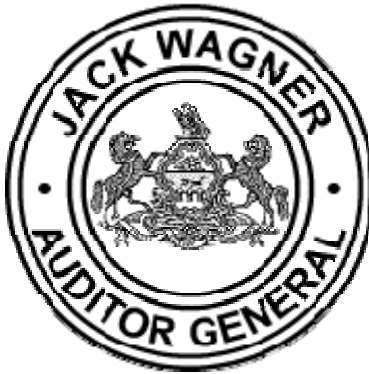


Commonwealth of Pennsylvania
Department of Corrections
State Correctional Institution at Camp Hill
Performance Audit
July 1, 2002, to June 23, 2005



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June 14, 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 Camp Hill for the period from July 1, 2002, to June 23, 2005, except where the scope was expanded to assess all relevant information objectively. The audit was conducted under the 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 instances where inventories at the car wash, barbershop, and commissary were not completed and inventory records were inadequate. The audit also noted that blood and body fluid clean up kits were not always supplied to transport vehicles moving inmates. In addition, inventory reports for keys were missing or incomplete. The contents of the report were discussed with the officials 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 Correctional Institution at Camp Hill, 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, elevating the Bureau of Corrections to cabinet level status as the Department of Corrections (Corrections).¹

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

*... to protect the public by confining persons committed to our custody in safe, secure facilities, and to provide opportunities for inmates to acquire the skills and values necessary to become productive law-abiding citizens; while respecting the rights of crime victims.*²

Corrections is responsible for all adult offenders serving state sentences of two years or more. As of June 30, 2005, it operated 25 correctional institutions, 1 regional correctional facility, 1 motivational boot camp, a training academy, and 14 community pre-release centers throughout the Commonwealth.³

State Correctional Institution at Camp Hill

The State Correctional Institution at Camp Hill (Camp Hill) is located in Lower Allen Township, Cumberland County, and approximately six miles southwest of Harrisburg. It is designated as a close custody, or Level 4, security facility, a step below maximum security. Camp Hill encompasses 800 acres of land with 52 of those acres inside a secure perimeter. Within this perimeter are ten cellblocks, five modular units, and various other buildings.

Camp Hill was opened in 1941 to house juvenile commitments. Since 1977, it has housed only adult male offenders committed for criminal offenses. The institution also serves as the Commonwealth's diagnostic and classification center for adult male offenders.

¹ 71P.S. §310.1

² Information obtained on September 21, 2005, from the Department of Corrections Web site: www.cor.state.pa.us.

³ Ibid.

Background Information

The American Correctional Association accredits Camp Hill as an adult facility for corrections. Camp Hill's mission is to provide a safe and secure environment for the staff, inmates, and visitors, and to provide adequate programs and services to the inmates.

The following schedule presents selected unaudited Camp Hill operating statistics compiled by Corrections for the years ended June 30, 2002, 2003, and 2004.

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Operating expenditures (rounded in millions) ⁴	\$74.6	\$82.5	\$84.7
Inmate population at year-end	3,303	3,272	3,220
Capacity at year-end	3,022	3,081	2,900
Percentage of capacity at year-end	109.3%	106.2%	111.0%
Average monthly inmate population	3,330	3,391	3,287
Average monthly cost per inmate ⁵	\$22,402	\$24,329	\$25,768

⁴ Operating expenditures were recorded net of fixed asset costs, an amount that would normally be charged as part of depreciation expense.

⁵ 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. The objectives were selected from the following general areas:

- Client management, including assessment of internal controls in the Inmate General Welfare Fund (Chapter I), and testing of compliance with the policies and procedures governing the transportation of inmates (Chapter III).
- Expense and inventory management, including an evaluation of the internal controls at Camp Hill regarding the procurement of goods and the inventory controls over those goods after purchase (Chapter II).
- Fixed asset management, including an assessment of controls over the safeguarding of key inventories (Chapter IV).
- Status of recommendations made during the prior audit of Camp Hill.

To accomplish these objectives, we interviewed various Corrections and Camp Hill management and staff, reviewed pertinent regulations, policies and guidelines, analyzed available records, and conducted test procedures to determine Camp Hill's compliance with established criteria.

The scope of the audit was from July 1, 2002, to June 23, 2005, unless indicated otherwise in the body of the individual findings.

Chapter I – Inmate General Welfare Fund

Objective and Methodology

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

The audit objective for this section was to determine if the IGWF internal controls for cash, inventory, revenues, and expenses were adequate. To accomplish this objective, we performed the following procedures:

- Reviewed Corrections and Camp Hill IGWF policies and procedures.
- Interviewed appropriate Camp Hill personnel.
- Reviewed IGWF monthly bank reconciliations for June 2003, June 2004, and July 2004 through February 2005.
- Conducted two unannounced petty cash counts.
- Reviewed and observed physical inventory for the car wash, barbershop, and commissary.
- Reviewed the December 31, 2004, financial statements.
- Selected 25 disbursements and receipts to verify proper authorization, timeliness of record keeping, adequate supporting documentation, and proper inmate account posting.
- Selected 25 outstanding checks to test for the timeliness of check clearance.

Chapter I – Inmate General Welfare Fund

Audit Results

Finding I-1 – IGWF transactions were managed effectively.

Our analysis of bank reconciliations, outstanding checks, inmate accounts, and financial statements indicated accurate accountability and compliance with policies and procedures. Testing of receipts and disbursements revealed the presence of adequate supporting documentation, proper authorizations, and timeliness of deposits. We did not identify any exceptions in our testing. We concluded that Camp Hill maintained adequate internal controls over the IGWF.

Finding I-2 – Inventory records were not adequate and procedures were not followed at the car wash, barbershop, and commissary.

Our audit disclosed instances where inventories at the car wash, barbershop, and commissary were not completed and inventory records were inadequate. The absence of proper accounting procedures for inventory, tools, and hazardous materials could result in inmates possessing contraband or potential weapons that could lead to potential harm to the staff or other inmates.

We identified the following specific issues in the car wash:

- Inventory counts were not completed in January and February 2004.
- Three instances in which the number of inventoried items were incorrectly recorded from one month to the next.
- Four items were not listed on the monthly inventory for six months.
- Four monthly inventory sheets were not dated.

Based on information obtained from the individual in charge of the car wash, Camp Hill did not have specific policies or instructions for maintaining a car wash inventory.

The main barbershop is located in the Education Building and contains 15 barber chairs for licensed inmates or students being trained for licensing. The remaining 12 barbershops, considered “satellite barbershops,” are located in various cellblocks and buildings, and contain only one barber chair.

Since July 2003, Camp Hill did not document that daily inventory counts of the tools were being completed in the 13 barbershops. In addition, the toxic, caustic, and flammable materials were not adequately inventoried. Our review of 16 toxic, caustic, and flammable materials inventory forms indicated that the forms were not completed regularly when products were issued or received, and notations were not made for infrequently used

Chapter I – Inmate General Welfare Fund

products. According to the safety manager, these forms are only reviewed periodically due to the number of buildings and other responsibilities performed.

We reviewed the commissary inventory activity from October 2004 through March 2005 and found that inventory documentation was also inadequate. We noted four discrepancies due to missing reconciliation sheets in October and November 2004. There were 12 instances where inventory was increased from the actual counts, 6 instances where inventory records indicated amounts but the actual counts were zero, and 1 instance where the inventory record was less than the actual count.

Commissary management indicated that the discrepancies were mainly due to recounts that were not documented on the physical count sheets and the missing sheets were inadvertently destroyed.

Recommendation:

- Camp Hill management should ensure that all inventory amounts are recorded accurately.
- Camp Hill management should also ensure accountability by documenting daily the barbershop, car wash, and commissary inventories of tools and toxic, caustic, and flammable chemicals.
- Physical inventory counts on a regular basis coupled with investigation of all discrepancies could also provide more effective safeguards over inventory items.

Management Comments:

In preliminary discussions with Camp Hill management, the Key and Tool Lieutenant agreed to assist in monitoring the barbershop compliance with the Toxic, Caustic and Flammable Inventory Forms procedures. In addition, after reviewing the draft audit report, the Camp Hill Business Manager reported that in compliance with Management Directive 325.10, the department would provide a formal response after release of the audit report.

Chapter II – Expense and Inventory Management

Objective and Methodology

Camp Hill maintains an inventory of items necessary for the day-to-day operations of the institution. Management is responsible for safeguarding, controlling, and efficiently managing this inventory. Camp Hill maintains inventory records for more than 500 different items in its warehouse. These items include office supplies for the correctional staff, food used for the inmates' consumption, inmate clothing, and personal items such as shaving cream, beds, and other related items. All goods received by the prison are to be inventoried through the warehouse for accountability.

Beginning in 2001, the Commonwealth began a comprehensive project to streamline and standardize key business processes in accounting, budgeting, payroll, human resources, and procurement. This project is called the Integrated Enterprise System (IES),⁶ formerly referred to as ImaginePA. The mission of the Commonwealth's project is stated as follows:

The mission of the Bureau of Integrated Enterprise System (IES) is to maintain, improve, and grow the Commonwealth of Pennsylvania's Enterprise Resource Planning (ERP) system to accommodate the administrative and operational requirements of the Commonwealth and to promote standardization of Commonwealth business processes in an effective and efficient manner.⁷

The IES systems are designed to allow state agencies to operate more efficiently by eliminating obstacles such as: excess paperwork, spending hours on the phone trying to get information from others, getting numerous approvals, and reconciling data from many sources. The system uses SAP R/3 software.

Purchases are made through Corrections' SAP R/3 Materials Management module. The dollar value and type of purchase determines which method is used to pay for goods and services. An advancement account check is used to expedite payments to vendors for goods and services with a maximum disbursement value of \$1,500 per check. The goals of the VISA purchasing card program are to expedite payment to vendors, reduce the amount of paperwork and staff time and save money. Transactions should not exceed \$3,000 for a single purchase. Purchase transactions that are initiated through purchase requisitions and purchase orders and are greater than \$3,000, are paid with a Pennsylvania Treasury check.

⁶ The Commonwealth of Pennsylvania officially changed the name from ImaginePA to Integrated Enterprise System (IES) on August 1, 2004.

⁷ <http://www.ies.state.pa.us> as of August 30, 2005.

Chapter II – Expense and Inventory Management

The SAP R/3 Materials Management module includes provisions for electronically requisitioning items, approving requisitions, and creating purchase orders. As ordered items are received and stored in the warehouse, receipt of the items is entered into the inventory records. The Materials Management module is designed to track inventory levels and has the capability to compare the items listed on a vendor invoice to the actual goods received. As items are physically removed from the warehouse, they are also removed from the inventory records.

The objective of this part of the audit was to evaluate the internal controls at Camp Hill regarding the procurement of goods and the inventory controls over those goods after purchase. To accomplish this objective, we performed the following procedures:

- Reviewed applicable policies and procedures, and SAP R/3 procurement manuals.
- Interviewed staff at Camp Hill regarding internal controls and the implementation of the SAP R/3 materials management module.
- Reviewed the function of assigning particular SAP R/3 computer processes to specific individuals (role mapping).
- Examined SAP R/3 inventory records.
- Interviewed staff at Camp Hill regarding the monitoring of outstanding purchase orders.

Audit Results

Finding II-1 – Camp Hill had adequate internal controls regarding the procurement and inventory of goods.

During our audit we interviewed staff involved in the procurement process, tested inventory balances in the SAP R/3 materials management module, reviewed roles mapped to employees, and reviewed outstanding purchase orders. This testing disclosed that Camp Hill has implemented and maintained adequate internal control procedures for procurement and inventory.

Chapter III – Inmate Transportation

Objective and Methodology

Camp Hill is responsible for providing secure transportation of inmates to areas outside the secure perimeter. All travel requires an appropriate transport information package to be completed on each inmate 24 to 48 hours prior to leaving the facility. All Corrections Officers selected for transport duties are to be appropriately licensed to drive the transportation vehicle. They are also certified in the use of authorized defensive weapons, security restraint equipment, cardiopulmonary resuscitation (CPR), first aid and the use of firearms.

The objective of this part of the audit was to determine if the transportation of inmates from Camp Hill was conducted in accordance with policies and procedures. To accomplish this objective, we performed the following procedures:

- Reviewed Corrections policy and procedures concerning transportation of inmates.
- Interviewed Camp Hill officials and staff in charge of transportation.
- Selected a sample of 17 inmates transported on May 17, 2005, and verified that the transfer packets, escape packages, body receipt slips, transfer routing slips, and Pennsylvania State Police notification documentation was accurate.
- Reviewed training records to verify transport officers were licensed, certified, and qualified according to facility policies.
- Inspected four transport vehicles to verify that the transport vehicles contained accurate logbooks and were properly equipped for travel purposes.

Audit Results

Finding III-1 – Transportation Team Officers met the qualifications for their positions.

Our review of records pertaining to the nine transport team officers determined that each held a current valid commercial driver's license; was certified and trained in defensive weapons, security restraint equipment, CPR, and first aid; and each was qualified to carry and discharge firearms.

Chapter III – Inmate Transportation

Finding III-1 – Camp Hill did not have blood and body fluid clean up kits on all transport vehicles.

On May 17, 2005, auditors observed the transportation process when 17 inmates boarded a transport bus bound for the State Correctional Institution at Somerset. We verified the transport officers' qualifications, reviewed the inmates' transport packets, examined the vehicle logbook, and inspected the onboard security and safety equipment. We determined that, with respect to this sample, Camp Hill complied with transportation policies and procedures. However, additional audit testing disclosed that Camp Hill did not have blood and body fluid clean up kits on all transport vehicles.

Inmates may suffer from medical conditions, some contagious, which may require the use of a blood and body fluid clean-up kit. Facility Security Procedures Manual Section 22 - *Security Transport of Inmates* states that all vehicles transporting inmates must have, "a blood and body fluid clean-up kit" on board. Two transport vehicles did not have blood and body fluid clean-up kits. As a result, the absence of kits on board transport vehicles creates a risk for correction officers and/or healthy inmates who may be exposed to an infected inmate.

We also noted that inmate transport vehicle logbooks have an authorized equipment check-off page, which lists "blood and body fluid clean-up kit" as mandatory on board equipment. We reviewed the inmate transport vehicle logbooks for the vehicles. In both logbooks, a checked box indicated that 10 blood and body fluid clean up kits were on board the vehicles. However, no kits were on board. During one interview, a transport supervisor expressed surprise that the kits were an onboard requirement.

Recommendation:

- Camp Hill should equip all inmate transport vehicles with blood and body fluid clean up kits, located in a place known to all transport team members.
- Camp Hill management should ensure that all transport officers receive instruction on the requirements to have the blood and body fluid clean-up kits in the vehicles.

Subsequent Event:

Subsequent to our initial review, eight blood and body fluid clean-up kits were purchased.

Management Comments:

After reviewing the draft audit report, the Camp Hill Business Manager reported that in compliance with Management Directive 325.10, the department would provide a formal response after release of the audit report.

Chapter IV – Key Control

Objective and Methodology

The policy of the Department of Corrections is to operate corrections facilities in the most secure manner to ensure the safety of the public, facility staff, and inmates. The requirements for institution security include the maintenance of key inventories. The inventories ensure that keys are properly stored, marked, and disbursed so that institution security is not compromised.

The objective of this portion of the audit was to determine if Camp Hill established adequate control over key inventories. To accomplish this objective, we performed the following procedures:

- Reviewed applicable Corrections and Camp Hill policies and procedures.
- Interviewed management and staff responsible for key control.
- Toured the facility.
- Analyzed daily, quarterly, and monthly inventory reports.

Audit Results

Finding IV-1 – Inventory reports for keys were missing or incomplete.

Our review of three cellblocks disclosed that Camp Hill staff members did not follow proper policies and procedures in filling out paper work for the inspection and inventory of keys. For the three-month period from January through March 2005, 5 of the required 90 daily key accountability and radio check reports were missing and only 3 out of the 9 monthly key inventory reports were completed.

The Department of Corrections Procedures Manual⁸ states the following:

Monthly Key Report - All keys in the facility will be inventoried a minimum of once a month. This accountability form will be the responsibility of the Unit Manager, Department Head or Supervisor of their respected areas. This report will be forwarded to the Key Control Officer in the Security

⁸ Policy Number 6.3.1 CAM, §10.II Procedures-OO, Inspection and Inventory of Keys.

Chapter IV – Key Control

Office on a Monthly Basis. This report will be turned in no later than the 5th day of the following month.

Daily Key Accountability – Once daily, every post with possession of keys will call Control at a predetermined time with accountability of keys/key rings. This will be noted in the Central Control Center logbook. This will take place on the 2200 to 0600 hours shift.

The lack of proper accountability over keys creates a sense of false security and uncertainty. Reliance of these essential procedures is critical for the safety and security of its staff and inmates.

Recommendation:

- Camp Hill management should ensure that the established policies and procedures are followed for the proper documentation of daily and monthly key accountability reports.

Management Comments:

After reviewing the draft audit report, the Camp Hill Business Manager reported that in compliance with Management Directive 325.10, the department would provide a formal response after release of the audit report.

Status of Prior Audit Findings and Recommendations

Objectives and Methodology

The following is a summary of the findings and recommendations presented in our audit report for the period March 24, 2000, to August 29, 2002, along with a description of Camp Hill's disposition of the recommendations. We used one or more of the following procedures to determine the status of Camp Hill's implementation of the recommendations:

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

Prior Audit Results

Chapter I - Finding 1 - Camp Hill's fire detection system experienced a significant number of trouble alarms and was manually shut off.

Camp Hill did not comply with all fire safety procedures. The audit revealed that the fire detection system was being manually shut off, trouble alarms were numerous, and incident reports were not being filed.

We recommended that Camp Hill take immediate action to ensure that smoke and fire detection systems are operational. Management should ensure that personnel comply with policies that require them to prepare incident reports and work orders for incidents when fire alarm systems are shut off. Camp Hill should also enforce strict adherence, through possible disciplinary action, to the established policies that require proper approval prior to turning off detection systems.

Status:

During the current audit, we reviewed 19 incident reports, 91 work orders, 14 monthly fire safety/sanitation/inspection reports, and quarterly reports for January 2004, through February 2005. Although there were still numerous trouble alarms, significant improvement was made by the fire safety manager to ensure that the system was operational and personnel complied with policies.

Status of Prior Audit Findings and Recommendations

Chapter I - Finding 2 - Actual fire events were not properly documented

Our prior audit disclosed that Camp Hill officials could not provide Fire Report Forms for five out of fifteen fires that occurred during calendar year 2001. Department of Corrections Safety Procedure Manual 15.1.1, Section 2 stated that:

A Fire Report Form must be completed for all fires and forwarded to the Deputy Superintendent for Facilities Management with a copy to the Chief of the Safety and Environmental Protection Division.

We recommended that Camp Hill officials enforce compliance with Department of Corrections Safety Procedure Manual 15.1.1, Section 2, to ensure that a Fire Report was prepared for all fires.

During our current audit, we reviewed 21 fire report forms that were prepared for fires in calendar year 2004. We verified the number of fires with the fire log, the minutes to the monthly safety committee meetings, internal quarterly inspection reports, and the local fire department.

Chapter II - Finding 1 - Community correction centers failed to collect final rent payments from the inmates.

The prior audit disclosed that the community correction center's (center) procedures to collect the final rent payment from inmates who are released relied on the inmates returning to the centers after being released to pay the rent due.

We recommended that the Department of Corrections implement policies and procedures to collect rent prior to an inmate's release. A policy similar to the federal justice system could be implemented. This policy could increase the rent revenue received from inmates and decrease the share of the center's operational costs covered by Corrections.

Status:

Our current audit revealed that the two state contracted centers at Harrisburg and York, had no unresolved rent balances at this time. Both centers provided documentation showing that balances were paid, and the inmate wage accounts were zeroed out.

Chapter II - Finding 2 - Inmate wage account checks were outstanding for over six months.

Our prior audit of bank statements and reconciliations at the state-operated center disclosed several inmate wage account checks had been outstanding for over two years. We noted that there were eleven checks totaling \$2,540.79 on the June 2002 bank reconciliation statement that were over six months old.

Status of Prior Audit Findings and Recommendations

We recommended that the Department of Corrections require all pre-release centers to implement procedures to ensure that checks drawn on the inmate wage account for rent and court-ordered obligations were cashed. All other outstanding checks should be processed in accordance with Department policies. The centers should also consider placing a “void after six months of issuance date” on all inmate wage account checks.

Status:

The current audit disclosed that the two state-operated centers at Harrisburg and York still were not processing outstanding checks in accordance with Departmental policy. However, the centers began escheating and stamping checks “void after 6 months” during the fieldwork phase of the current audit.

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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The Honorable Jeffrey A. Beard
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Pennsylvania Department of Corrections

State Correctional Institution at Camp Hill
Donald L. Kelchner
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.