

**Commonwealth of Pennsylvania**  
**Department of Corrections**  
**State Correctional Institution at Greensburg**  
**July 1, 2003, to November 4, 2005**  
**Performance Audit**





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October 11, 2006

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 Correctional Institution at Greensburg of the Department of Corrections from July 1, 2003, to November 4, 2005. 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 audit identified that Greensburg did not always follow policy for locating and identifying keys. The contents of the report were discussed with officials of the institution and all appropriate comments are reflected in the report.

We appreciate the cooperation extended to us by management and staff of the State Correctional Institution at Greensburg, and by others who provided assistance during the audit.

Sincerely,

JACK WAGNER  
Auditor General



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## **Background Information**

### **Department of Corrections**

The Pennsylvania Bureau of Corrections was established by Section I of Act 408 of 1953. In January 1981, responsibility for bureau operations was removed from the authority of the Attorney General and transferred to the Office of the General Counsel. On December 30, 1984, the Governor signed Act 245 of 1984,<sup>1</sup> which elevated the Bureau of Corrections to cabinet level status as the Department of Corrections (Corrections).

The main purpose and goal of Corrections is to maintain a safe and secure environment for the incarcerated offenders and the staff responsible for them. In addition, Corrections is committed to providing opportunities for inmates to acquire the skills and values necessary to become productive law-abiding citizens.

Corrections is responsible for all adult offenders serving state sentences of two years or more. As of June 30, 2005, it operated 24 correctional institutions, 1 regional correctional facility, 1 motivational boot camp, a training academy, and 15 community pre-release centers throughout the Commonwealth of Pennsylvania.

### **State Correctional Institution at Greensburg**

The State Correctional Institution at Greensburg (Greensburg) is a medium security facility for adult male offenders located in Greensburg, Westmoreland County, 25 miles southeast of Pittsburgh. The facility was constructed in 1966 and originally served as the Westmoreland County Prison. The Commonwealth acquired the facility on April 9, 1969, and converted it for use as the state's first regional correctional facility to serve a nine-county area in southwestern Pennsylvania. Effective May 1, 1986, the State Regional Correctional Facility at Greensburg became the State Correctional Institution at Greensburg.

Greensburg is accredited as an adult institution by the Commission on Accreditation for Corrections. Greensburg's mission is to protect society through the safe and humane confinement of the criminal offenders entering the institution.

Greensburg's physical plant consists of 130 acres of land and includes fourteen cellblocks and one modular unit.

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<sup>1</sup> 71 P.S. § 310.1

## **Background Information**

The following schedule presents selected unaudited Greensburg operating statistics compiled by Corrections for the years ended June 30, 2003, 2004, and 2005:

	2003	2004	2005
Operating expenditures (rounded in thousands) <sup>2</sup>			
State	\$24,453	\$31,135	\$31,663
Federal	<u>211</u>	<u>199</u>	<u>100</u>
Total	<u>\$28,664</u>	<u>\$31,334</u>	<u>\$31,763</u>
Inmate population at year-end	860	915	897
Capacity at year-end	517	800	800
Percentage of capacity at year-end	166.3%	114.4%	109.6%
Average monthly inmate population	856	911	897
Average cost per inmate <sup>3</sup>	\$33,486	\$34,396	\$35,411

<sup>2</sup> Operating expenditures 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 the operating expenditures by the average monthly inmate population.

## *Objectives, Scope, and Methodology*

The audit objectives are detailed in the body of this report. We selected the objectives from the following general areas:

- Inventory including tool and key control inventories.
- Inmate General Welfare Fund commissary.
- SAP R/3 Payroll module and contracts.
- Westmoreland Community College Contract.
- In addition, we determined the status of recommendations made during the prior audit of the institution.

To accomplish these objectives, we interviewed various Corrections management and staff, obtained and reviewed available records, and analyzed pertinent regulations, policies, and guidelines.

The scope of the audit was from July 1, 2003, to November 4, 2005, unless indicated otherwise in the individual report chapters.

## **Chapter I – Tool and Key Control Inventory**

### **Objective and Methodology**

The mission of the Department of Corrections is to operate its facilities in the most secure manner to ensure the safety of the public, facility staff, and inmates. Part of the institution's security is the maintenance of the tool and key inventories. Tools and keys must be properly stored, marked, and disbursed to ensure the institution's security is not compromised.

The objective of this part of the audit was to determine if Greensburg established and implemented adequate internal controls for safeguarding its tool and key inventories. To accomplish this objective, we performed the following procedures:

- Reviewed applicable Corrections<sup>4</sup> and institution<sup>5</sup> policies and procedures.
- Interviewed appropriate management and staff.
- Toured the facility.
- Reviewed quarterly inspection reports from June 2003 to June 2005.
- Reviewed the key sign-out log from January 2005 to July 2005.
- Reviewed the main control center's daily logs from July 2004 to July 2005.
- Reviewed quarterly key control reports from September 2004 to June 2005.
- Determined the status of keys listed as unassigned as of July 2005.
- Reviewed weekly and quarterly tool reports, tool issue forms, tool turn-in receipt forms, missing tool reports, and incident report forms filed during the 2004 fiscal year.
- Reviewed employee training records for key control from July 2004 to June 2005.

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<sup>4</sup> Department of Corrections, Policy Number 6.3.1, Section 7.

<sup>5</sup> Ibid.

## Chapter I– Tool and Key Control Inventory

### Audit Results

#### **Finding I-1 – Greensburg established adequate internal controls to monitor and account for the institution tool inventory.**

Weekly and quarterly tool inventory and inspection reports were conducted as required. Each area that stored and issued tools had implemented a control and accountability system for all tools. The institution utilizes shadow boards, sign-out/sign-in sheets and a tagging system to track and identify tools in use. All tool inventories were conducted as required and discrepancies were immediately reported to security. The tool control officer disposed of broken or surplus tools in accordance with applicable policies and procedures.

#### **Finding I-2 – Greensburg did not always follow key control policies.**

The audit of key control at Greensburg found that individual key rings selected for testing contained the proper number and type of keys. Emergency keys from the main control center were signed in/out according to established policies and procedures. However, exceptions were noted in the handling of the key inventory records and identifying key rings issued to employees.

Testing of inventory records disclosed that the control center's inventory listing was not current. Inventory records included unassigned or destroyed keys. In the event of an emergency, the control center must have the ability to determine what keys are present in the institution at any given moment. The audit also identified that the chit system, used to identify key rings issued to specific employees, was not always used.

Corrections policy states:

*A current master inventory of all facility keys and key rings is maintained in the Control Center and copies are maintained by the Key Control Officer and Facility Locksmith.<sup>6</sup>*

Auditors reviewed the main control center keyboard and found that certain chits were used incorrectly. A particular tag that was marked PAR #1 was found on a hook. Further discussion revealed that this particular key ring was issued to an employee assigned to the parole office. Five chits were marked in a similar fashion. These sets were distributed to parole office employees in no particular order. Therefore, the control center could not determine which parole office employee was assigned any particular set on any given day.

In addition, auditors noted two hooks that had tags marked as 24 hours. These key rings are used for posts that require 24-hour coverage and the keys remain at that post. Again, the main control center had no way of determining which employee was assigned that key ring at any given time.

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<sup>6</sup> Department of Corrections, Policy Number 6.3.1, Section 10. B.

## Chapter I– Tool and Key Control Inventory

Corrections policy states:

*Each employee who will be using keys in the course of his/her duties shall be issued a metal or plastic key chit with his/her name or employee number stamped or engraved on it. To access his/her keys the employee shall exchange the key chit with the Key Issue Officer. At the end of the shift, the employee shall turn in his/her keys and his/her chit shall be returned to him/her. For those keys remaining on post, the relieving employee shall exchange his/her key chit for the one on the keyboard in the Control Center and hand it off to the employee he/she is relieving.<sup>7</sup>*

In the event of an emergency, the main control center must have the ability to determine which employees are in possession of specific key rings in order to minimize any breach of security.

### Recommendation:

Greensburg management should enforce existing key control policies and procedures to ensure that inventory records are current and the chit system is used properly to identify employees who are in possession of keys at any given time.

### Management Comments:

Greensburg management provided the following written response to the audit report on September 26, 2006:

*Greensburg agrees with this finding. The issues involved minor discrepancies that were easily corrected as they were pointed out. Verification of the issues being resolved was made by auditing staff prior to the completion of the audit.*

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<sup>7</sup> Department of Corrections, Policy Number 6.3.1, Section 10. F.

## **Chapter II – Inmate General Welfare Fund Commissary**

### **Objective and Methodology**

Corrections policy states that inmates must be provided with basic clothing items at the time of their reception and throughout their confinement. Inmates are also to be provided with the opportunity to purchase a reasonable variety of items in addition to those furnished by the facility. These purchases can be made through the facility's commissary operations.

The objective of this part of the audit was to determine if Greensburg had established adequate internal controls over commissary operations, including the procurement function, issuing of items, and the inventory of stock. To accomplish this objective, we performed the following procedures:

- Reviewed Corrections policies and procedures on commissary operations.<sup>8</sup>
- Interviewed management and staff responsible for commissary operations.
- Reviewed documentation of the commissary system of operation.
- Haphazardly selected 10 of 449 items from the commissary inventory dated June 29, 2005.
- Randomly selected and tested ten inmate commissary transactions.
- Tested all the electronic inventory items.

### **Audit Results**

#### **Finding II-1 – Greensburg complied with internal controls over commissary operations.**

The testing of 10 inmate transactions of purchases made at the commissary revealed no exceptions. All were found with an accurate commissary order sheet, a proper posting to the inmate's account, and no instances where the purchase dollar limit was exceeded. The sample of 10 items selected randomly from the commissary inventory again revealed no exceptions. All items were on Correction's approved master commissary list and all items

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<sup>8</sup> Department of Corrections, Policy Number DC-ADM 815, Personal Property, Basic/State Issued Items and Commissary/Outside Purchases; Department of Corrections Policy Number 3.1.1 – Fiscal Administration.

## **Chapter II – Inmate General Welfare Fund Commissary**

were purchased in accordance with applicable procurement procedures. A review of the electronics inventory revealed that all items were properly secured and none were found to be overstocked, obsolete, or slow moving. Based on our testing, we concluded that Greensburg established adequate internal controls over commissary operations.



## **Chapter III – SAP R/3 Payroll Module**

### **Objectives and Methodology**

Greensburg implemented the SAP R/3 Payroll module in January 2004.

The objectives of this part of the audit were to determine if Greensburg had adequate internal controls over the SAP R/3 Payroll module, including the input of time, leave, and payroll deductions, and the role mapping of employee duties to establish adequate segregation of duties. To accomplish these objectives, we performed the following procedures:

- Interviewed Greensburg management and staff responsible for payroll activity.
- Randomly selected and tested 35 employees from the last payroll generated under the former accounting system, and compared the employees' gross salaries to the gross salaries generated under the SAP R/3 Payroll module for the pay period ending January 31, 2004.
- Reviewed leave records of 16 of the 35 employees who used leave during the months of April, May, and June 2005 to determine if the leave was recorded properly.
- Randomly selected ten corrections officers' records and analyzed overtime earned during the months of April, May, and June 2005 for proper authorization and justification.
- Evaluated the roles assigned to payroll personnel to determine adequate segregation of duties.

## **Chapter III – SAP R/3 Payroll Module**

### **Audit Results**

#### **Finding III-1 – Greensburg had adequate internal control over time, leave, and payroll deduction input and the segregation of employee duties in the SAP R/3 Payroll module.**

The test work performed revealed that hours worked and benefits were documented and calculated correctly. Auditors also found that leave tested for the 16 employees was calculated and recorded properly. Leave slips were completed and submitted for each instance of leave recorded. Testing of overtime for the 10 selected corrections officers found that overtime was properly authorized and justified. In addition, auditors evaluated the roles assigned (authorized duties) to payroll personnel. Our audit revealed that no conflicting roles were assigned. Based on this testing, we concluded that adequate control existed over the input and processing of payroll.

## **Chapter IV – Westmoreland Community College Contract**

### **Objective and Methodology**

Greensburg contracts with various vendors to provide a variety of services. Institutional management is responsible to ensure that adequate services are provided and expenditures are incurred according to contract stipulations.

Greensburg entered into a contract with Westmoreland Community College to provide post-secondary vocational or business related educational certificate program services to incarcerated adults.

The objective of this part of the audit was to determine if Greensburg had adequate internal controls to ensure the selected contract was properly monitored and complied with applicable Commonwealth guidelines. To accomplish this objective we performed the following procedures:

- Reviewed Commonwealth related procurement policy.<sup>9</sup>
- Assessed relevant internal controls.
- Interviewed management and staff responsible for contract payment and oversight.
- Compared the fall semester 2004 and spring semester 2005 vendor invoices to a listing of established tuition rates, book prices, and miscellaneous fees for accuracy.
- Randomly selected and tested 14 records for inmates enrolled in the fall 2004 semester and 10 inmates enrolled in the spring 2005 semester for proper registration and tuition payment.

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<sup>9</sup> The Commonwealth of Pennsylvania; Governor's Office; Field Procurement Handbook; Number M215.3; Part I – Policies and Guidelines; Part II – Procurement of Supplies Procedures; and Part III – Procurement of Services Procedures.

## **Chapter IV – Westmoreland Community College Contract**

### **Audit Results**

#### **Finding IV-1 – Greensburg had adequate internal controls to ensure the selected contract was properly monitored and complied with applicable Commonwealth policies and procedures.**

Auditors tested 24 inmate records for proper registration and tuition payment. All were registered and paid the proper tuition in accordance with contract terms. In addition, all vendor invoices were accurate and charges did not exceed the established rates. Based on this testing, we concluded that the contract was monitored properly, according to Commonwealth policies and procedures.

## **Status of Prior Audit Findings and Recommendations**

### **Objectives and Methodology**

The following is a summary of the conclusions and recommendations presented in our audit report from July 1, 2001, to June 13, 2003, along with a description of Greensburg's disposition of the recommendations. One or more of the following procedures determined the status of the conclusions and recommendations:

- Tests performed as part of, or in conjunction with the current audit.
- Discussions with appropriate Greensburg personnel regarding the prior audit findings and recommendations.

### **Prior Audit Finding**

#### **Chapter IV-1 – Restitution, fines, or costs were not deducted for some court orders issued prior to October 16, 1998.**

Our prior audit reported that the testing of 35 of 359 inmate records that did not have Act 84 deductions disclosed that Greensburg did not collect court-ordered obligations from 14 of the 35 inmates. Thirteen of the 14 inmates had court orders with a date prior to the Act's effective date of October 16, 1998. The remaining inmate had a court order that was dated after the effective date. The court orders of the 13 inmates totaled \$5,134.

We recommended that the Department of Corrections adopt policies and procedures for review of all records of current inmates for the purpose of deducting restitution, fines, and costs related to all court orders. We also recommended that Greensburg's records department review all current inmate files to identify all current court orders and ensure Act 84 deductions were made for all relevant accounts.

#### **Status:**

In a letter to the Auditor General, dated August 18, 2004, Corrections disagreed with the prior report's recommendation. According to the letter, due to the sweeping provisions of Act 84 and its impact on Corrections, county courts, and many other organizations, it was decided that Corrections would look only at court orders submitted after October 16, 1998. In addition, Corrections would continue to collect debt from court orders for which collections were already being taken. Furthermore, due to the overwhelming workload that would be placed upon Corrections' staff, the records of approximately 36,000 currently

## **Status of Prior Audit Findings and Recommendations**

incarcerated inmates would not be reviewed. Lastly, Corrections indicated that it wanted to start fresh in confronting the new requirements of Act 84.

The current audit disclosed that Corrections has not issued a revised directive to its institutions to collect inmate restitution and court costs associated with court orders issued prior to October 16, 1998, based on the reasons cited in the August 18, 2004 letter.

Although we reaffirm our prior position that Act 84 collection requirements may apply to the accounts of inmates sentenced to the Department of Corrections' institutions both before and after the effective date of the Act, we accept Corrections' disposition of the finding as a reasonable approach to collecting restitution and other court costs.

## *Audit Report Distribution List*

This report was initially distributed to the following:

### Commonwealth of Pennsylvania

The Honorable Edward G. Rendell  
Governor

The Honorable Robert P. Casey, Jr.  
State Treasurer

The Honorable Noah W. Wenger  
Majority Chair  
Senate Appropriations Committee  
Senate of Pennsylvania

The Honorable Vincent J. Fumo  
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Mary K. DeLutis  
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The Honorable Jeffrey A. Beard  
Secretary  
Pennsylvania Department of Corrections

State Correctional Institution at Greensburg  
David J. Wakefield  
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).