July 1, 2007, to June 30, 2011.

⁶⁹ Please refer to Finding 15 in the current report for more information about the one-time lump sum bonuses.

⁷⁰ <http://www.ers.usda.gov/Briefing/CPIFoodAndExpenditures/Data/cpiforecasts.htm>, accessed August 11, 2009, verified July 5, 2011.

Audit Results

Audit Results: Employee Pay Incentives
(Finding 15)

The Objective. Our eighth objective for this audit was to determine the propriety of YDC New Castle's use of bonuses and other pay incentives for employees.

Relevant laws, policies, and agreements. The Commonwealth has developed certain programs, monetary incentives, and union contract terms to attract, retain, and reward employees. The Commonwealth has entered into separate agreements with several different unions at YDC New Castle.⁷¹

The agreements provided each permanent full-time or part-time employee on active pay status on July 1, 2007, a one-time lump sum payment of \$1,250, or \$625, respectively. Permanent full-time or part-time employees on inactive pay status on July 1, 2007, who returned to active pay status prior to December 31, 2007, and remained on active pay status for 60 calendar days were also eligible for the lump sum payment. The Executive Board of the Governor's Office of Administration issued a resolution that extended the one-time lump sum payment to management employees.⁷²

Methodologies to meet our objective. In order to accomplish this objective, we performed the following procedures:

- Interviewed appropriate YDC New Castle personnel, including a human resource analyst and assistants.

- Reviewed separate agreements between the Commonwealth and the American Federation of State, County and Municipal Employees, the Service Employees

⁷¹ Master Agreement between Commonwealth of Pennsylvania and Council 13, American Federation of State, County and Municipal Employees, AFL-CIO, effective July 1, 2007, to June 30, 2011;
Agreement between Commonwealth of Pennsylvania and the Service Employees International Union, District 1199P, CTW, CLC, effective July 1, 2007, to June 30, 2011;
Memorandum of Understanding between Commonwealth of Pennsylvania and PSSU, Local 668 SEIU, Pennsylvania Social Services Union, effective July 1, 2007, to June 30, 2011;
Memorandum of Understanding between Commonwealth of Pennsylvania and OPEIU Healthcare Pennsylvania, Local 112, effective July 1, 2007, to June 30, 2011;
Agreement between Commonwealth of Pennsylvania and International Union, United Government Security Officers of America, Local 301, 302, and 303, effective September 1, 2007, to August 31, 2011.

⁷² Commonwealth of Pennsylvania, Governor's Office, Executive Board Resolution CN-07-122, dated May 21, 2007.

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International Union, the Pennsylvania Social Services Union, the Office and Professional Employees International Union, and the United Government Security Officers of America. We also reviewed the Governor's Office of Administration executive board resolution regarding the one-time lump sum payment to management employees.

- Reviewed the employee complement report for December 31, 2007.
- Examined expenditure reports that detailed employee incentive payments from July 1, 2007, to May 29, 2009.

Finding 15:

YDC New Castle properly awarded and processed employee incentive payments in accordance with the terms of contracts/agreements.

During the fiscal year ended June 30, 2008, YDC New Castle paid \$396,250 in one-time lump sum bonuses to 317 full-time employees. Our review of the supporting documentation revealed that YDC New Castle accurately processed the payments according to relevant contractual terms.

There was no evidence of any other bonus or incentive payments made to YDC New Castle employees between July 1, 2007, and May 29, 2009.

Status of Prior Audit Findings and Recommendations

Status of Prior Audit Findings and Recommendations

The prior audit report of YDC New Castle covered the period of July 1, 2004, to March 16, 2007, and contained eight findings. Four of the findings (Findings 2, 5, 7 and 8) were positive and thus had no recommendations. The status of the remaining findings (1, 3, 4, and 6) and their accompanying recommendations is presented below.

Prior Finding 1:

[YDC] New Castle did not maintain a board of trustees (Still Not Resolved).

Our prior audit report noted that YDC New Castle's board of trustees disbanded prior to July 2004. Because of turnover within the facility's administrative staff, we could not determine the exact date that the board disbanded or when the board held its last meeting.

The Administrative Code of 1929 requires YDC New Castle to have a board of trustees.⁷³ Section 317 of the Public Welfare Code defines the powers and duties of the board of trustees.⁷⁴ The board is established, in part, as a liaison between the youth development center and the community and to make recommendations to the Department of Public Welfare on matters of policy and program.

We recommended that YDC New Castle management begin the process to re-establish a board of trustees. We also recommended that the board then hold regular meetings in order to comply with regulations.

Status of Prior Finding 1:

To follow up on the deficiency noted in the prior report, we interviewed various staff from YDC New Castle, including directors, and an administrative assistant, as well as the director of the Bureau of Juvenile Justice Services. We reviewed the

⁷³ 71 P.S. §62.

⁷⁴ Act of 1967, P. L. 31, No. 21.

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Administrative Code of 1929⁷⁵ and the Public Welfare Code.⁷⁶ In addition, we examined a list of previous members of YDC New Castle's board of trustees, correspondence from the Governor of the Commonwealth and from the former western region director of Bureau of Juvenile Justice Services, nine completed applications for appointment to YDC New Castle's board of trustees, documentation that the Senate confirmed one member for the board of trustees,⁷⁷ and the minutes from YDC New Castle's community advisory board meetings.

Section 111 of the Administrative Code requires YDC New Castle's board of trustees to consist of nine members.⁷⁸ Despite that requirement, our current audit revealed that YDC New Castle still did not have a nine-member board of trustees as of August 2009. The terms of seven of the nine members of the previous board expired prior to January 22, 2003. As of March 2007, the remaining two positions on the previous board were vacant due to either term expiration or resignation.

On September 17, 2007, the Pennsylvania Senate confirmed the appointment of a Governor's nominee to the board. Thus, the YDC New Castle's board of trustees has had a single member since that time.

In the absence of a board of trustees, YDC New Castle established a community advisory board to strengthen the link between the facility and the surrounding community. But this advisory board held only two meetings—the first on April 3, 2007, and the second on September 6, 2007. At the second advisory board meeting, Bureau of Juvenile Justice Services officials requested that interested attendees complete applications for consideration as appointees to the board of trustees.

On February 12, 2008, the western region director of Bureau of Juvenile Justice Services submitted nine completed applications to the assistant bureau director of Bureau of Juvenile Justice Services. According to the cover letter that accompanied this submission, the nine applications were supposed to be forwarded to officials in the Department of Public Welfare and then to the Governor for review and approval. Even so, we found that YDC New Castle possessed no documentation that any of the nine applicants were nominated by the Governor and/or confirmed by the Senate.

⁷⁵ 71 P.S. §62 and §111.

⁷⁶ Act of 1967, P. L. 31, No. 21.

⁷⁷ <http://www.legis.state.pa.us/wu01/LI/RC/2007/s0759.pdf>, accessed July 29, 2009, verified July 5, 2011.

⁷⁸ 71 P.S. §111.

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Management of the Bureau of Juvenile Justice Services told us that YDC New Castle was in the process of again forming a community advisory board. However, as of August 2009, an advisory board did not exist.

The lack of a board of trustees places a burden on YDC New Castle management to maintain a high level of service without the assistance of an advisory council.

Recommendation for Prior Finding 1:

18. We again recommend that YDC New Castle management establish a board of trustees and that this board then hold regular meetings.

Department of Public Welfare response to Prior Finding 1:

The [Department of Public Welfare] concurs with this finding. In consultation with and by direction of leadership in the Bureau of Juvenile Justice Services, New Castle YDC has established a Community Advisory Board that includes members from the local community. The board meets on a quarterly basis.

Prior Finding 3:

Management did not review advancement account checks and supporting documentation. (Resolved)

The prior audit report noted that YDC New Castle management did not review or approve advancement account checks prior to issuance to vendors. As a result, it was possible for an accounting office employee responsible for processing advancement account checks to pay unauthorized transactions, such as personal bills, without detection. We recommended that YDC New Castle require business office management to review and approve all advancement account checks and supporting documentation prior to releasing the checks for payment.

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Status of Prior Finding 3:

To follow up on the deficiency noted in the prior report, we interviewed the facility's financial manager and examined the advancement account check register and supporting documentation for 80 of 409 advancement account checks issued between July 1, 2007, and December 31, 2008.

During our current audit, we found that YDC New Castle implemented the recommendation from our prior audit. The facility retained the approved purchase requests, invoices, and receipt documentation for each of the 80 sampled advancement account disbursements. Since August 23, 2007, the facility's financial manager established managerial review documentation and check approval procedures to implement the prior report's recommendation. Each of the 72 sampled disbursements dated after August 23, 2007, was accompanied by an approval sheet signed and dated by the financial manager or her designee prior to check release.

Prior Finding 4:

Management control improvement is needed over the Visa purchasing card program. (Resolved)

Our prior audit report described weaknesses in YDC New Castle's Visa purchasing card program. Our audit of 30 sampled transactions showed that YDC New Castle did not retain receiving reports for eleven transactions and invoices for two transactions. Additionally, management did not review monthly Visa statement reconciliations.

We recommended that YDC New Castle management enforce the existing policy for Visa purchasing card transactions to ensure that all transactions are accompanied by the proper supporting documentation. We also recommended that management review and sign the monthly statement reconciliations.

Status of Prior Finding 4:

To follow up on the deficiencies noted in the prior audit, we interviewed the facility's financial manager, examined the supporting documentation for 47 of 2,909 Visa card purchases transacted between July 1, 2007, and December 31, 2008, and reviewed the reconciliations that accompanied 12 of 60 monthly statements for ten purchasing cards between August 2008 and January 2009.

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During our current audit, we found that YDC New Castle implemented the recommendations from our prior audit. Our review of the supporting documentation for 47 transactions showed that approved purchase requests, invoices, justifications, and evidence of receipt accompanied the sampled purchases. Employees signed the vendor receipts, invoices, or packing slips to document the receipt of products. The examination of 12 monthly purchasing card statements revealed that the financial manager signed and dated managerial review sheets for each of the 12 reconciled statements.

Prior Finding 6

Not all [YDC] New Castle staff received the required training. (Substantially Resolved)

In our prior audit report, we found that YDC New Castle did not provide the required 40 hours of annual training to all employees. Only 22 percent of the 31 records selected for sampling showed that employees received all required training courses during the fiscal year ended June 30, 2005. Furthermore, only 27 percent of the 30 records selected for sampling showed that employees received all of the required training for the fiscal year ended June 30, 2006.

We recommended that YDC New Castle management enforce Department of Public Welfare training guidelines to ensure that all employees receive the required training.

Status of Prior Finding 6:

To follow up on the training deficiency noted in the prior audit, we interviewed staff in YDC New Castle's training department; we also reviewed Commonwealth policy regarding the annual agency training plan,⁷⁹ the Bureau of Juvenile Justice Services policy regarding employee training,⁸⁰ and the facility's annual training plan for the fiscal year ended June 30, 2008.⁸¹ We also examined the training records for 50 of

⁷⁹ Commonwealth of Pennsylvania, Governor's Office, Management Directive 535.7, "Annual Agency Training Plan and Report," dated July 8, 1999.

⁸⁰ Commonwealth of Pennsylvania, Department of Public Welfare, Bureau of Juvenile Justice Services, Manual 10.02, "Employee Development and Training," January 9, 2008.

⁸¹ Commonwealth of Pennsylvania, Department of Public Welfare, Bureau of Juvenile Justice Services, "Annual Training Plan & Report," July 1, 2007.

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378 employees, of which 37 were direct-supervision employees and 13 were support employees for the fiscal year ended June 30, 2008.

Core courses completed. During our current audit, we found that YDC New Castle substantially complied with the prior report's recommendation. Our review of the 50 training records showed that all employees received the mandatory core courses for the fiscal year ended June 30, 2008. Each of the 37 direct-supervision employees received 31.5 hours of core training, including courses in CPR, first aid, fire safety, crisis management, abuse, restrictive procedures, and suicide prevention. Each of the 13 support employees received 11.5 hours of core training, including courses in CPR, first aid, and fire safety.

Total hours not completed. Although we found the 13 support employees received their 20 required total hours of annual training, only 34 of the 37 direct-supervision employees, or approximately 92 percent, received their 40 required total hours of annual training. Because YDC New Castle provided the mandatory core courses to all 50 employees whose training records we selected for sampling and significantly improved its provision of total annual training hours, we concluded that the facility has substantially resolved the training issues noted in the prior report.

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