

**Commonwealth of Pennsylvania**  
**Department of Corrections**  
**State Regional Correctional Facility at Mercer**  
**July 1, 2005, to November 16, 2007**  
**Performance Audit**





**Commonwealth of Pennsylvania**  
**Department of Corrections**  
**State Regional Correctional Facility at Mercer**  
**July 1, 2005, to November 16, 2007**  
**Performance Audit**



June 12, 2008

The Honorable Edward G. Rendell  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

This report contains the results of a performance audit of the State Regional Correctional Facility at Mercer of the Department of Corrections from July 1, 2005, to November 16, 2007. The audit was conducted under authority provided in Section 402 of The Fiscal Code and in accordance with Government Auditing Standards as issued by the Comptroller General of the United States.

The report details our audit objectives, scope, methodology, findings, and recommendations. The report notes weaknesses in Mercer's maintenance work order system, and that some Mercer employees did not meet mandatory training requirements. The contents of the report were discussed with the management of the institution, and all appropriate comments are reflected in the report.

We appreciate the cooperation extended to us by the management and staff of the State Regional Correctional Facility at Mercer and by others who provided assistance during the audit.

Sincerely,

JACK WAGNER  
Auditor General



# Table of Contents

	Page
<b>Background Information .....</b>	<b>1</b>
Department of Corrections .....	1
Inmate General Welfare Fund.....	1
State Regional Correctional Facility at Mercer.....	1
<b>Objectives, Scope, and Methodology .....</b>	<b>3</b>
<b>Audit Results .....</b>	<b>6</b>
Accreditation .....	6
Finding 1 – Mercer effectively implemented recommendations. ....	6
Maintenance Expense.....	7
Finding 2 – Mercer’s maintenance expenditures were accurate. ....	7
Finding 3 – Weaknesses were found in Mercer’s work order system. ....	7
Employee Training.....	8
Finding 4 – Mercer employees did not meet all mandatory training requirements. ....	8
Staffing Levels .....	12
Finding 5 – Mercer’s staffing levels were adequate. ....	13
Employee Complaints .....	13
Finding 6 – Mercer handled employee complaints timely.....	13
Inmate General Welfare Fund .....	14
Finding 7 – Mercer maintained the Inmate General Welfare fund adequately.....	14
<b>Status of Prior Audit Finding and Recommendation.....</b>	<b>15</b>
Procurement .....	15
Prior Finding I–2 – Mercer did not segregate SAP R/3 procurement duties adequately. ....	15
<b>Audit Report Distribution List .....</b>	<b>16</b>





## **Background Information**

### **Department of Corrections**

The Pennsylvania General Assembly created the Pennsylvania Bureau of Corrections with the passage of Act 408 of July 29, 1953, P.L. 1428, Section I. In January 1981, responsibility for bureau operations moved from the authority of the Attorney General to the Office of General Counsel. On December 30, 1984, the Governor signed Act 245 of 1984,<sup>1</sup> elevating the Bureau of Corrections to cabinet level status as the Department of Corrections (Department).

The main purpose and goal of the Department is to maintain a safe and secure environment for both the incarcerated offenders and the staff responsible for them. In addition, the Department believes that every inmate should have the opportunity to be involved in a program of self-improvement.

The Department is responsible for all adult offenders serving state sentences of two years or more. As of June 30, 2007, the Department operated 24 correctional institutions, 1 regional correctional facility, 1 motivational boot camp, 1 training academy, and 15 community pre-release centers throughout the Commonwealth of Pennsylvania.

### **Inmate General Welfare Fund**

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

### **State Regional Correctional Facility at Mercer**

The State Regional Correctional Facility at Mercer is a minimum/medium security facility for adult male offenders who are within 24 months of parole. The facility was opened in 1978 and is located in the Findley Township, Mercer County, approximately 70 miles south of Erie.

---

<sup>1</sup> 71 P.S. § 310.1.

## **Background Information**

Mercer is accredited as an adult institution by the Commission on Accreditation for Corrections. Mercer's mission is to protect the public by confining persons committed to their custody in safe, secure facilities, and to provide inmates with opportunities to acquire the skills and values necessary to become productive law-abiding citizens; while respecting the rights of crime victims.

Mercer's physical plant consists of 289 acres of land, with 37 acres located inside a perimeter fence. Inmates are housed in 10 permanent units and 4 modular units.

The following schedule presents selected unaudited Mercer operating statistics compiled by the Department of Corrections for the years ended June 30, 2005, 2006, and 2007:

	2005	2006	2007
Operating expenditures (rounded in millions) <sup>2</sup>			
State	\$32.8	\$33.0	\$35.1
Federal	<u>0.1</u>	<u>11.3</u>	<u>11.0</u>
Total	<u>\$32.9</u>	<u>\$44.3</u>	<u>\$46.1</u>
 Inmate population at year-end	 1,038	 1,005	 1,349
 Capacity at year-end	 900	 900	 1,150
 Percentage of capacity at year-end	 115.3%	 111.7%	 117.3%
 Average monthly population	 1,038	 1,013	 1,159
 Average cost per inmate <sup>3</sup>	 \$31,680	 \$43,719	 \$39,818

---

<sup>2</sup> Operating expenses were recorded net of fixed asset costs, an amount that would normally be charged as part of depreciation expense.

<sup>3</sup> Average cost was calculated by dividing operating expenditures by the average monthly inmate population.

## **Objectives, Scope, and Methodology**

We selected the audit objectives, detailed in the body of the report, from the following general areas: Facility Safeguards, including compliance with accreditation reports and maintenance efforts; Personnel Management, including employee training, sufficiency of staff levels and the use of the complaint process; and Client Management, including the operations of the Inmate General Welfare Fund. The specific audit objectives were:

- To review the accreditation reports and Mercer's efforts to implement the recommendations presented in those reports. (Finding 1)
- To determine the accuracy of maintenance expenditures and the economy and efficiency of maintenance operations. (Findings 2 and 3)
- To determine if Mercer complied with employee training requirements. (Finding 4)
- To assess the staffing levels to determine if levels were sufficient to meet the needs of the institution. (Finding 5)
- To review employee complaints and suggestions and evaluate the efforts to respond to them. (Finding 6)
- To determine if Mercer maintained the Inmate General Welfare Fund in accordance with the Department and institution policies and procedures and if sufficient management controls were established to ensure proper recording of transactions. (Finding 7)
- To determine the status of management's corrective actions for prior audit findings that addressed the segregation of duties in the SAP R/3 procurement process.

The scope of the audit was from July 1, 2005, to November 16, 2007, unless indicated otherwise in the individual findings.

To accomplish the objectives, auditors obtained and reviewed accreditation standards<sup>4</sup> and Department policies and procedures regarding accreditation<sup>5</sup>. Auditors also reviewed the

---

<sup>4</sup> American Correction Association in cooperation with the Commission on Accreditation for Corrections, Standards for Adult Correctional Institutions, Fourth Edition.

## **Objectives, Scope, and Methodology**

applicable Department policy regarding facility maintenance,<sup>6</sup> staff development and training<sup>7</sup>, staff levels<sup>8</sup>, fiscal administration<sup>9</sup>, the Inmate General Welfare Fund,<sup>10</sup> and the labor relations policy.<sup>11</sup> We also reviewed Mercer's written response, dated December 20, 2006, replying to the Auditor General's prior audit report.

Auditors interviewed responsible management and staff including the Human Resources Director, two Facility Maintenance Managers, the Training Coordinator, the Major of the Guard, Purchasing Agent, and the Activities Director and accounting personnel responsible for the Inmate General Welfare Fund. We also held discussions with Mercer management and staff to obtain an updated understanding of the progress in implementing the prior audit's recommendation and other corrective actions to resolve the prior finding.

To determine Mercer's efforts to implement the recommendations presented in accreditation reports, auditors reviewed the June 2005 Commission on Accreditation for Corrections Standards Compliance Reaccreditation Audit report, as well as Mercer's response to the reaccreditation audit report.

To verify the maintenance department's compliance with policies and procedures, auditors randomly selected 37 of 695 Visa credit card purchases during the period July 1, 2005, to July 31, 2007. To determine the economy and efficiency of maintenance operations, auditors randomly selected and tested 100 of 4,996 completed maintenance work orders from July 1, 2006, to August 2, 2007; and 36 of 319 work orders identified as issued/not completed as of August 2, 2007.

To determine if Mercer complied with employee training requirements, auditors reviewed the facility's annual training plans and fourth quarter training reports for the fiscal years ended June 30, 2006, and 2007; randomly selected and tested 32 of 366 and 36 of 366 employee training records for the fiscal years ended June 30, 2006, and June 30, 2007, respectively; and reviewed the training records for 11 commissioned officers promoted between January 1, 2006, and July 15, 2007. Auditors also selected 20 of 100 instructors' certification documents to determine if the instructors possess the required certifications. Auditors also randomly selected and tested 24 Fire Emergency Response Team and 19

---

<sup>5</sup> Commonwealth of Pennsylvania, Department of Corrections, Accreditation Program and Annual Inspections, Policy Number 1.1.2; Commonwealth of Pennsylvania, Department of Corrections, Inmate Discipline, Policy Number DC – ADM 801.

<sup>6</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 10.2.1 – Facility Maintenance, October 10, 2005.

<sup>7</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1 – Staff Development and Training, December 15, 2003.

<sup>8</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 6.3.1 – Facility Security Procedures Manual, Section 15 – Correctional Officer Staffing System.

<sup>9</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 3.1.1 – Fiscal Administration; Commonwealth of Pennsylvania, Department of Corrections, Policy Number DC-ADM 815 – Personal Property, Basic/State Issued Items and Commissary/Outside Purchases.

<sup>10</sup> The Department of Corrections' Inmate General Welfare Fund Accounting Manual.

<sup>11</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 4.1.1 – Human Resources and Labor Relations Procedures Manual, Section 8-Standardized Grievance Tracking and Handling.

## **Objectives, Scope, and Methodology**

Corrections Emergency Response Team members' training records for the fiscal year ended June 30, 2007.

To assess the sufficiency of the staffing levels, auditors analyzed the September 2005 work force survey report and additional Department staffing reports, and compared the Department's staffing levels to Mercer's September 20, 2007, Detailed Complement and Wage Report, and October 1, 2007, Vacant Positions report.

To evaluate the efforts to respond to employee complaints and suggestions, auditors examined the Grievance/Complaint logs for the calendar year 2006 and randomly selected 22 entries to test for timely processing. Auditors also reviewed the labor management meeting minutes for the months of January, March, and July 2006 as well as employee exit interviews from January 1, 2006, through April 1, 2007.

To determine if Mercer maintained and controlled the Inmate General Welfare Fund according to regulations, auditors analyzed the financial statements for the fiscal years ended June 30, 2006, and June 30, 2007; reviewed bank statements and account reconciliations for the fiscal years ended June 30, 2006, and June 30, 2007; reviewed monthly bank reconciliations from July 2005 through June 2007; and, performed a surprise count of petty cash on August 15, 2007. Auditors also randomly selected and tested 33 of 2,133 cash disbursements and 30 of 1,663 deposits from July 1, 2005, through June 30, 2007.

To determine the status of management's corrective actions regarding the segregation of duties in the SAP R/3 procurement process, auditors performed tests, as necessary, to substantiate their understanding of Mercer's progress in resolving the prior audit finding.

## **Audit Results**

### **Accreditation**

The American Correctional Association and the Commission on Accreditation for Corrections are private, nonprofit organizations that administer the only national accreditation program for adult and juvenile corrections facilities. The accreditation program offers correctional facilities the opportunity to have their operations evaluated against national standards, to remedy deficiencies and to upgrade the quality of programs and services.

*An American Correctional Association audit involves assessing the facilities' administration and management, the physical plant, institutional operations and services and inmate programs. It also assesses issues and concerns that may affect the quality of life such as staff training, adequacy of medical services, sanitation, use of segregation and detention, incidents of violence, crowding, offender activity levels, programs, and availability of basic services that may impact the life, safety and health of inmates and staff.<sup>12</sup>*

#### **Finding 1 – Mercer effectively implemented recommendations.**

Auditors reviewed the June 2005 Commission on Accreditation for Corrections Standards Compliance Reaccreditation Audit report. The audit was conducted over three days and included a tour of the facility, examination of records and interviews. The audit found that Mercer complied with 100 percent of the applicable mandatory standards and 98 percent of the applicable non-mandatory standards. Mercer was granted discretionary compliance for five non-mandatory standards and was required to provide a plan of action to come into compliance for four non-mandatory standards. The American Correctional Association and the Commission on Accreditation for Corrections accepted Mercer's plan of action and awarded Mercer a three-year accreditation in January 2006.

---

<sup>12</sup> Information obtained from the following website: <http://www.aca.org>, as of July 19, 2007.

## **Maintenance Expense**

The primary objective of the Maintenance Department at Mercer is to provide routine and preventive maintenance. Mercer is required to maintain a written preventive physical plant maintenance plan that includes provisions for emergency repairs and replacement in life-threatening situations. In July 2006, Mercer implemented a new computer maintenance work order system that enabled the institution to request, prioritize, assign, log, and track work orders electronically.

### **Finding 2 – Mercer’s maintenance expenditures were accurate.**

We determined that all 37 maintenance Visa credit card purchases tested were completed in accordance with policies and procedures. The requests were approved properly; justifications were appropriate and all required documentation, such as, agency purchase requests, invoices, receiving reports were included. Auditors tested selected work orders and found that they were prioritized properly and completed in a timely manner. In addition, the work orders included all relevant information such as employee time spent and materials used.

### **Finding 3 – Weaknesses were found in Mercer’s work order system.**

A proper maintenance work order system is necessary to ensure that management maintains a safe, secure, and healthy work environment for staff, inmates, and visitors. The system tracks the approval, employees’ time, materials used and timeliness for each project and/or repair. Corrections Policy states:

*Work orders for repairs shall be initiated by each respective department staff, signed by the department head and forwarded to the Maintenance Department for review, evaluation, disposition, approval, assignment of a priority code, and scheduling of all work.<sup>13</sup>*

*A DC-437, after approval by the department head, shall be entered into the electronic Maintenance Management Program Work Request System by designated staff within the originating department. The originating department will maintain a file copy of the original DC-437 after recording the electronically assigned work request tracking number.<sup>14</sup>*

Auditors tested 100 completed work orders and noted 20 instances where the work order listed approval by the wrong department head. An employee of the department requesting

---

<sup>13</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 10.2.1 – Facility Maintenance, Section 12 Maintenance Work Orders, A. General Procedures, 1. Requesting Maintenance Work, a.

<sup>14</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 10.2.1 – Facility Maintenance, Section 12 Maintenance Work Orders, A. General Procedures, 2. Submission Process.

## **Audit Results**

the work enters work order requests into the system. The system permits the same employee to enter the department head approval without the department head's knowledge electronically. Discussions with several department heads revealed that they were not aware of some of the work orders. Submission of work order requests with improper approval could allow for unnecessary maintenance expenditures such as duplicate repairs.

### **Recommendation:**

Mercer management should comply with existing policies to ensure that all work orders requests are valid and necessary.

### **Management Comments:**

In a written response dated May 20, 2008, Mercer management provided the following response.

*Any and all deficiencies will be addressed and a plan of corrective action will be implemented.*

## **Employee Training**

The State Regional Correctional Facility at Mercer, through the Department of Corrections, is responsible for providing all employees with initial orientation and continuing education and training programs that focus on skills and competencies directed toward the safety and care of the inmates and staff of the institution. The Training Coordinator is responsible for overseeing the planning, coordination, record maintenance, and on-site monitoring of training to ensure compliance with requirements.

### **Finding 4 – Mercer employees did not meet all mandatory training requirements.**

Mercer's training program did not comply with the Department's mandatory training requirements. Department Policy for all employees states:

*Each Department employee will receive training mandated by the Department and required by his/her job classification and duties.<sup>15</sup>*

---

<sup>15</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1 – Staff Development and Training; Section 2 – Minimum Training Criteria, A. General Procedures, 5.



## **Audit Results**

### Minimum hours and required courses:

Auditors selected 32 employee records for testing during the fiscal year ended June 30, 2006. Our audit revealed that only 18 of 32 employees selected for testing received a minimum of 40 hours of training. However, only five of those 18 employees received all required courses specific to their job classifications as required by policy. The following tables reflect the results of that testing for the fiscal year ended June 30, 2006.

Minimum 40 Hours	Number of staff	Percentage
Received all training hours	18	56%
Received some training hours	<u>14</u>	<u>44%</u>
<b>Total</b>	<b><u>32</u></b>	<b><u>100%</u></b>

Required courses per job	Number of staff	Percentage
Received all required courses	5	16%
Received some required courses	<u>27</u>	<u>84%</u>
<b>Total</b>	<b><u>32</u></b>	<b><u>100%</u></b>

Auditors also selected 36 employee records for testing during the fiscal year ended June 30, 2007. Our audit found that only 18 out of 36 employees received the required 40 hours of training. All 18 of those employees who received the 40 hours of training also received all required courses specific to their job classifications. However, nine of the 18 employees who did not receive the minimum of 40 training hours also did not receive all required courses. The following tables reflect the results of that testing for the fiscal year ended June 30, 2007.

Minimum 40 Hours	Number of staff	Percentage
Received all training hours	18	50%
Received some training hours	<u>18</u>	<u>50%</u>
<b>Total</b>	<b><u>36</u></b>	<b><u>100%</u></b>

Required courses per job	Number of staff	Percentage
Received all required courses	27	75%
Received some required courses	<u>9</u>	<u>25%</u>
<b>Total</b>	<b><u>36</u></b>	<b><u>100%</u></b>

## **Audit Results**

### **Commissioned Officers Training:**

Department Policy for commissioned officer training states:

*Each first-level supervisor must participate in training designed to develop supervisory skills and heighten awareness of his/her job responsibilities. Any Department staff member who is promoted or placed into first-level supervisor position is required to attend the Department's Supervisory Development course within six months of promotion or placement.<sup>16</sup>*

*Any Department staff member who is promoted or placed into a Corrections Officer II position is required to attend the Department's Lead Work Training for Sergeants course within six months of being promoted.<sup>17</sup>*

Our audit of training records for 11 commissioned officers selected for testing found that four officers did not receive the required training. One lieutenant did not receive the Department's Supervisory Development course and three sergeants did not receive the Lead Worker's training.

### **Instructor Certifications:**

A review of documentation for 20 instructors selected for testing revealed that two instructors did not have certifications on file. Department policy states:

*Each Training Coordinator will maintain a complete and up-to-date record of instructors whose certifications are current or inactive.<sup>18</sup>*

Mercer did not maintain records to support certification of all instructors. Mercer's training coordinator stated that the Department prefers that the instructor teach the course without a certificate than have numerous employees miss class.

Certifications	Number of staff	Percentage
No Certificates	2	10%
Certificates	<u>18</u>	<u>90%</u>
<b>Total</b>	<b><u>20</u></b>	<b><u>100%</u></b>

<sup>16</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1 – Staff Development and Training; Section 3 – Career and Management Development, F. Supervisory Training, 1.

<sup>17</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1 – Staff Development and Training; Section 2 – Minimum Training Criteria, F. Lead Workers Training.

<sup>18</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1 – Staff Development and Training; Section 9 – Instructor Certification, E. Training Records, 1.

Fire Emergency Response Team:

Auditors reviewed training records for the Fire Emergency Response Team and found that 23 of the 24 members did not receive the required training. In addition, three of the 24 members did not receive the required respiratory training.

Corrections Emergency Response Team:

The Department has developed training policies for the Corrections Emergency Response Team (CERT). Department policy states:

*At a minimum, all mandatory subjects and hourly requirements shall be covered annually. A member who does not attend scheduled training must be rescheduled by the CERT Leader, in coordination with the Training Coordinator, to fulfill all CERT mandatory training hours before the end of the fiscal year.<sup>19</sup>*

*The facility CERT Team Leader will complete a quarterly training schedule no later than 30 days prior to each training quarter. . . . The facility CERT Leader will complete an Annual Training Report and forward copies to the . . . Facility Training Coordinator by June 30th of each fiscal year.<sup>20</sup>*

*A Training Coordinator is responsible for supervising the planning, coordinating, and monitoring of on-site training. He/She is also responsible for maintaining facility. . . training records.<sup>21</sup>*

*All facilities shall ensure that each employee receives all mandatory training. In the event that an employee is unable to attend a scheduled training session due to anticipated or unanticipated leave, the Training Coordinator shall ensure that the employee is rescheduled to receive the missed training. Within 30 days of the employee returning to duty, the Training Coordinator shall ensure that the training is scheduled and that the employee receives the missed training no later than the end of the following training quarter.<sup>22</sup>*

---

<sup>19</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1 – Staff Development and Training; Section 12 – Special Response Teams Training Requirements, E. Corrections Emergency Response Teams, 1. General Procedures, c.

<sup>20</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1 – Staff Development and Training; Section 12 – Special Response Teams Training Requirements, E. Corrections Emergency Response Teams, 1. General Procedures, b, e.

<sup>21</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1 – Staff Development and Training; Section 2 – Minimum Training Criteria, A. General Procedures, 2.

<sup>22</sup> Commonwealth of Pennsylvania, Department of Corrections' Policy Number 5.1.1 – Staff Development and Training; Section 2 – Minimum Training Criteria; B. Mandated In-Service, 4.

## **Audit Results**

Auditors reviewed training records for the CERT and found that none of the 19 members received the required training. In addition, Mercer did not have quarterly training schedules or annual reports available for review.

Required training	Number of staff	Percentage
Received required courses	0	0%
Did not receive required courses	<u>19</u>	<u>100%</u>
<b>Total</b>	<b><u>36</u></b>	<b><u>100%</u></b>

In-service training and employee development is necessary to improve upon, maintain, or enhance employees' basic skills, knowledge, and abilities. Management is responsible for ensuring that all employees receive the required training. Mercer did not have a Training Coordinator for over two months in late 2006. In addition, reoccurring computer malfunctions prevented staff from updating computerized training records. As a result, management could not consistently track attendance and schedule their personnel in makeup courses as soon as possible.

### **Recommendations:**

Mercer management should ensure that employees receive all mandatory training, and all instructors are certified to teach assigned courses. In addition, the Training Coordinator should monitor training and maintain all applicable records to ensure that staff is properly trained.

### **Management Comments:**

In a written response dated May 20, 2008, Mercer management provided the following response.

*Any and all deficiencies will be addressed and a plan of corrective action will be implemented.*

## **Staffing Levels**

The Department establishes security staffing requirements for each of its institutions by preparing a work force survey report. The survey establishes the basis for the Corrections - Officer complement based on security post positions. In May 2006, the Department established staffing requirements for support areas including Activities, Maintenance, Food Service, Chaplaincy, Business Office, Psychology Services, Dental and Nursing.

**Finding 5 – Mercer’s staffing levels were adequate.**

The audit of staffing levels found that Mercer effectively controlled staffing levels for corrections officers as well as the additional support areas. The levels are reflected in the following table:

<b>Mercer department</b>	<b>Proposed complement</b>	<b>Current complement</b>	<b>Difference</b>
Maintenance	8	8	0
Business Office	9	9	0
Food Service	16	15	-1
Nursing	15	15	0
Corrections Officer 1	180	160	-20
Corrections Officer 2	24	23	-1
Corrections Officer 3	9	10	1
Corrections Officer 4	6	5	-1
Corrections Officer 5	1	1	0
Total	<u>268</u>	<u>246</u>	<u>22</u>

According to management, the majority of vacancies resulted from employee transfers to the reopened State Correctional Institution at Pittsburgh, and to retirements. The current complement of 160 Corrections Officer I positions included only six actual vacancies. In addition, Mercer’s current complement also included 32 Corrections Officer Trainee positions, which, according to Mercer management, will be used to fill the vacancies in the proposed complement for Corrections Officer I upon promotion of the Trainees when their training is completed. As a result of these actions, we concluded that Mercer’s Human Resources Department was actively addressing the above vacancies.

**Employee Complaints**

Over 400 individuals are employed at Mercer. Approximately eighty percent of employees are classified as bargaining unit employees. There are seven different unions that cover bargaining unit employees and membership is based on the type of position held. Each bargaining unit agreement includes specific procedures that are to be used when handling employee complaints.

**Finding 6 – Mercer handled employee complaints timely.**

Our review disclosed that complaints were processed in a timely manner. The complaints reviewed were investigated and documented according to regulations. Formal union complaints are filed through Mercer’s Human Resources department. Informal complaints

## **Audit Results**

are filed with the individual's immediate supervisor and addressed through the chain of command.

### **Inmate General Welfare Fund**

The Inmate General Welfare Fund (IGWF) is a separate accounting fund from the Commonwealth's General Fund, which provides the funding for operations at Mercer. Although separate in nature, the Commonwealth maintains a fiduciary responsibility over the IGWF. To meet this responsibility, Mercer maintains an administrative staff responsible for operating the IGWF.

The IGWF consists of non-appropriated funds, which are locally controlled and administered. The IGWF serves as a depository for inmate owned money and for revenues generated by inmate-related activities. The profits from inmate-related activities are used to purchase items or activities that benefit the inmates but are not deemed inmate necessities by the DOC, such as movies, musical instruments and exercise equipment.

#### **Finding 7 – Mercer maintained the Inmate General Welfare fund adequately.**

Mercer maintained the IGWF according to Department policies, procedures, and regulations. All transactions reviewed were processed accurately and timely. Appropriate approvals were obtained. The petty cash count was accurate and bank reconciliations were prepared accurately and timely. Finally, Mercer had sufficient management controls to monitor fund activity.

## **Status of Prior Audit Finding and Recommendation**

The following is a summary of the finding and recommendation presented in our audit report from July 1, 2002, to February 4, 2005, along with a description of Mercer's disposition of the recommendation.

### **Procurement**

#### **Prior Finding I-2 – Mercer did not segregate SAP R/3 procurement duties adequately.**

Mercer assigned the institution's purchasing agent, warehouse manager, and two food service supervisors the ability to create purchase orders and receive goods through its role mapping process. When Mercer's staff was role-mapped to purchase and receive, the inherent segregation of duties control was weakened and the potential for unauthorized purchases to occur and go undetected was increased.

We recommended that Corrections and Mercer management evaluate the roles assigned to each Mercer employee in the current SAP system and make necessary changes to optimize the segregation of duties control.

#### **Status:**

In June 2005, the Commonwealth established a policy<sup>23</sup> that required all SAP roles to be assigned uniformly to positions in order to ensure adequate segregation of duties. In June 2007, the Commonwealth's Bureau of Integrated Enterprise System (IES) reassigned roles to positions instead of employees. Auditors reviewed role assignments for Mercer's purchasing agent, warehouse manager and the two food service supervisors and found that these employees did not have the ability to create a purchase order, and receive goods through the role-mapping process. Therefore, Mercer has complied with our recommendation.

---

<sup>23</sup> Commonwealth of Pennsylvania, Governor's Office, Management Directive Number 205.37 – Role Assignment, Security, and Internal Control Maintenance.

## **Audit Report Distribution List**

This report was initially distributed to the following:

### **Commonwealth of Pennsylvania**

The Honorable Edward G. Rendell  
Governor

The Honorable Gibson E. Armstrong  
Chair  
Senate Appropriations Committee  
Senate of Pennsylvania

The Honorable Gerald J. LaValle  
Democratic Chair  
Senate Appropriations Committee  
Senate of Pennsylvania

The Honorable Dwight Evans  
Chair  
House Appropriations Committee  
Pennsylvania House of Representatives

The Honorable Mario J. Civera Jr.  
Republican Chair  
House Appropriations Committee  
Pennsylvania House of Representatives

The Honorable Robin L. Wiessmann  
State Treasurer  
Pennsylvania Treasury Department

The Honorable Jeffrey A. Beard  
Secretary  
Pennsylvania Department of Corrections

Mary K. DeLutis  
Comptroller  
Public Protection and Recreation  
Office of the Budget

State Regional Correctional Facility at Mercer  
Michael Harlow  
Superintendent

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our Web site at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us).