



Performance Audit

State Correctional Institution at Muncy

**Department of Corrections
Commonwealth of Pennsylvania**

January 2012

January 17, 2012

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 State Correctional Institution at Muncy of the Department of Corrections from July 1, 2006, to November 18, 2009. 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 identified that SCI Muncy failed to ensure that its correction officers received mandated training. Muncy also failed to prioritize work orders and failed to monitor fuel usage for its automotive fleet. We offered four recommendations to address the issues we identified.

We discussed the content of this report with management of the State Correctional Institution at Muncy, and all appropriate comments are reflected in the report.

Sincerely,

JACK WAGNER
Auditor General

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

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Jack Wagner, Auditor General
January 2012*

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**Background
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**Background
Information**

*History, mission,
and operating
statistics*

Department of Corrections

The Pennsylvania General Assembly created the Bureau of Corrections under the authority of the former Department of Justice with the passage of Act 408 of 1953. Act 164 of 1980, known as the Commonwealth Attorneys Act, then transferred responsibility for the Bureau of Corrections from the Department of Justice to the Office of General Counsel under the Governor. On December 30, 1984, the Governor signed Act 245 of 1984 (71 P.S. § 310-1) elevating the Bureau of Corrections to cabinet-level status as the Department of Corrections.

The mission of the Department of Corrections is as follows:

Our mission is to reduce criminal behavior by providing individualized treatment and education to offenders, resulting in successful community reintegration through accountability and positive change.¹

The Department of Corrections is responsible for all adult offenders serving sentences of two years or more. As of January 31, 2011, it operated 26 correctional institutions, 1 motivational boot camp, 1 training academy, and 14 community pre-release centers throughout the Commonwealth of Pennsylvania. In addition to the 14 community pre-release centers, the Department of Corrections also had oversight for 39 contracted facilities, all part of the community corrections program.

State Correctional Institution at Muncy

The State Correctional Institution at Muncy, referred to in this report as SCI Muncy, is located in the Borough of Muncy, Lycoming County, approximately 18 miles east of Williamsport. SCI Muncy is the diagnostic and classification center for the state's female inmates. SCI Muncy was originally opened in 1920 as "The Muncy Industrial Home," a training school for female offenders between the ages of 16 and 30. Incorporated into the Bureau of Corrections in 1953, SCI Muncy is a close-security prison that also houses all of the state's female capital case inmates. SCI

¹ http://www.portal.state.pa.us/portal/server.pt/community/department_of_corrections/4604/our_mission/716263, verified January 4, 2012.

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Department of Corrections

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Muncy encompasses 793 acres of land, of which 62 acres are inside the institution's perimeter security fence. Ten permanent and two modular inmate housing units are located within the perimeter security fence.

The following schedule presents selected unaudited SCI Muncy operating statistics compiled by the Department of Corrections for the years ended June 30, 2007, 2008, and 2009:

	Using rounding		
	2007	2008	2009
Operating expenditures			
State share	\$44,586,750	\$47,831,550	\$52,510,565
Federal share	<u>136,387</u>	<u>133,151</u>	<u>128,661</u>
Total operating expenditures	\$44,723,137	\$47,964,701	\$52,639,226
Inmate population at year-end	1,199	1,340	1,468
Inmate capacity at year-end	1,148	1,148	1,242
Percentage of capacity at year-end	104.4%	116.7%	118.2%
Average monthly inmate population	1,153	1,233	1,412
Average cost per inmate per year ²	\$ 38,788	\$ 38,901	\$ 37,280

² Average cost per inmate per year was calculated by dividing total operating expenses by the average monthly inmate population.

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**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.

Our performance audit of SCI Muncy had seven objectives described below. We selected our audit objectives from the following areas: training, work orders, staffing, bonuses/pay incentives, accreditation, automotive, and inmate general welfare fund. The specific objectives were as follows:

- One To determine if SCI Muncy complied with the recommendations in our prior audit to implement a system to track, verify, and ensure that corrections officers received all mandated computer-based training.
- Two To determine if SCI Muncy processed work orders in compliance with Department of Corrections' policies.
- Three To determine whether staffing levels were sufficient to meet SCI Muncy's needs.
- Four To determine if SCI Muncy's use of bonuses/pay incentives for employees was proper.
- Five To determine if SCI Muncy received accreditation from the Commission on Accreditation for Corrections and responded to the American Correctional Association's audit recommendations.
- Six To determine if SCI Muncy managed its automotive fleet in compliance with the Commonwealth of Pennsylvania's and the Department of Corrections' policies.
- Seven To determine if SCI Muncy managed the Inmate General Welfare Fund in compliance with the Department of Corrections' policies and procedures.

**Objectives,
Scope, and
Methodology**

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Department of Corrections**

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Unless otherwise indicated, the scope of the audit was from July 1, 2006, to November 18, 2009.

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

We also performed inquiries and tests as part of, or in conjunction with, our current audit to determine the status of the implementation of the recommendations made during our prior performance audit related to contracts, direct payment expenditures, roll-mapping of procurement duties, mandated computer-based training and fire emergency response team training.

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Audit Results

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Audit Results

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

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

**State Correctional Institution at Muncy
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**Audit Results:
Training**

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**Audit Results
for
Objective
One**

The objective

Objective one for our performance audit was to determine if SCI Muncy complied with the recommendations in our prior audit to implement a system to track, verify, and ensure that corrections officers received all mandated computer-based training.

Training

Relevant laws, policies, or agreements

SCI Muncy’s correction officer computer-based training incorporates training requirements from the Commonwealth of Pennsylvania, Department of Corrections’ Training Academy, basic training program course approval packet dated December 2004, and revised August 22, 2006, the Department of Corrections’ Policy, 5.1.1, “Staff Development and Training,” and the Department of Corrections’ “Staff Development and Training Procedures Manual.”³

Scope and methodologies to meet our objective

In order to accomplish our objective we interviewed the SCI Muncy training officer. We obtained and reviewed the Department of Corrections’ training policies and procedures. We also obtained and reviewed a copy of SCI Muncy’s training plans for the fiscal year ended June 30, 2008, and obtained and reviewed copies of SCI Muncy’s quarterly training reports for the fiscal year ended June 30, 2008. Finally, we examined copies of SCI Muncy’s training records for 42 corrections officers chosen for the fiscal year ended June 30, 2008.

³ Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1, “Staff Development and Training Procedures Manual,” Section 2, Minimum Training Criteria, Attachment 2-A, Attachment 2-B, and Attachment 2-C; revised November 2008.

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**Audit Results:
Training**

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Finding 1

SCI Muncy management again failed to ensure that corrections officers received mandated training.

Our prior audit noted that not all computer-based training was completed by the corrections officers. That audit report noted that SCI Muncy's management agreed with our findings and agreed to implement a system to track, verify, and ensure corrections officers received the mandated computer-based training courses.

Our current audit found that although SCI Muncy management has implemented a system to track, verify, and ensure corrections officers receive the mandated computer-based training courses, we found 13 out of 42 corrections officers tested, or 31 percent, did not obtain the mandated nine hours of computer-based training. Specifically, our testing of the 42 training records indicated that 1 corrections officer had missed all nine hours of the mandated computer-based training while 12 others had missed anywhere from 0.25 to 8.0 hours of the training.

According to SCI Muncy management, the training coordinator runs a report each quarter that identifies all training classes that need to be completed by the corrections officers and forwards this list to the administrative staff and the shift commanders. Management also stated that the training coordinator goes over the report during weekly administrative staff meetings.

In order to verify the results of our testing of the training records, we obtained copies of the reports generated by the training coordinator and verified that the same 13 corrections officers were, in fact, listed on the reports as not having completed the mandated computer-based training.

According to the training coordinator, once the shift commanders receive this report they are to notify the corrections officers on their shift that the corrections officers need to complete their computer-based training.

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**Audit Results:
Training**

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**Recommendations
for Finding 1**

1. Both the training coordinator and the shift commanders must be more diligent in their review and enforcement of the completion of mandated computer-based training courses. SCI Muncy management must also set up a schedule of times and dates when each corrections officer identified as not being in compliance with mandated computer-based training can complete their training.

Comments from SCI Muncy management

SCI Muncy management stated that they agree with our recommendations and will start scheduling dates and times for the corrections officers to take the computer-based training rather than leaving it up to the corrections officers to take the computer-based training at their convenience.

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**Audit Results:
Work Orders**

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**Audit Results
for
Objective
Two**

The objective

Objective two for our performance audit was to determine if SCI Muncy processed work orders in compliance with Department of Corrections' policies.

Relevant laws, policies, or agreements

Work Orders

The maintenance department at SCI Muncy consisted of eight trade shops: automotive, electrical, plumbing, carpentry, painting, refrigeration, electronics, and welding shops. The maintenance department is responsible for providing emergency, urgent, routine, and preventive maintenance. SCI Muncy also uses inmate labor to support the maintenance operations and to provide job training to the inmates.

The maintenance work order system is operated through the Department of Correction's maintenance management system. The system was implemented into Muncy operations on November 30, 2005. According to Department of Corrections' policy,⁴ this system enables each department head to electronically submit work orders to the maintenance department. Once received, the maintenance department is able to review, evaluate, approve, prioritize, and assign the task to the proper department or shop responsible. Regarding completion of each work order, the Department of Corrections' policy states as follows:

As work order assignments are completed, it is the responsibility of each maintenance staff member to provide information listing time and materials used. As work order assignments are completed, the work order is to be signed and dated by the maintenance personnel completing the work and returned to his/her immediate supervisor. The supervisor shall inspect the completed work, and forward the work order to the Facility Maintenance Managers' office for review and administrative tracking.⁵

⁴ Commonwealth of Pennsylvania, Department of Corrections, Policy Number 10.02.01, "Facility Maintenance Manual," Section 12, Maintenance Work Orders, and Section 13, Preventative Maintenance, effective date September 3, 2008.

⁵ Commonwealth of Pennsylvania, Department of Corrections, Policy Number 10.02.01, "Facility Maintenance Manual," Section 12, Maintenance Work Orders, Sub Section F. 4, effective date September 3, 2008.

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Department of Corrections****Audit Results:
Work Orders***Pennsylvania Department of the Auditor General**Jack Wagner, Auditor General**January 2012*

Scope and methodologies to meet our objective

To accomplish this objective, we interviewed SCI Muncy's facility maintenance manager and the maintenance clerk typist. We reviewed the Department of Corrections' policies.⁶ We selected 77 work orders processed during the period from July 1, 2007, to June 30, 2008. We also tested the work orders for compliance with the Department of Corrections' policy.

Finding 2**SCI Muncy did not properly assign priority code numbers to work orders in accordance with the Department of Corrections' policy.**

Our audit of 77 SCI Muncy work orders showed that Muncy's maintenance department properly assigned, authorized, and documented the labor hours and materials utilized. In addition, we calculated that the average number of days between the start date and the completion date was eight, and we concluded that in most cases eight days was reasonable for the work assigned.

However, our testing found that the maintenance department did not assign a priority code to 54 of the 77 sampled work orders. The Department of Corrections' policy states as follows:

Work orders for repairs shall be initiated by each respective department staff, signed by the department head (no signature is required for an electronic work order request) and forwarded to the Maintenance Department for review, evaluation, disposition, approval, assignment of a priority code, and scheduling of the work.⁷

⁶ Commonwealth of Pennsylvania, Department of Corrections' Policy Number 10.02.01, Facility Maintenance Manual," Section 12, Maintenance Work Orders, and Section 13, Preventative Maintenance, effective date September 3, 2008.

⁷ Commonwealth of Pennsylvania, Department of Corrections, Policy Number 10.2.1, "Facility Maintenance Manual," Section 12 Maintenance Work Orders, Sub Section A. General Procedures, 1. Requesting Maintenance Work dated September 3, 2008.

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**Audit Results:
Work Orders**

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According to policy⁸ there are four specific priority codes that can be assigned to each work order which are as follows:

1. Emergency – security repairs – immediate;
2. Immediate – health and safety repairs – work that needs to be addressed immediately;
3. Urgent – repairs that need to be addressed the next scheduled work day;
4. Routine – general repairs and preventive maintenance.

By not properly assigning priority codes to work orders, significant repairs that may have security and or safety issues may not be completed timely. Five of the work orders reviewed having no priority codes listed, were related to security issues. One example was a bent cell key that was not identified as a priority code 1 – Emergency that needed immediate repair. As a result of not assigning a code 1, the repair took 12 days. By not listing priority codes on all work orders, management did not address the severity of work related issues.

**Recommendation
for Finding 2**

2. SCI Muncy management should enforce existing policies to ensure that all work orders include priority codes as required in the Department of Corrections’ Facility Maintenance Procedures Manual.

Comments from SCI Muncy management

SCI Muncy management stated that they agree with our recommendation and will start including priority codes on work orders so that the work orders are done in order of importance.

⁸ Commonwealth of Pennsylvania, Department of Corrections, Policy Number 10.2.1, “Facility Maintenance Manual,” Section 12 Maintenance Work Orders, Sub Section D – Maintenance Priority Code Numbers dated September 3, 2008.

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**Audit Results:
Staffing**

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**Audit Results
for
Objective
Three**

The objective

Objective three for our performance audit was to determine whether staffing levels were sufficient to meet SCI Muncy's needs.

Relevant laws, policies, or agreements

Staffing

The Department of Corrections conducts an internal review of all state correctional institutions employee staffing on an annual basis, which is referred to as the "Manpower Survey." The Department of Corrections' analyzes data collected from each facility in order to identify the complement of correctional officers needed at each of their facilities.

Scope and methodologies to meet our objective

In order to accomplish this objective, we interviewed SCI Muncy's human resources analyst. We obtained and reviewed a copy of the "Manpower Survey" for SCI Muncy, which was approved by the Department of Corrections on March 26, 2008. We also obtained and reviewed copies of SCI Muncy's employee complement reports, and vacancy reports.

Finding 3

SCI Muncy took steps to address the corrections officer complement deficiencies identified in its Department of Corrections' "Manpower Survey" report.

The Department of Corrections' Manpower Survey for SCI Muncy showed that the corrections officer complement as of March 26, 2008, should have been 306. Our testing revealed that SCI Muncy's corrections officer complement was 291 on June 23, 2008. However, as of June 30, 2008, the SCI Muncy human resources department had already hired two correction officers and was processing another ten correction officer candidates leaving SCI Muncy only three corrections officers below the recommended level.

As a result of the employment actions taken by the SCI Muncy human resources department, the institution was taking the steps necessary to bring its staffing level of corrections officers in line with the

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**Audit Results:
Staffing**

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recommendations contained in the Department of Correction's
Manpower Survey.

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**Audit Results:
Bonuses/Pay
Incentives**

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**Audit Results
for
Objective
Four**

The objective

Objective four for our performance audit was to determine if SCI Muncy's use of bonuses/pay incentives for employees was proper.

Relevant laws, policies, or agreements

*Bonuses/Pay
Incentives*

In order for the Department of Corrections to attract and retain medical and dental professionals, the Commonwealth established criteria for implementing bonuses/pay incentives as follows:

- The "Physicians and Related Occupations Quality Assurance Program" entitles medical staff to a bonus/pay incentive based on their number of full credited years of service.⁹
- The "Physicians and Related Occupations Specialty Board Certification" payments entitle medical staff to a bonus/pay incentive based on their certification by an approved specialty board.¹⁰
- Signing bonus – a contractual agreement to pay permanent full-time employees in active pay status on July 1, 2007, a one-time lump sum cash payment of \$1,250 or \$625 for permanent part-time employees.¹¹

⁹ Commonwealth of Pennsylvania, Governor's Office, Management Directive 525.16, "Physicians and Related Occupations Quality Assurance Program," dated February 14, 2006;
Agreement between the Commonwealth of Pennsylvania and the Pennsylvania State System of Higher Education and Pennsylvania Doctors Alliance for July 1, 2005, through June 30, 2009.

¹⁰ Commonwealth of Pennsylvania, Governor's Office, Management Directive 535.2 "Physicians and Related Occupations Specialty Board Certification Payments," dated February 21, 2006.

¹¹ Master Agreement between the Commonwealth of Pennsylvania and Council 13, American Federation of State, County and Municipal Employees, AFL-CIO, effective July 1, 2007, to June 30, 2011;
Collective Bargaining Agreement for Educational and Cultural Employees between the Commonwealth of Pennsylvania and the Federation of State Cultural and Educational Professionals Local 2382 American Federation of Teachers Pennsylvania AFL-CIO, effective July 1, 2007, through June 30, 2011;
Agreement between the Commonwealth of Pennsylvania and the Service Employees International Union, District 1199P, CTW, CLC, 8 effective July 1, 2007, through June 30, 2011;
Agreement between the Commonwealth of Pennsylvania and the Correctional Institution Vocational Education Association, Pennsylvania State Education Association, National Education Association, effective July 1, 2007, to June 30, 2011.

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**Audit Results:
Bonuses/Pay
Incentives**

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The Department of Corrections has also established procedures for employee recognition in its human resources and labor relations policy.¹²

Scope and methodologies to meet our objective

To accomplish this objective, we interviewed SCI Muncy’s business and human resource managers. We reviewed applicable Commonwealth of Pennsylvania management directives, Department of Corrections’ policies and contractual labor agreements to identify established bonus/pay incentive amounts. We also reviewed SCI Muncy’s accounting reports for fiscal years ended June 30, 2006, June 30, 2007, and June 30, 2008, to determine the amount of bonuses/pay incentives incurred. Finally, we determined if SCI Muncy’s employee bonus/pay incentive payment calculations agreed to applicable Commonwealth of Pennsylvania policies, Department of Corrections’ policies, and contractual labor agreements.

Finding 4

SCI Muncy made bonus/pay incentive payments in accordance with applicable management directives or contractual union agreements.

For the fiscal years ended June 30, 2006, June 30, 2007, and June 30, 2008, SCI Muncy expended \$15,000, \$11,500, and \$230,400 respectively for bonuses/pay incentives to its employees. The following chart illustrates the breakdown of payments by general ledger fund.

¹² Commonwealth of Pennsylvania, Department of Corrections, Policy Number 4.1.1, “Human Resources and Labor Relations Procedures Manual,” Section 50 Employee Recognition, Section B Cash Performance Award Program, Sub Section.2 Eligibility and Sub Section B.3 Criteria .a.

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**Audit Results:
Bonuses/Pay
Incentives**

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	Fiscal Year Ended June 30,		
	2006	2007	2008
Physicians and related occupations quality assurance - medical	\$ 6,000	\$ 0	\$ 0
Physicians and related occupations quality assurance - dental	9,000	10,000	11,000
Contractual signing bonuses	0	0	219,400
Cash performance award program	0	1,500	0
Total bonuses/pay incentives	<u>\$15,000</u>	<u>\$11,500</u>	<u>\$230,400</u>

All awards were made in accordance with the respective management directives and policies while bonuses paid to union employees were made in accordance with applicable contractual labor agreements.

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**Audit Results:
Accreditation**

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**Audit Results
for
Objective
Five**

The objective

Objective five for our performance audit was to determine if SCI Muncy received accreditation from the Commission on Accreditation for Corrections and responded to the American Correctional Association's audit recommendations.

Accreditation

Relevant laws, policies, or agreements

The American Correctional Association and the Commission on Accreditation for Corrections are private, non-profit organizations that administer the only national accreditation program for all components of adult and juvenile corrections. Their purpose is to promote improvement in the management of correctional facilities through the administration of a voluntary accreditation program and the ongoing development and revision of relevant, useful standards.

Although the accreditation process is a voluntary program, the Department of Corrections' policy statement for the accreditation program and annual inspections has established procedures for pursuing compliance with nationally recognized standards for the operation and management of correctional facilities via an accreditation program.¹³

The Commonwealth contracts with the Commission on Accreditation for Corrections and is assigned an appointed American Correctional Association committee that conducts a standards compliance audit and prepares a written visiting committee report to be submitted to the Commission on Accreditation for Corrections. The visiting committee report includes comments from interviews conducted with inmates and staff, as well as a detailed explanation of all non-compliant and inapplicable standards.

To receive accredited status, an institution must be 100 percent compliant on mandatory standards and a minimum of 90 percent compliant on non-

¹³ Commonwealth of Pennsylvania, Department of Corrections, Policy Number 1.1.2, "Accreditation & Annual Operations Inspections," dated November 3, 2008.

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Accreditation****State Correctional Institution at Muncy
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mandatory standards.¹⁴ When these benchmarks are attained, an institution is awarded a three-year accreditation.

Scope and methodologies to meet our objective

To accomplish this objective, we interviewed SCI Muncy's business manager. We reviewed the Department of Corrections' policy statements. We also reviewed a copy of the 2006 American Correctional Association audit report. Next, we obtained a copy of SCI Muncy's follow-up plan of action and waiver request in response to the American Correctional Association's reaccreditation audit conducted October 2-4, 2006. Finally, we obtained a copy of the Commission on Accreditation for Corrections' Accreditation Certificate for SCI Muncy.

Finding 5**SCI Muncy responded appropriately to the findings cited in its standards compliance audit.**

On January 22, 2007, the Commission on Accreditation for Corrections awarded a three-year accreditation to SCI Muncy as a result of the compliance audit conducted by the American Correctional Association from October 2-4, 2006. According to the visiting committee report, SCI Muncy complied with 100 percent of the 57 applicable mandatory standards and 434, or 99.5 percent, of the 436 applicable non-mandatory standards. The two non-compliant non-mandatory standards at SCI Muncy were as follows:

- #4-4137 – Toilets are provided at a minimum ratio of one for every 12 inmates in male facilities and one for every eight inmates in female facilities.
- #4-4255 – Inmates held in disciplinary detention for periods exceeding 60 days are provided the same program services and privileges as inmates in administrative segregation and protective custody.

¹⁴ www.aca.org viewed June 9, 2008; verified December 9, 2011.

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**Audit Results:
Accreditation**

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SCI Muncy, in an effort to be 100 percent compliant in the non-mandatory standards, submitted a written response to the Commission on Accreditation for Corrections on November 29, 2006. The Commission on Accreditation for Corrections responded to SCI Muncy's written response by granting discretionary compliance for the two non-mandatory standards on February 14, 2007.

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**Audit Results:
Automotive**

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**Audit Results
for
Objective Six**

The objective

Objective six for our performance audit was to determine if SCI Muncy managed its automotive fleet in compliance with the Commonwealth of Pennsylvania's and the Department of Corrections' policies.

Automotive

Relevant laws, policies, or agreements

The Department of Corrections has established policy and procedures regarding vehicle use, maintenance, and reporting.¹⁵ In addition, the Governor of the Commonwealth of Pennsylvania signed an executive order establishing the "Commonwealth Automotive Fleet Efficiency Initiative."¹⁶ The initiative states as follows:

Agencies will monitor, at regular intervals, vehicle assignments and utilization patterns, fuel card activity and reimbursements made to employees for miles traveled in personal vehicles to ensure that Commonwealth resources are being deployed in the most cost-effective manner.¹⁷

The goal of the initiative was to establish policies and practices that will enable agencies to complete successfully their assigned duties at the lowest reasonable cost.

Scope and methodologies to meet our objective

In order to accomplish our objectives, we reviewed the Commonwealth of Pennsylvania's and the Department of Corrections' automotive procedures, as well as the Governor's executive order establishing the Commonwealth Automotive Fleet Efficiency Initiative. We interviewed two of SCI Muncy's maintenance managers. We also obtained copies of

¹⁵ Department of Corrections, Policy Number, Number 3.1.1, "Fiscal Administration Procedures Manual," Section 8, Vehicles, sub-section C, General Operational Procedures, issued November 13, 2007, and revised January 27, 2009.

¹⁶ Commonwealth of Pennsylvania, Governor's Office, Executive Order No. 2007-03, Commonwealth Automotive Fleet Efficiency Initiative, dated May 9, 2007.

¹⁷ Commonwealth of Pennsylvania, Governor's Office, Executive Order No. 2007-03, Commonwealth Automotive Fleet Efficiency Initiative, Section 3.b.2, dated May 9, 2007.

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**Audit Results:
Automotive**

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SCI Muncy's automotive reports, vehicle request forms, personal mileage expense log, and fuel pump station logs for June 2008.

Finding 6 SCI Muncy did not reconcile monthly automotive fleet fuel usage.

For the month of June 2008, we reconciled the amount of fuel dispensed from SCI Muncy's pumping station. We used meter readings recorded by SCI Muncy for June 2008, and compared those readings with the receipts listed on the 25 vehicles' automotive reports for June 2008.

Our analysis found the pumping station meter dispensed 54 more gallons of gas than reported on the vehicle automotive reports. During our interviews with the two facility maintenance managers, each manager explained that the variance was due either to lost gasoline receipts or employees who did not take the time to complete a gasoline receipt at the pumping station.

**Recommendation
for Finding 6**

3. SCI Muncy management must ensure that monthly automotive activity report gasoline receipts are reconciled to the amount of gasoline dispensed from the pumping station, and must evaluate the economy and efficiency of operations.

4. SCI Muncy management must require all operators of the pumping station and fleet vehicles to complete and record gasoline receipts in compliance with Department of Corrections, Procedure Manual, Number 3.1.1.

Comments from SCI Muncy management

SCI Muncy management stated that they will review their pumping station procedures, based on our recommendation, and make all necessary corrections. SCI Muncy management will also review the pumping station procedures with all staff.

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Department of Corrections****Audit Results:
Automotive**

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Finding 7**SCI Muncy paid employees for personal mileage in accordance with Department of Corrections' policy.**

We audited the June 2008 travel expense reports of employees receiving compensation for personal mileage. In total, we found eight requests for personal mileage. The Department of Corrections' policies state as follows:

A vehicle request form must be completed to reserve a state car or to be reimbursed for personal mileage when a state car is not available. The employee must receive approval from his/her Bureau/Office Director to incur personal mileage cost.¹⁸

For all eight requests, the traveler had submitted vehicle request forms for state vehicles. On three of the eight occasions, a state vehicle was available for use by the traveler; however, these three trips were for employees providing security coverage at a local hospital. These trips were permissible under Commonwealth of Pennsylvania's Management Directive 230.10 which states:

Employees who are required to travel from their residence to a temporary worksite, other than official headquarters, will be reimbursed either from their residence to the temporary worksite, or their official headquarters to the temporary worksite, whichever is the shortest mileage distance.¹⁹

SCI Muncy management stated that even though a state vehicle was available, for this situation it was more cost effective to allow the corrections officers to commute from their residence to the temporary work site at the hospital rather than driving from home to the prison and then to the hospital.

¹⁸ Department of Corrections, Policy Number 3.1.1, "Fiscal Administration Procedures Manual," Section 8, Vehicles, sub-section B.1.c, issued November 13, 2007, and revised January 27, 2009.

¹⁹ Commonwealth of Pennsylvania Management Directive 230.10 Amended, Travel and Subsistence Allowances, 5.c. (2)(e) Scheduled Workdays, revised June 17, 2009.

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

*Pennsylvania Department of the Auditor General
Jack Wagner, Auditor General
January 2012*

**Audit Results:
Inmate General
Welfare Fund**

**Audit Results
for
Objective
Seven**

The objective

Objective seven for our performance audit was to determine if SCI Muncy managed the Inmate General Welfare Fund in compliance with the Department of Corrections' policies and procedures.

Relevant laws, policies, or agreements

*Inmate General
Welfare Fund*

The Inmate General Welfare Fund consists of non-appropriated funds that are locally controlled and administered. The fund serves as a depository for inmates' personal monies and for revenues generated by inmate-related enterprises.

The Department of Corrections has developed policies and procedures for the administering of the Inmate General Welfare Fund.²⁰ The Department's policies and procedures specifically identify the approved categories for fund expenditures,²¹ as well as the institution's responsibility for the proper collection and safeguarding of all inmate money and monies generated by Inmate General Welfare Fund revenue-producing shops. Department of Corrections' policies and procedures also require each individual correctional facility to prepare monthly balance sheets and income statements for all fund activities.

Scope and methodologies to meet our objective

To accomplish this objective, we interviewed SCI Muncy's accountant responsible for administering the Inmate General Welfare Fund. We reviewed the Pennsylvania Department of Corrections' Inmate General Welfare Fund Accounting System Manual, and the Department of Corrections' Policy Number 3.1.1 on Fiscal Administration.

We obtained copies of SCI Muncy's May and June 2008 bank statements, and SCI Muncy's consolidated balance sheet for June 2008. We also

²⁰ Commonwealth of Pennsylvania, Department of Corrections, Policy Number 3.1.1, "Fiscal Administration," Section K, Inmate General Welfare Fund; dated January 27, 2009.

²¹ Commonwealth of Pennsylvania, Department of Corrections, Policy Number 3.1.1, "Fiscal Administration," Section K, Inmate General Welfare Fund, Subsection 8 Approved Categories for Fund Expenditures, a thru k; dated January 27, 2009.

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obtained and compared SCI Muncy's total inmate account balances to the consolidated balance sheet for June 2008.

We reviewed supporting documentation for 13 of 52 randomly selected disbursement transactions for the month of June 2008. We also reviewed supporting documentation for 8 of 30 randomly selected deposits for the month of June 2008.

We verified that the total amount of SCI Muncy's Inmate General Welfare Fund funds was invested. Finally, we also verified the existence of an Inmate General Welfare Fund council at SCI Muncy, and that the council met on a quarterly basis.

Finding 8

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

Our audit of SCI Muncy's Inmate General Welfare Fund established that all inmate money and monies generated from revenue-producing shops were being maintained in an interest bearing checking account in accordance with Department of Corrections' policies and procedures. We also reviewed the selected 13 disbursements for proper approvals, purchase orders, invoices, and receiving slips. We then traced eight selected deposits to the monthly bank statements for deposit verification.

Our audit also verified that SCI Muncy's business manager reviewed and approved the accountant's monthly bank reconciliations and all other required Inmate General Welfare Fund financial statements before forwarding them to the central office in Harrisburg.

Our testing confirmed that SCI Muncy's business office also adequately segregated the check preparation, check signing, and bank statement receipt and reconciliation duties for the IGWF.

Finally, we verified that SCI Muncy had established an Inmate General Welfare Fund committee that met quarterly and was comprised of institution employees and inmate representatives.

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**Status of
Prior Audit**

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**Status of
Prior Audit**

The prior audit report of SCI Muncy covered the period of July 1, 2003, to August 4, 2006, and contained seven findings. Two of the findings (3 and 5) were positive and thus had no recommendations. The status of the remaining findings (1, 2, 4, 6 and 7) and their accompanying recommendations is presented below.

Scope and methodologies for our audit work

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

Prior Finding 1 Monitoring deficiencies existed for some SCI Muncy contracts. (Resolved)

Our prior audit reported that SCI Muncy did not monitor vendor performance adequately for compliance with contract provisions in accordance with Department of Corrections' requirements. Contract monitors did not approve vendor invoices prior to payment, services provided did not agree with contract provisions, and services were not verified independently by a contract monitor.

We recommended that SCI Muncy comply with both Commonwealth of Pennsylvania's and Department of Corrections' contract monitoring requirements. Assigned contract monitors should ensure that contractors provide services in accordance with specific contract provisions and be required to sign vendor invoices as evidence that billed services were provided based on contract provisions. Concerning the trash removal contract, SCI Muncy should have required the officer at the gate to sign a dated receiving slip, which would then be matched to the vendor invoice prior to payment.

Status as of this audit. Our examination of 11 contracts selected from the period of July 1, 2007 to June 30, 2008, found that SCI Muncy's contract monitors, before signing off on any invoices, verified that the provided services agreed with the contract provisions, and all calculations were

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accurate before being paid. As a result of these actions by the contract monitors, this finding has been resolved.

**Prior Finding 2 Deficiencies existed in direct payment expenditures.
(Resolved)**

Our prior audit reported that SCI Muncy did not verify the authenticity of direct payment expenditures processed by the Department of Corrections' comptroller's office in Harrisburg and charged to SCI Muncy's operating budget. As a result, errors, discrepancies, and/or omissions occurred for 9 of the 23 expenditure transactions examined.

We recommended that SCI Muncy's Business Office should monitor expenditures paid directly by the Comptroller's Office to ensure that all payments charged to SCI Muncy were, in fact, incurred for the operation of SCI Muncy.

Status as of this audit. According to SCI Muncy management, expenditure reports were generated on a daily basis in order to identify any incorrect charges that had been posted to SCI Muncy. SCI Muncy's accountant then reviewed the expenditure reports for any unusual or unidentifiable expenditures, thus verifying the validity of all expenditures. Our testing of ten expenditures chosen by using our professional judgment during our current audit revealed that no unusual or unidentifiable charges had been directly posted to SCI Muncy. Therefore, as a result of the actions taken by SCI Muncy management, this finding has been resolved.

Prior Finding 4 SAP R/3 role mapping reflected inadequate segregation of duties. (Resolved)

Our prior audit determined that 13 of SCI Muncy's business office employees had incorrect roles mapped within the SAP/3 system, the accounting and financial management system of the Commonwealth of Pennsylvania. Six employees were mapped to perform all functions within the purchasing cycle and seven employees retained role mapping responsibilities that were not relevant to their positions.

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We recommended that SCI Muncy evaluate employee role mappings to ensure conflicts do not exist.

Status as of this audit. Our audit testing of role mappings for employees that changed positions found that SCI Muncy took steps to ensure that when an employee changes positions, management eliminates all previous roles and assigns a new set of role mappings for the new position. SCI Muncy management explained that in the past, the roles had been attached to the employees instead of the employees' positions, which meant that an employee would be assigned roles that would stay with the employee even if the employee changed positions.

As a result of the position role changes, this finding has been resolved.

Prior Finding 6 Corrections officers at SCI Muncy did not receive the mandated amount of computer-based training. (Partially resolved)

Our prior audit reported that 14 of the 21 corrections officers' training records examined indicated that the corrections officers did not receive all of the mandated training for the 2004-05 training year. The Department of Corrections mandates that training is divided between computer- and non-computer-based training. All corrections officers received the non-computer-based training; however, 2 corrections officers missed all 11 computer-based courses and 12 other corrections officers missed anywhere from one to four courses.

We recommended that SCI Muncy implement a system to track, verify, and ensure that corrections officers receive the mandated computer-based training courses.

Status as of this audit. Our audit testing found that SCI Muncy management implemented a system to track corrections officers' computer-based training courses. The system identified the officers who had not received the mandated training. However, 13 of the 42 training records examined indicated that the corrections officers still did not meet

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the mandated computer-based training for the 2007-08 training year. Finding 1 of the current audit contains the results of our current audit testing.

Prior Finding 7 Fire Emergency Response Team members did not receive required training. (Resolved)

Our prior audit testing found that none of SCI Muncy's 16 fire emergency response team members received the required 16 hours of training for the fiscal year ending June 30, 2005, training period. According to SCI Muncy's safety and training officers, the fire emergency response team's specific training was not provided because management failed to approve the overtime necessary to complete the training.

We recommended that SCI Muncy should again attempt to ensure that all Fire Emergency Response Team members receive the required annual fire safety training. We also recommended that SCI Muncy's safety manager begin collecting documentation of outside fire emergency training received by all fire emergency response team members. SCI Muncy should then evaluate and determine if this outside training could be credited toward meeting its annual fire emergency response team training requirement. This process could potentially alleviate the ongoing deficiencies that persist in the area of fire emergency response team training.

Status as of this audit. We found that SCI Muncy management implemented our recommendation to ensure that fire emergency response team members received the required annual fire safety training. We noted that while only 20 of the 26 members completed the 16 hours of training required by the Staff Development and Training Policy, the other six members were newly appointed and had not attended the fire emergency response team training academy in Elizabethtown.

SCI Muncy management stated that even though the six new members are on the roster as "active," they cannot participate in training courses until they complete the academy training. According to the safety manager, during an emergency, the six employees are used as support staff to help

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move hoses and exchange air packs. SCI Muncy management stated that the six employees would not participate in fighting fires until they received the proper training. As a result of the actions taken by SCI Muncy management, this finding has been resolved.

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