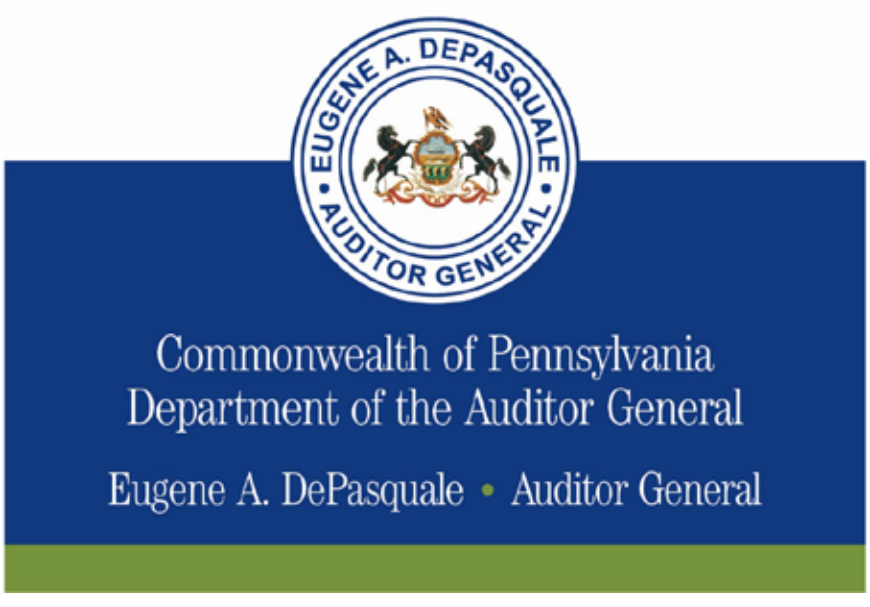
PERFORMANCE AUDIT

State Correctional Institution at Albion

March 2016



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EUGENE A. DEPASQUALE
AUDITOR GENERAL

March 30, 2016

The Honorable Tom Wolf
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

Dear Governor Wolf:

This report contains the results of the Department of the Auditor General's performance audit of the Pennsylvania Department of Corrections' (DOC) State Correctional Institution at Albion (SCI Albion). This audit covered the period July 1, 2013 through July 6, 2015, unless otherwise noted, with follow-up procedures performed and concluded as of September 18, 2015. This audit was conducted under the authority of Section 402 of The Fiscal Code, 72 P.S. § 402, and in accordance with applicable 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 conclusions based on our audit objectives.

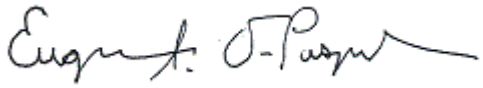
We performed this audit to determine whether DOC ensured that the programs provided by community contract facilities (CCF) and community corrections centers (CCC) met their service level performance agreement measures (or similar standards) as well as reduced their recidivism rates. We found that DOC failed to verify the accuracy of the ratings for certain performance standards of CCFs and CCCs to which SCI Albion's inmates were sent. We offer 6 recommendations to alleviate these deficiencies.

We also wanted to determine whether SCI Albion maintained effective controls over the monitoring of contracted mental health services and whether those services were provided in compliance with applicable contracts, laws, regulations, and policy. We found that SCI Albion failed to provide inmate health services as required by DOC policy. We also determined that SCI Albion did not properly monitor the contract for psychiatric services. We offer 11 recommendations to alleviate these deficiencies.

Additionally, we conducted procedures to determine the status of the implementation of corrective action to address three prior audit report findings and recommendations as presented in the audit report released on August 22, 2011. We found that improvements were made to address the conditions in two of the three prior audit findings; however, additional improvement is needed. Further, we found that one prior audit finding, regarding providing required training to fire emergency response team members, remains unresolved. We offer 10 additional recommendations.

In closing, I want to thank DOC's/SCI Albion's management and staff for their cooperation and assistance during the audit. DOC's/SCI Albion's officials generally agree with the audit report's findings and recommendations with the exception of the status of Prior Finding 5. They believe that the status of Prior Finding 5 should be considered resolved rather than partially resolved. I am encouraged by DOC's/SCI Albion's recent efforts to correct most of these deficiencies.

Sincerely,



Eugene A. DePasquale
Auditor General

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Results in Brief

The purpose of this report is to communicate the results of our performance audit of the Pennsylvania Department of Corrections' (DOC) State Correctional Institution at Albion (SCI Albion). We wanted to determine whether DOC ensured that the Community Contract Facilities (CCF) and Community Corrections Centers (CCC) met their service level performance agreement measures (or similar standards) as well as reduced their recidivism rates. We also wanted to determine whether SCI Albion maintained effective controls over the monitoring of contracted mental health services and whether those services were provided in compliance with applicable contracts, laws, regulations, and policy. Further, we conducted procedures to determine the status of the implementation of our prior audit report findings and recommendations as presented in the audit report released on August 22, 2011.

Our audit found that DOC failed to verify the accuracy of ratings for certain performance standards of CCFs and CCCs to which SCI Albion inmates were sent. Specifically, in 2014, DOC created performance standards for evaluating (and awarding or penalizing) CCFs' performance and utilized the same performance standards to evaluate and monitor the performance of DOC–operated CCCs. However, we found that DOC needs to do a better job in establishing how certain standards are to be calculated, verifying the accuracy of the information provided by the CCFs and CCCs, and overseeing and reviewing the information. We offer six recommendations to alleviate these concerns, including validating the accuracy of the performance standard information provided by the CCFs and CCCs and requiring supervisory review of the calculated performance measure information to ensure it is accurately calculated and reported.

We also found that SCI Albion failed to provide mental health services as required by the DOC policy. Specifically, we found that, during a 9-month period, four of 40 inmates (10 percent) were not seen by a contracted psychiatrist within the 90-day requirement. Additionally, we found that, during a 9-month period, 37 of the same 40 inmates (93 percent) were not seen by DOC's own psychology staff once every 30 days. We offer six recommendations to alleviate these deficiencies, including monitoring the scheduling of psychiatric care to ensure that it is provided within the 90-day timeframe and documenting all psychology visits (including group sessions and/or an inmate's refusal to attend) in the inmates' medical records.

Further, we found that SCI Albion did not properly monitor the contract for psychiatric services. Specifically, we found that 286 telemedicine hours ($43,562) were approved for payment without having documentation to verify that the services were rendered. Additionally, we determined that SCI Albion was billed for 195.52 on-site hours ($29,786) above what was indicated by SCI Albion's timekeeping records. We offer five recommendations, including recording the hours of telemedicine services provided to ensure

the accuracy of the monthly invoices and complying with DOC policy 3.1.1 by developing and implementing written procedures to verify and document that psychiatric services have been provided prior to approving invoices for payment.

Status of Prior Audit Findings

We determined that SCI Albion partially resolved Prior Finding One regarding the payment to inmates for hours not worked and the maintaining of progress reviews for some of the inmates. Our current testing of 15 of the 62 inmates determined that SCI Albion did not pay wages to inmate employees for hours they did not work. However, SCI Albion did not provide 60-day Inmate Progress Reports for 18 of 25 inmates tested as required by DOC policies and procedures. We recommended that SCI Albion develop a process to ensure that Inmate Progress Reports are completed as required by policy.

We determined that SCI Albion partially resolved Prior Finding Five regarding not complying with inventory policy and not applying warehouse inventory controls. We found that although SCI Albion currently counts all inventory items on an annual basis, 6 of the 40 warehouse items we performed physical counts did not agree to the perpetual inventory counts. Additionally, we found that SCI Albion revised its warehouse manual in January 2011; however, additional revisions should be considered. We offer four recommendations, including identifying the causes of inventory differences and taking appropriate corrective action, such as employee training, improved monitoring, and changes to existing procedures.

We determined that SCI Albion did not address Prior Finding IV-1 concerning SCI Albion's failure to provide the required training to fire emergency response team (FERT) members. During July 1, 2013 through June 30, 2014 fiscal year, we found that eight of 18 FERT members did not receive the 16 hours of mandatory training. One of the eight did not receive any training while the remaining seven received only eight hours of training. We offer five recommendations to eliminate these deficiencies, including scheduling training at times when FERT members are available and consider offering the 16 hours of training more than one time each year

DOC's/SCI Albion's officials generally agree with the audit report's findings and recommendations with the exception of the status of Prior Finding 5. They believe that the status of Prior Finding 5 should be considered resolved rather than partially resolved. However, we found additional improvements that should be made and offer four additional recommendations. DOC's/SCI Albion's response beginning on page 30 indicates that they have already addressed many of our recommendations.

State Correctional Institution at Albion

Background

The State Correctional Institution at Albion (SCI Albion) is located in Erie County. It is one of the 26 State Correctional Institutions operated by the Pennsylvania Department of Corrections (DOC). SCI Albion has a capacity of 2,152 inmates, but as of December 31, 2015, it housed approximately 2,242[1] inmates.

Inmates at SCI Albion who are determined to be in need of mental health services are provided psychiatric and/or psychological services. The services are provided by mental health professionals who are employed by the DOC (psychological care services) or by a contractor (psychiatric care services). The mental health services are to be provided in compliance with DOC policies.

In addition to state correctional institutions (SCI), the DOC operates 15 Community Corrections Centers (CCC) and contracts with 42 Community Contract Facilities (CCF) to provide transitional services to inmates. Some inmates preparing to be released from SCIs such as SCI Albion, are relocated from an SCI and become residents at a CCC or a CCF. While at a CCC or a CCF, the residents are provided with transitional services such as drug and alcohol counseling or other programs. They are also provided with assistance to prepare for and to seek employment. The goal of the transitional services is to help residents to successfully re-enter society, to be more successful in obtaining employment and therefore less likely to recidivate and return to the DOC.

The CCCs and CCFs are monitored by and report to the DOC's Bureau of Community Corrections. To monitor the CCFs (and CCCs), DOC established, as part of the CCFs contract, a set of seven minimum service levels (performance standards) that must be met to remain in good standing. Additionally, DOC has established incentives for CCFs to reduce recidivism. CCFs that do not meet the performance standards can have their contract with the DOC terminated. Those that meet or exceed the established performance levels can be awarded a per diem increase of their contracted amounts. The DOC maintains the performance scores of the CCFs and CCCs on a scoring matrix.

[1] http://www.cor.pa.gov/Administration/Statistics/Documents/Monthly%20population%20Reports/Mtpop1512.pdf

Finding 1

The Department of Corrections failed to verify the accuracy of the ratings for certain performance standards of Community Contract Facilities and Community Corrections Centers to which SCI Albion's inmates were sent.

The Department of Corrections (DOC) contracts with vendors to operate and provide transitional housing and services at 42 Community Contract Facilities (CCFs). In 2014, as part of the contract, the DOC developed a set of minimum service levels (performance standards) that all CCFs must meet to remain in good standing. The contracts also provide for monetary incentives and penalties when performance standards are exceeded or not met by vendors. The DOC has developed performance standards in seven different categories, which are evaluated and rated on a matrix. Additionally, DOC has established incentives for CCFs to reduce recidivism. By setting performance standards, DOC has created a mechanism for evaluating (and awarding or penalizing) CCFs' performance, which holds CCF contractors accountable for the results of their programs.

However, in order for this process to be successful, it is imperative for DOC to accurately evaluate and rate the performance standards of each CCF. Additionally, this process needs to be completed consistently and timely. As this finding will demonstrate, DOC needs to do a better job in establishing how certain standards are to be calculated, verifying the accuracy of the information provided by the CCFs, and overseeing and reviewing the information placed on the matrix. Although our testing found that no inappropriate incentives were awarded or penalties were assessed to any of the CCFs we tested, failing to adequately perform these tasks could lead to CCFs receiving monetary awards that they should not or not receiving monetary awards that they should; CCFs being considered as meeting performance standards when they actually have not, or being considered as not meeting standards when they actually have; and/or CCFs not being penalized when they should have been or being penalized when they should not have been.

At the end of a rating period (fiscal year), a CCF may be awarded 1% increases in its per diem rate over the contracted rate in the subsequent fiscal year for achieving each of the following:

- A facility's recidivism rate is reduced below the Department's established baseline rate.[2]

- All seven performance standards are met during the contract year.

Once the 1% increase for either or both goals have been achieved, the facility would need to continue to meet these goal(s) in order to continue to receive the 1% per diem increase(s) in subsequent years.

In addition to holding CCFs accountable for the results of their programs, DOC utilizes the same performance standards to evaluate and monitor the performance of all DOC-operated Community Corrections Centers (CCCs).

Using the population of CCFs and CCCs in which Albion inmates were sent during the period July 1, 2013 through June 30, 2014, we selected for testing three CCFs and two CCCs that were in operation during the 2013-2014 fiscal year. We requested the documentation that supported recidivism ratings as well as the ratings for six of the seven performance standards recorded on DOC's matrix for each of these five facilities. The sections below describe our results.

Recidivism ratings are properly calculated and recorded.

We reviewed the information that DOC used to support the recidivism ratings on the matrix for the three CCFs and two CCCs in our Albion inmate test group. Using this information, we found that DOC correctly calculated the recidivism ratings for all five facilities. Specifically, we determined the following:

a. DOC correctly calculated the number of days from successful release to re-incarceration.

[2] During the 2013-2014 scoring period, the recidivism rate baseline for community corrections facilities was 6.6-19.6%. Different baseline recidivism rates were established for facilities because the facilities had different criminal risk compositions within their populations. Risk level was established utilizing a risk assessment tool (Level of Service Inventory-Revised) utilized by the Bureau of Probation and Parole. The facility's risk level was re-evaluated within each one-year period of the contract.

b. DOC properly included all inmates who were re-incarcerated within 90 days in its recidivism rate determination.

c. DOC properly included all residents who were successfully released from the five facilities in its recidivism calculation.

Deficiencies found in two of the six performance standard ratings we reviewed.

For the five facilities in our Albion inmate test group, we selected six of the seven performance standards and performed procedures to determine whether DOC validated the information used to calculate the ratings and whether DOC properly calculated and recorded the ratings on the matrix. The six performance standard scores we reviewed were:

- Program Completion
- Program Audits
- Security Audits
- Operations Audits
- Employment Rates
- Policy and Procedures

Based on our test work, we determined that the Program Completion, Security Audits, Operations Audits, and Policy and Procedures matrix ratings were validated and accurately recorded for the three CCFs and two CCCs in our Albion inmate test group. However, we found deficiencies with regard to the ratings for the Employment Rates and Program Audits performance standards as described below.

Program audit ratings were not conducted quarterly as required and some of the ratings were not calculated correctly.

A program audit is an external review of the content of programs offered at each facility. The audits are to be completed quarterly by the Bureau of Community Corrections' regional director. A standardized audit form identifies various factors to each be scored on a 1 to 5 scale. The individual scores for each factor are added

to arrive at a total score. The total score is then divided by the total possible score to determine a percentage rating. If the rating percentage is 95% or greater, the facility has met the standard.

Our review of the documentation that supported the score on DOC's matrix disclosed that during the scoring period the program audits were performed only once, although the contract requires that they be conducted quarterly or as needed. According to DOC management, the audits were not performed quarterly because the requirement was new to DOC and DOC experienced staffing changes that did not make quarterly audits possible.

Additionally, our testing of the 2013-14 program audit for each of the five facilities disclosed that the total scores for all five were accurately calculated; however, we found that the percentage ratings for two of the five facilities were not accurately calculated as detailed below:

- CCF #1
  The matrix indicated that the CCF had met the 95% requirement. However, we recalculated the percentage to be 91% (50 points out of a possible 55 points). Therefore the CCF failed to meet the 95% performance standard.

- CCC #1
  The matrix indicated that the CCC had met the 95% requirement. However, we recalculated the percentage to be 93% (51 points out of a possible 55 points) which is below the 95% performance standard.

According to DOC, these differences were due to human error. DOC also indicated that a review form that required a reviewer's signature was being considered to ensure accuracy on the matrix.

Employment ratings were based on only one month and DOC failed to validate the employment information provided by each facility.

The employment performance standard is intended to measure a facility's success in placing its residents into employment positions. DOC gave each facility the responsibility to calculate and report its monthly employment rate to DOC. DOC created a

"BCC Performance Metric Scorecard" that included instructions for calculating the monthly employment rate.

According to DOC's instructions, to determine the population of residents that are able to work, the facility was to subtract from its total population the number of residents unable to work due to disability, their status as a parole violator, or as a participation in a treatment program. The instructions then directed the facilities to take the total number of residents employed (i.e., working 20 hours per week) and to divide it by its population available for work to arrive at the monthly employment rate. For example, if the facilities total population is 110 and 33 residents are not available for work, the number available for work is 77. If 49 residents are each working 20 hours or more per week the employment rate is 49/77 or 63.6%.

According to DOC, management could not figure out how to calculate an annual employment rate using the monthly employment rates provided by the facilities. As a result, DOC decided to select one month (April 2014) to represent the facility's employment rate for the entire July 1, 2013 through June 30, 2014 rating period. We compared what was reported to the DOC from the four facilities[3] to what was on the matrix and found that all four of the employment rates reported were accurately recorded on the matrix.

Additionally, we requested the April 2014 detailed employment information from four of the five test facilities and compared them to the employment rates originally provided to the DOC by the facilities. Our test work found that all four facilities reported employment rates that contained mathematical errors. For three of the four facilities, the employment rates were inflated by 3%, 4%, and 16%, respectively. For the fourth facility, given the extent of the errors, we could not recalculate what the correct percentage should have been.

Further, we also discovered that facilities calculated their employment rate differently. For example, one CCF derived its employment rate by taking an average of its four weekly employment rates during April, but the other facilities did not.

[3] One of the five facilities, a CCC, is a secure facility. Its residents are not eligible for employment, therefore the calculation of an employment rate was not necessary.

Another CCF included residents in its population that were present at the facility less than 15 days during the month if they were employed, but excluded them from the population if they were not employed. The other facilities did not.

These errors and differences in methodology occurred because the instructions provided to the facilities were not specific enough, the CCC and CCF employees were not trained on how to calculate the employment rates, and DOC does not review or monitor how the facilities determine their employment rates to ensure the employment rates are calculated correctly. Additionally, given the vagueness of DOC's instructions, we could not determine what should have been the correct method of calculating monthly employment rates.

Failing to validate and review the accuracy of the information provided by the CCFs and CCCs may result in DOC not accurately determining whether the CCFs or CCCs are meeting the performance standard. This could lead to a CCF inappropriately receiving or not receiving the 1% per diem increase.

Also, even if the monthly rate was accurately determined and reported by all facilities, we question whether it is valid to use the employment rate from one month as an accurate representation of the entire period (July 1, 2013 – June 30, 2014). Employment rates can and do vary from one month to the next. It is possible for a facility's employment rate to be under the DOC goal in every month but the month DOC selects and vice versa. We noted reported employment rates at one CCF varied from a rate of 96% percent in one month to 18% the next month, 30% the following month and 80% the month after. Seeing results like this should have alerted DOC to a problem with reported employment rates that needed to be investigated and resolved.

Recommendations

We recommend that the DOC:

1. Validate the accuracy of the performance standard information provided by the CCFs and CCCs by obtaining and reviewing the detailed information that supports the information.

2. Maintain the validation documentation to allow an independent external party, such as an auditor, to verify the validation was done and re-perform the work to ensure it was performed accurately.

3. Require supervisory review and documented approval of the information placed on the matrix to ensure the ratings are calculated correctly and accurately reported.

4. Develop and/or revise specific written instructions and provide training to CCCs and CCFs to ensure that the performance standard information, including employment rates, is compiled and calculated consistently.

5. Perform program audits on a quarterly basis, as required, or change the requirement to reflect a reasonable time frame for review.

6. Continue to refine the performance standard measurement process in order to achieve sufficient results without utilizing excessive amounts of resources.

Finding 2

SCI Albion failed to provide inmate mental health services as required by Department of Corrections' policy.

Department of Corrections (DOC) policy[4] describes the frequency by which inmates who are diagnosed with mental illness must receive psychiatric and psychological services. These inmates must be seen a minimum of once every 90 days by a psychiatrist or a certified registered nurse practitioner-psychiatric services (PCRNP) and once every 30 days by the treating psychologist.[5] Further, if inmates are diagnosed with a **serious** mental illness, this policy states that the inmates' medical records shall be reviewed by the psychiatrist review team once every 120 days. Additionally, inmates diagnosed with a **serious** mental illness who are placed in a restricted housing unit must be seen once every 30 days by either the treating psychiatrist or PCRNP, rather than every 90 days.

Results of our psychiatric care test work

We reviewed the medical records of 40 of the 783 inmates who were diagnosed with mental illness or **serious** mental illness during the period October 1, 2014 through July 7, 2015. We found that during the 9-month review period, four of the 40 inmates were not seen by a psychiatrist within the 90-day requirement. Each of the four inmates was seen late on one occasion, ranging from two to 21 days late. The services of a psychiatrist at Albion are provided by a contractor. All psychiatrist services at Albion are scheduled by an employee of the contractor without review or input by Albion personnel. We requested an explanation from the Albion corrections health care coordinator (CHCA) regarding these four inmates to determine whether the CHCA was aware that psychiatrist visits were not always provided within the DOC policy timeframe and to learn why the services were late. However, we never received our requested explanation or any other response from the CHCA.

[4] Commonwealth of Pennsylvania, DOC, *Procedures Manual*, Policy Number 13.8.1, "Access to Mental Health Care", Section 2 "Delivery of Mental Health Services".

[5] Department policy allows for psychological services to be provided by a licensed psychological manager (LPM), psychological services specialist (PSS), psychological services associate (PSA), or mental health coordinator (MHC). The psychological services can also be provided in a group setting environment.

With regard to the 120-day psychiatric medical record review requirement, 15 of the same 40 inmates were diagnosed with a **serious** mental illness. As a result, we reviewed the medical records of the 15 and determined that the psychiatric review team reviewed these medical records at least once every 120 days during the 9-month period, as required.

To evaluate the requirement that an inmate with a **serious** mental illness is to be seen by a psychiatrist or PCRNP every 30 days when placed in a restricted housing unit, we reviewed the medical records of the 15 inmates with a **serious** mental illness who were assigned to Albion's Diversionary Treatment Unit (DTU) as of June 9, 2015. We found that as of July 7, 2015, all 15 had been seen once every 30 days from the time they entered the DTU to July 7, 2015, which ranged from one to twelve months.

Results of our psychological care test work

We reviewed the medical records of the same 40 inmates for the same 9-month period to determine if they were seen once every 30 days by DOC's own psychology staff (psychology services are not contracted out). Our review disclosed the following:

- Three inmates received their psychological services in compliance with DOC policy.

- Three inmates who were on the mental health roster during the entire 9-month period did not receive any psychology treatments.

- Three inmates who were on the mental health roster during the entire 9-month period received only one psychology treatment.

- The remaining 31 inmates received 200 psychological visits; 67 of the 200 visits (34 percent) were not provided timely. The delays in receiving psychological services ranged from 1 to 233 days late.

When we provided these exceptions to SCI Albion management, the psychology manager and CHCA explained that there are several reasons that could have caused these exceptions, as described below:

1. Errors in recordkeeping allowed inmates to go extended periods of time without treatment. DOC permits psychology staff, who are assigned specific inmates, to determine the method of tracking the treatment schedules of inmates; such methods ranged from handwritten notes to electronic spreadsheets.

2. Psychology staff failed to consistently document the refusal of services by inmates in their medical records, which could result in treatment not being provided every 30 days. As part of our testing, we did not take exception to the 30-day requirement if we saw a refusal of services documented in the medical record.

3. Psychological treatments provided in group therapy sessions may not have been recorded in each inmate's medical record. The psychological staff who conducts a group session (with up to 20 inmates) would be required to enter the notes from the treatment session in each inmate's medical record to properly record the receipt of the treatment. According to management, this is too time consuming. However, without the recording of group therapy sessions, no record of group psychology treatment exists.

The failure to provide psychiatry and/or psychology services as required by DOC policy could result in the improper care of inmates, some of whom may have been diagnosed with a **serious** mental illness. Further, noncompliance with DOC policy could result in a substantial risk of danger to the inmate, other inmates, SCI staff, or third parties.

In December 2015, several months after these issues were brought to SCI Albion's attention, management indicated that it recently implemented an automated scheduling system. We have not audited this system during this audit, but we will evaluate the status of management's implementation of our recommendations provided below, including the implementation of the automated scheduling system, during our next audit.

Recommendations

We recommend that SCI Albion:

1. Monitor the scheduling of psychiatric care and communicate with the vendor's employee(s) to ensure that psychiatric care is provided within the 90-day timeframe established by DOC policy.

2. Monitor the recently implemented psychology visit scheduling system to ensure services are being scheduled to comply with DOC policy.

3. Provide psychology services to inmates as required by DOC policy.

4. Document all psychology services, including group sessions, in the respective inmates' medical records (or elsewhere for group sessions) and ensure that the current requirements of DOC policy are consistent with this requirement.

5. Document inmates' refusals to attend psychological visits in the respective inmates' medical records and ensure that the current requirements of DOC policy are consistent with this requirement.

6. Assign a senior psychology staff member the responsibility of monitoring treatment histories and schedules to ensure all inmates are receiving psychiatry and psychology treatment as required by DOC policy.

Finding 3

SCI Albion did not properly monitor the contract for psychiatric services.

The Department of Corrections (DOC) entered into a state-wide contract with a mental health contractor[6] (contractor) to provide psychiatric services to inmates. During the period March 2014 to February 2015, the contractor charged SCI Albion for 4,117 hours of mental health services that included psychiatric services performed on-site at SCI Albion, psychiatric services provided via tele-medicine with SCI Albion inmates, and clerical duties performed by an employee of the contractor on-site at SCI Albion. SCI Albion paid the contractor $760,223 for the 4,117 hours billed by the contractor.

SCI Albion is responsible for reviewing invoices it receives to ensure they are accurate prior to approval for payment. DOC Department policy No. 3.1.1 requires management to design an internal control structure to manage risk, promote accountability, and prevent and detect instances of error, fraud and abuse. An internal control system, or management controls, should include, but not be limited to, written policies, written procedures, and supervisory oversight. SCI Albion did not follow this policy.

According to SCI Albion management, SCI Albion's corrections health care administrator (CHCA) is responsible for verifying the accuracy of the hours invoiced by the contractor by matching the invoiced hours to timekeeping records available at SCI Albion. SCI Albion management (management) explained that these timekeeping records track what time the contracted employees enter and exit SCI Albion each day, which would approximate the number of hours worked. Management stated that after verifying the accuracy of the hours, the CHCA confirms the billable hours via an e-mail to the contractor. The contractor then forwards the invoice along with the approving e-mail to DOC's offices in Camp Hill for payment. Management acknowledged that it does not have written procedures for reviewing psychiatric service invoices.

[6] Contract #4000018060 between the DOC and MHM Correctional Services, Inc. with a term of five years beginning on December 1, 2013.

Based on our review of the 4,117 total hours of mental health services that were billed on the 12 invoices (March 2014 to February 2015), we noted exceptions regarding telemedicine and on-site hours that indicated the verification procedures described by SCI Albion management were not always followed by the CHCA.

- The CHCA approved 286 hours (totaling $43,562)[7] of psychiatric services that were provided via tele-conferencing (telemedicine) without having documentation to verify that the services were rendered. Because the psychiatrists were not physically present at SCI Albion to provide the telemedicine services, SCI Albion does not have timekeeping records to compare against the hours charged on the invoice for telemedicine services. Therefore, SCI Albion may have been overcharged for these services. When we discussed our telemedicine billing concerns with the CHCA, she acknowledged that she needed to change her procedures because she was approving telemedicine billings without verifying that these charges were accurate.

- We also determined that SCI Albion was billed by the contractor for 195.52 on-site hours beyond what was indicated on SCI Albion's timekeeping records; SCI Albion paid $29,786 for these 195.52 hours. Although the CHCA stated that she investigated some of the differences, no documentation was provided to demonstrate that the CHCA investigated and resolved these differences prior to approving the invoice for payment. Additionally, the CHCA acknowledged that she approved the payment for 8.0 hours of psychiatric services on the Memorial Day Holiday ($1,208) that never should have been billed. The following table shows the number of hours charged in excess of SCI Albion's timekeeping records:

[7] The contracted rate for psychiatry services was $151 per hour for the period March 2014 through November 2014. As of December 1, 2014 the contracted rate increased to $152.89. The vendor provided 87 hours of telemedicine services during the period March to November 2014. The vendor provided 199 hours of telemedicine services for the period December 2014 to February 2015.

Monthly Invoice	Number of Excessive Hours Charged
March 2014	1.75
April 2014	7.43
May 2014	8.0
June 2014	17.77
July 2014	15.05
August 2014	6.83
January 2015	103.95
February 2015	34.74
Total Hours	195.52

The failure of the CHCA to verify all telemedicine and on-site hours charged on these invoices could have resulted in SCI Albion overpaying the contractor by as much as $73,348 ($43,562 plus $29,786). Further investigation, beyond the scope of this audit, would be needed to determine the actual dollar amount of the overcharges.

Recommendations:

We recommend that SCI Albion:

1. Record the hours of telemedicine services provided to its inmates to use for ensuring that the monthly invoices are accurate.

2. Comply with DOC policy No. 3.1.1 by developing and implementing written procedures to ensure hours of service, including hours of telemedicine provided to Albion for mental health services, are verified and documented prior to approval of psychiatric services' invoices.

3. Require the CHCA to obtain and maintain documentation to demonstrate that the CHCA verified that psychiatric services were provided to inmates at SCI Albion.

4. Require supervisory review and sign off of the CHCA's verification process to ensure the verification procedures were completed accurately and timely.

5. Request a refund of the $1,208 billed for psychiatric services that were not provided on Memorial Day, 2014 and investigate the remaining discrepancies to determine if there were additional overcharges, and, if applicable, submit a request for a refund of the additional amount. The investigation documentation should be retained.

Status of Prior Audit Findings

Our prior audit of the Department of Corrections' State Correctional Institution at Albion covered the period July 1, 2007 through April 19, 2010 and contained seven findings as well as one prior year finding. During the current audit, we addressed the two findings and one prior year finding that contained a total of eight recommendations. On the pages that follow, we provide the status of these findings and offer additional recommendations to eliminate the deficiencies identified.

Prior Finding One

SCI Albion sometimes paid inmates for hours they did not work. In addition, SCI Albion did not maintain a progress review for some of the inmates. (Partially resolved)

Our prior audit disclosed that SCI Albion did not comply with Department of Correction's (DOC) policy and procedures when it paid four inmates wages for hours they did not work, and when it did not provide written evaluations of each inmate employee 60 days after the inmate's first day on a work assignment as required by DOC's Policy.[8]

Our analysis of the payroll records of 150 inmates disclosed that four inmates received pay even when they were temporarily absent from SCI Albion and unable to report to their work assignments. Additionally, our review of 27 employee inmate files disclosed that 10 inmates' files did not include the required 60-day Inmate Progress Report.

We recommended that SCI Albion ensure that it does not compensate inmate employees for time they did not work as well as enforce DOC's Policy and Procedures regarding completing Inmate Progress Reports.

Status as of this audit

We determined that SCI Albion did not pay wages to inmate employees for hours they did not work. However, SCI Albion did not provide 60-day Inmate Progress Reports for some inmates as required by DOC's policies and procedures.

To determine if SCI Albion paid inmates wages for work they did not perform, we compared SCI Albion's inmate payroll records to its Daily Count Log (DCL). The DCL assists in documenting when inmates are absent from SCI Albion. During the period January 1, 2015 through March 31, 2015, we selected the DCLs for

[8] *DC-ADM 816, Inmate Compensation Manual*, Section 1 – General Procedures, Paragraph 3. The first pay rate assigned to an inmate shall be the starting step of that class that matches his/her skill to that position. The supervisor will evaluate the inmate in 60 days to determine if he/she is eligible for promotion to the next skill level. Advancement is based on increased skill level and a rating of at least "Average" on his/her Inmate Progress Report.

ten calendar days. The DCLs for those 10 days indicated that 62 employee inmates were absent from SCI Albion. We selected 15 of the 62 inmates and matched the DCL records against SCI Albion's payroll records for the 15 inmates. Our review did not reveal any exceptions. The payroll records did not indicate that any of the 15 inmates were paid wages for hours on days they were not in the facility, and therefore not available for work.

To determine if Inmate Progress Reports were completed and placed in the inmate employee files in compliance with policy, we randomly selected 25 of the 1,344 inmates from the February 2015 Inmate Payroll Transaction Reports. The job assignments for the 25 inmates were traced to their respective inmate employment records to determine (a) the date the inmate was placed in his current job assignment, and (b) the date the Inmate Progress Report related to the inmate's performance in his current job assignment was completed.

Our review of the 25 inmate files revealed the following:

- The Inmate Progress Report was completed timely for 7 of the 25 inmates.

- The Inmate Progress Reports were completed, but were late, for 10 of the inmates. The numbers of days overdue ranged from 12 to 445 days.

- The Inmate Completion Report was not done for the remaining 8 inmates, although they had been in their jobs for more than 60 days.

These exceptions occurred when an inmate's immediate supervisor failed to complete an Inmate Progress Report or submitted it late. DOC did not monitor to ensure the Reports were completed by the supervisors.

It is important that the Inmate Progress Report be completed as required by DOC's policy. An inmate's advancement to the next skill level is conditioned upon earning a job performance rating of "Average" or better. When the Report was not done or was late, inmates whose job performance was "Average" or better were either not promoted to the next skill level when they should have

been or they were promoted without the required Inmate Progress Report being completed in adherence to DOC's policy.

Recommendation

We recommend that SCI Albion:

1. Develop a process to ensure that Inmate Progress Reports are completed as required by policy. The process should include a mechanism for tracking when Inmate Progress Reports are due as well as require management to monitor to ensure Inmate Progress Reports are completed timely and in compliance with DOC's policy.

Prior Finding Five

SCI Albion did not comply with inventory policy and did not apply warehouse inventory controls. (Partially resolved)

Our prior audit found the following issues concerning warehouse inventory controls:

1. SCI Albion did not conduct an annual physical inventory for fiscal year ended June 30, 2009 and could not locate documentation that it conducted an annual physical inventory for fiscal year ended June 30, 2008.

2. SCI Albion did not investigate significant discrepancies it discovered when it conducted partial physical inventory counts conducted by warehouse personnel.

3. SCI Albion did not update its warehouse inventory records when items were transferred out of the warehouse.

4. SCI Albion's perpetual inventory counts did not agree with the actual inventory counts in approximately 35% of the items the auditors counted.

The failure to accurately account for warehouse items could lead to unnecessary purchases, overstocked items, or shortages of items. Also, the failure to separate custodial responsibilities and inventory count responsibilities increases the risk of fraud or misappropriation of inventory items.

We recommended that SCI Albion: 1) implement and enforce internal control policies and procedures to ensure that its warehouse records are accurately maintained; 2) train its employees in, and enforce the use of, electronic stock transfer orders; 3) ensure that its business office personnel conduct annual physical inventories and monthly spot checks of warehouse stock items; and 4) investigate variances between counts and inventory records and make any necessary adjustments to the inventory records.

Status as of this audit

To follow up on the deficiencies noted in the prior audit, we requested and received a listing of inventory items maintained by SCI Albion (dated May 14, 2015), as well as copies of inventory counts conducted by SCI Albion during the 2013-2014 and 2014-2015 fiscal years. We also requested and received copies of revised policies and procedures pertinent to warehouse operations.

The warehouse inventory list (as of May 14, 2015) consisted of 532 items that were included in the following six categories:

Categories	Items
Dry Goods	149
Frozen Foods	66
Bedding/Cleaning	97
Staff Uniforms	94
Inmate Clothing	98
Forms	28
Total items	532

We selected and performed physical counts of 40 items in the warehouse and compared our counts to the perpetual inventory counts to determine the accuracy of SCI Albion's inventory records. Although the physical counts and the perpetual inventory counts should agree, we found discrepancies in 6 of the 40 items (15%). The 6 items included three staff uniform items, one dry goods item, one inmate clothing item, and one forms item as detailed in the following chart.

Item	Physical Count	Perpetual Inventory	Difference
Inmate Boots (size 8)	0	120	(120)
Drink Mix	49	50	(1)
Copier Paper	237	417	(180)
White Officer Shirt	4	6	(2)
Khaki Staff Shirt	1	3	(2)
Blue Dietary Jacket	0	1	(1)

Regarding the **inmate boots**, according to the business manager, these are stored in SCI Albion's laundry area and not in the warehouse. However, these inmate boots, which were received in February 2015, were inadvertently posted to warehouse inventory. The business manager explained that the

next physical count of inmate clothing would have caught this posting error. (Inmate clothing was last counted on July 23, 2014.) SCI Albion will remove all inmate boots from the warehouse inventory.

Regarding the one **case of drink mix**, SCI Albion management could not determine why it was missing from inventory.

Regarding the **copier paper**, the business manager stated that copier paper is a high demand item that is stored in the warehouse. Copier paper is an available item on the state contract for office supplies and it is supposed to be delivered on an as-needed basis and not stored in the warehouse. Although it was stored in the warehouse, copier paper inventory was not closely tracked as an inventory item. The business manager stated that SCI Albion will either stop storing copier paper in the warehouse or will account for the paper like a normal inventory item.

Regarding the **three staff uniform items**, according to SCI Albion, the actual counts were lower than the perpetual inventory counts because a warehouse employee was not posting the "uniform replacement forms" in a timely manner. The employee was retaining the "uniform replacement forms" until several forms were turned into the warehouse and then posting all the replacement forms at the same time. This delay in posting caused the perpetual inventory to be inaccurate (overstated). The business manager stated that this practice has been corrected and that uniform replacement forms will be posted when received.

Following the prior audit, the business manager modified SCI Albion's warehouse manual, effective January 14, 2011. The modified manual includes procedures SCI Albion staff must follow to obtain goods from the warehouse. The procedures emphasize that items will not be issued out of the warehouse until a stock transfer order has been received electronically by warehouse staff.

The manual also includes procedures that must be followed when staff make adjustments to inventory counts, and it identifies who is to investigate a discrepancy found during an inventory count and the procedures that must be followed when an adjustment to inventory is required. However, the manual did not require the business manager to approve inventory adjustments. In addition to the changes to the manual, the

former deputy superintendent for facilities management issued procedures staff must follow to acquire replacement uniform articles.

We determined that SCI Albion currently counts all inventory items on an annual basis. The items are counted throughout the fiscal year with different inventory categories counted at different times during the year. Staff shortages within the business office prevent the business office staff from conducting one inventory count of all items once a year. All food items are counted monthly. However, inventory counts continued to be conducted by warehouse personnel because DOC's policy did not prohibit it and other SCI Albion personnel were not available due to staff shortages. Use of warehouse staff to conduct inventory counts increases the risk that misappropriation from the warehouse could occur and not be detected or reported.

Overall, controls over warehouse inventory improved since the prior audit. However, SCI Albion needs to take additional steps to improve controls over its warehouse inventory.

Recommendations

We recommend that SCI Albion:

1. Identify the causes for inventory differences and take appropriate corrective action such as employee training, improved monitoring, and changes to existing procedures.

2. Amend its warehouse manual to include the following:

   a. Require sign-offs to evidence the business manager approved inventory adjustments.

   b. Conduct monthly spot checks of inventory items.

   c. Implement internal control procedures to address risk that exists when staff who maintain inventory are also responsible for performing inventory counts and/or adjusting inventory.

3. Treat all items stored in the warehouse as inventory items.

4. Require uniform replacement forms to be posted when received.

Prior Finding IV-1

SCI Albion still did not provide the required training to fire emergency response team members. (Unresolved)

Our four prior audits reported that SCI Albion did not provide required training to its Fire Emergency Response Team (FERT) members. In the most recent prior audit, for the period July 1, 2007 through June 30, 2009, we reported that SCI Albion could not provide us with accurate, reliable training documents; therefore, we could not determine if its FERT members received 16 hours of mandatory training. We recommended that SCI Albion enforce the Department of Corrections' (DOC) training policy to ensure that FERT members receive the required annual training and that SCI Albion ensure that its training records are accurate and reliable.

Status as of this audit

We determined that SCI Albion did not provide the mandatory training to all of its FERT members and that its training records were not accurate and reliable. Eight of SCI Albion's 18 (44 percent) active FERT members[9] during the period July 1, 2013 through June 30, 2014,[10] did not receive the 16 hours of training required by DOC's policy.[11] One of the eight members did not receive any training while the remaining seven received only 8 hours of training.

As part of our review of the FERT training records for the period July 1, 2013 through June 30, 2014, we found that a training session conducted on May 8, 2014, was posted to attendees' training records as "16 hours" when it should have been posted as "8 hours."[12] This discrepancy was brought to the attention of SCI Albion management who, after

[9] Not included among the 18 FERT members were six members not available to participate in training due to extenuating circumstances, including military duty, work-related injury, or resignation from the team during the test period.

[10] As a result of a DOC policy change, beginning in calendar year 2015, FERT members need 16 hours of training every calendar year. Previously, FERT members needed 16 hours of training each fiscal year (July 1 through June 30).

[11] DOC Policy 5.1.1, "Staff Development and Training Procedures Manual", Section 12 – Special Response Team Training Requirements.

[12] The 8 hours of training was confirmed by the review of the "in-service training roster" used to record the names of attendees and the date of the training. This document indicated the start of training as 6:00 AM and ending at 2:00 PM or 8 total credit hours.

investigation, responded that this was a "central office software issue." When the posting to the training records was corrected, four team members, who previously appeared to meet DOC's 16 hour FERT training requirement, were actually 8 hours short of meeting the requirement.

The failure to meet DOC's FERT training requirements was discussed with SCI Albion management. SCI Albion's Institutional Safety Manager (responsible for FERT) stated that training was normally held only two days per year for eight hours each day. He stated that, unfortunately, all team members may not be available to attend the sessions (scheduled days off, training held on their off shift, etc.). This limited scheduling made it almost impossible for all team members to receive the required training hours.

During our discussion with SCI Albion management, management indicated that they are revising the training schedule to address this problem of team members' limited scheduling.

Some FERT members are also volunteer firefighters in their communities. When we asked SCI Albion management if it would be helpful for some of the training that its FERT members receive as volunteer firefighters to be accepted toward their FERT training requirements, they indicated it would help. Currently, DOC's policy does not permit any training that volunteer firefighters receive to be counted to his/her FERT training requirements. This includes training such as CPR training or training on the use of breathing equipment that can be part of FERT training.

As a result of the failure to provide required training, there is an increased risk that the team will lack the knowledge and skills it needs to adequately respond in the event of a fire-related emergency. This could place the lives of SCI Albion staff, inmates, and third parties present at SCI Albion at increased risk in the event of a fire-related emergency. It also places the facility at increased risk for more extensive damage during such an emergency.

Recommendations

We recommend that SCI Albion:

1. Schedule training at times when FERT members are available to attend and receive the required hours of training.

2. Consider offering the 16 hours of FERT training more than one time each year to help ensure that all FERT members receive the required training.

3. Implement internal control procedures to provide assurance that training records are accurate in the future. Such procedures should be designed to prevent, or detect and correct, reporting errors.

4. Inform DOC of the "central office software issue" that caused the training records at SCI Albion, and perhaps at other DOC correctional institutes, to be inaccurate.

We also recommend that DOC:

5. Consider recognizing training hours that FERT members, who are also volunteer firefighters, receive during external volunteer firefighter's training that is similar to FERT training.

Agency's Response and Auditors' Conclusions

We provided draft copies of our audit findings and status of prior findings and related recommendations to DOC/SCI Albion for its review. On the pages that follow, we included those responses in their entirety. Following the agency's response is our auditors' conclusions.

Audit Response from DOC/SCI Albion

COMMONWEATH OF PENNSYLVANIA
Department of Corrections
Office of Chief Counsel
(717) 728-7728

March 10, 2016

SUBJECT: DOC Responses to Finding for the 2016 Performance Audit of SCI-Albion

TO: Janet B. Ciccocioppo
Director
Bureau of Performance Audits
Department of the Auditor General

FROM: Elizabeth L. Pettis
Deputy Chief Counsel

Joseph Fulginiti
Assistant Counsel

The following are the Department of Corrections' ("DOC") responses to each of the findings outlined in the Department of the Auditor General's ("AG") Finding for its 2016 Performance Audit of the State Correctional Institution at Albion ("SCI-Albion"):

Finding #1: The DOC failed to verify the accuracy of the ratings for certain performance standards of the CCFs and CCCs to which SCI-Albion's inmates were sent.

Program Audit Ratings Portion of Finding #1

The AG's finding that the DOC, via its Bureau of Community Corrections (BCC), failed to perform program audit ratings on a quarterly basis as required by the Department of contracts and that some of its ratings were not calculated correctly is accurate. However, it should be noted that the DOC had never before included such performance metrics in its contracts and, as a result, BCC staff reasonably experienced an initial period of time in which they wrestled with how to effectively implement, manage, calculate and track these new quarterly performance metrics. Additionally, it should be noted that BCC staff experienced significant staffing changes and shortages during this period that adversely impacted the implementation and management of the new program audit ratings processes.

As a further response to this finding, please be advised that:

1.) beginning in the Second Quarter of 2015, BCC staff has conducted the required program audit ratings on a quarterly basis;

Audit Response from DOC/SCI Albion

2.) BCC has instituted a ratings review process that requires both the Program Manager and the BCC Deputy Facilities Manager to sign off on and verify its quarterly program audit ratings;

3.) BCC is developing a quality assurance program that will help it to, among other things, validate the accuracy of the performance standards information provided by the applicable vendors;

4.) BCC is currently developing an electronic system that will allow it to receive the requisite performance data, track its quarterly ratings and calculate the ratings so as to eliminate the potential for human error; and

5.) BCC and the DOC's Office of Planning, Research & Statistics are currently refining the standard measurement process for its performance metrics to ensure that performance incentives are appropriately awarded to eligible vendors thereby optimizing the use of the DOC's limited resources.

Employment Ratings Portion of Finding #1

The AG's finding that BCC failed to appropriately calculate and validate its vendors' monthly employment rate is accurate. However, it again should be noted that the DOC had not before included such performance metrics in its contracts and, as a result, BCC staff reasonably experienced an initial period of time in which they wrestled with how to effectively implement, manage, calculate and track these new quarterly performance metrics. Additionally, it should be noted that, effective September 29, 2014, the DOC changed the frequency of its employment rates reporting and review requirement from monthly to annually. The new annual employment rate report and review was effectuated via a changer order and was implemented because BCC staff quickly realized that the monthly employment rates did not capture statistically useful information.

As a further response to this finding, please be advised that:

1.) BCC is developing a quality assurance program that will help it to, among other things, validate the accuracy of the employment rate information provided by the applicable vendors;

2.) BCC is currently developing an electronic system that will allow it to receive the requisite employment rate information and calculate these rates uniformly; and

3.) BCC and the DOC's Office of Planning, Research & Statistics are currently refining the standard measurement process for its performance metrics to ensure that BCC receives useful information regarding the employment rates that each vendor achieves.

Finding #2: SCI-Albion failed to provide inmate mental health services as required by Department of Corrections' policy.

Psychiatric Services Portion of Finding

Audit Response from DOC/SCI Albion

The AG's finding that 4 of 40 cases reviewed reflected that inmates with a serious mental illness had not been seen by a psychiatric provider within the 90-day time frame established by Department policy is misleading because there are various explanations for why such a discrepancy may have occurred that are not the result of a failure by SCI-Albion's staff. For example: the inmate could have been out of the institution for court or a medical appointment; the institution could have been locked-down for a security emergency; the inmate may have only temporarily been carried on the D-Roster, requiring such frequency of contact. However, the most common explanation for why it may appear that seriously mentally ill inmates were not seen by a psychiatric provider within the 90-day time period is simply a "no show." Additionally, inmates are quite often scheduled to meet with a psychiatric provider in advance of their 90-day contact requirement but fail to appear at the appointment. Such a failure is unrelated to any overriding security concerns; the inmate simply decides not to report to the infirmary for his scheduled appointment.

Nevertheless, to address the issue of untimely psychiatry contacts, SCI-Albion has employed the services of an on-site patient facilitator who is responsible for scheduling and tracking inmate psychiatry appointments. That individual will ensure that no scheduling discrepancies occur and that inmates on the appropriate roster are being scheduled for psychiatric appointments in advance of the 90-day requirement. SCI-Albion has also installed a scheduling system, Time Trade, which will, among other things, automatically comb the mental health roster to capture inmates who are within 15 days of their required psychiatric contact and document inmate no shows.

Psychological Services Portion of Finding

The AG's finding that, during a 9-month period, 37 of 40 medical records reviewed revealed discrepancies regarding the frequency of required psychological contacts is accurate. Specifically, the audit of the medical records revealed that 3 inmate files contained no documentation to demonstrate receipt of psychological services during the 9-month period, 3 files documented only one psychological contact during the 9-month period, and 31 files demonstrated that the inmates received a variety of psychological services in an untimely fashion. The report reflects several explanations for discrepancies in the administration of psychological services, including: errors in recordkeeping, inaccurate or absent documentation and a failure to record participation in group therapy.

To address any timeliness issues regarding the administration of psychological services, SCI-Albion has employed an automated scheduling system similar to the one used to track and schedule psychiatric appointments. This system will automate the process of scheduling psychological contacts while also keeping close watch of the mental health roster to ensure that inmates who are nearing the deadline for a psychological contact are seen. In addition, clinical staff have begun creating a progress note for inmate participation in group therapy so that those forms of psychological treatment are captured and reflected in the inmates medical record like any other. With regard to accurate record-keeping, SCI-Albion has been encouraged to require psychological clinicians to ensure that the psychological contact notes created when an inmate contact occurs are migrated to the medical record on a weekly basis. In addition, the DOC has undertaken an electronic medical records management project that will substantially increase efficiencies across all clinical disciplines and will also resolve many of the issues noted in the report regarding scheduling and

Audit Response from DOC/SCI Albion

contact timeliness. It is expected that this electronic records system will be deployed within the next year.

Finding #3: SCI-Albion did not properly monitor the contact for psychiatric services.

The AG's finding that SCI-Albion had not properly monitored the contract for psychiatric services, and failed to independently verify that telemedicine services were provided before approving payment for 286 hours is accurate. It should be noted, however, that DOC's Bureau of Health Care Services has been actively engaged in discussions with its psychiatric services provider, to implement a better system for telemedicine invoicing and payment. At the current time, there are various proposals being considered to ensure that telemedicine services are billed consistently and payed accurately.

The following are the DOC's responses to the each of the AG's recommendations regarding its prior findings:

Prior Finding #1: SCI Albion sometimes paid inmates for hours they did not work. In addition, SCI Albion did not maintain a progress review for some of the inmates. (Partially resolved)

The AG's recommended that SCI-Albion develop a process to ensure that Inmate Progress Reports are completed as required by Policy and that the process should include a mechanism for tracking when Inmate Progress Reports are due as well as require management to monitor to ensure Inmate Progress Reports are completed timely and in compliance with DOC's policy.

Please be advised that SCI-Albion has already taken the appropriate action in that a monthly tracking form has been and will be distributed to managers and supervisors for review and appropriate action.

Prior Finding #5: SCI Albion did not comply with inventory policy and did not apply warehouse inventory controls. (Partially resolved)

The AG's finding that SCI-Albion only partially resolved its noncompliance with inventory policy and warehouse inventory controls issue is inaccurate. Please note that SCI-Albion addressed each concern noted in the previous audit report and implemented three of the four recommendations made in that report. Please also be advised that:

1.) SCI Albion staff acknowledge that it did not conduct an annual physical inventory for fiscal year ended June 30, 2009 and could not locate documentation that it conducted an annual physical inventory for fiscal year ended June 30, 2008, however, SCI-Albion staff did conduct annual physical inventories for the current audit period;

2.) SCI- Albion staff assert that it does investigates all inventory discrepancies;

3.) SCI-Albion staff assert that it documents every transfer of item in and out of the warehouse; and

Audit Response from DOC/SCI Albion

4.) SCI-Albion staff assert that its inventory is accurate 99% of the time.

Prior Finding #IV-1: SCI-Albion still did not provide the required training to fire emergency response team members. (Unresolved)

SCI-Albion agrees with all of the AG's recommendations regarding fire emergency response team (FERT) members training.

Please be advised that a 2016 training schedule has been implemented which provides two (2) 8 hour training days as well as three (3) 4 hour training days to accommodate FERT members who are unable to attend a training day. Additionally, SCI-Albion will also require FERT members to officially document any/all out-service training that they receive. Please also be advised that SCI-Albion's Safety Manager will be forwarding all training records and scheduled training to the training coordinator for verification and cross reference of training records. FERT members will also be required to request and document Out-Service training attendance.

As a further response to this finding, please be advised that:

1.) SCI-Albion has already addressed the previously cited software issues with the DOC's Training Academy; and

2.) The DOC's Training Policy currently permits Out-Service Training related specifically to FERT. Such trainings will be documented per policy and submitted as part of the annual training records.

Please contact me at epettis@pa.gov or (717) 728-7748 or Joe Fulginit at josfulgini@pa.gov or (717) 728-7761, if you have any questions concerning the DOC's responses to the above referenced finding. Thank you for your assistance.

Auditors' Conclusions to DOC's/SCI Albion's Response

With regard to the current year findings, DOC/SCI Albion generally agrees with our conclusions and has indicated that many of our recommendations have already been implemented or are in the process of being implemented. We commend DOC/SCI Albion for proactively addressing our current year findings and recommendations.

However, there is one response that needs further comment regarding Finding 2. The DOC\SCI Albion's response states that the finding may be misleading and offered various explanations why an inmate did not receive required psychiatric services. However, we did not receive any evidence that these explanations were relevant in the four cases we identified in Finding #2. Any violation of the 90-day time frame should have been documented in the inmate's medical record and the appointment rescheduled for the next available date. Therefore, the finding remains as stated.

With regard to the status of our prior findings, DOC/SCI Albion agrees with two of the three findings we addressed. SCI Albion only disagrees with our Prior Finding 5. In its response, SCI Albion asserted that its inventory is accurate 99% of the time, however our testing found that in six of 40 instances (15%), the inventory count was inaccurate. Additionally, we found that the reasons for the some of the six errors, if known, could have been avoided. Finally, we noted that amendments should be made to SCI Albion's revised warehouse manual, such as requiring the business manager to approve inventory adjustments. Therefore, it was decided to offer additional recommendations to further improve the process. As a result, the status of Prior Finding 5 remains as stated.

Appendix A Objectives, Scope, and Methodology

The Department of the Auditor General conducted this performance audit in order to provide an independent assessment of the Pennsylvania Department of Corrections' (DOC) State Correctional Institution at Albion (SCI Albion).

We conducted this 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.

Objectives

Our audit objectives were as follows:

1. Determine whether DOC ensured that the community contract facilities (CCF) and community corrections centers (CCC) met their service level performance agreement measures (or similar standards) as well as reduced their recidivism rates.

2. Determine whether SCI Albion maintained effective controls over the monitoring of contracted mental health services and whether those services were provided in compliance with applicable contracts, laws, regulations, and policy.

We also conducted procedures to determine the status of the implementation of our prior audit report findings and recommendations as presented in our audit report released on August 22, 2011.

Scope

This audit covered the period July 1, 2013, through July 6, 2015, unless otherwise indicated, with follow-up procedures performed and concluded as of September 18, 2015.

DOC/SCI Albion management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that its department is in compliance with applicable laws, regulations, contracts, grant agreements, and administrative policies and procedures.

In conducting our audit, we obtained an understanding of SCI Albion's internal controls, including any information systems controls, if applicable, as they relate to those requirements and that we considered to be significant within the context of our audit objectives. For those internal controls that we determined to be significant within the context of our objectives, we also assessed the effectiveness of the design and implementation of those controls as discussed in the Methodology section that follows. Any deficiencies in internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives were included in this report.

Methodology

To address audit objective 1, we performed the following:

- Reviewed the contract proposal utilized to solicit private contractors to house and provide services to inmates released by DOC institutions in order to understand the minimum service levels (performance standards) and the frequency by which DOC was to assess the standards.

- Obtained written instructions provide to CCFs and CCCs on how to calculate certain performance standards.

- Interviewed DOC and SCI Albion employees to gain an understanding of the community corrections process. These employees included DOC's Bureau of Community Corrections' director and regional director and SCI Albion's corrections classification program manager.

- Interviewed the DOC's director of bureau of planning, research and statistics to determine how service level performance agreement measures are assessed and scored.

- Selected three CCFs (out of 42) and two CCCs (out of 15) that receive inmates from Albion. These were the five facilities where SCI Albion inmates were most often placed.

- Obtained documentation from DOC, CCFs and CCCs to support the ratings reported on the scoring matrix and recalculated the scores on the matrix.

To address audit objective 2, we performed the following:

- Reviewed the Mental Health Services contract (4000018060) and related amendments to gain an understanding of its terms and conditions.

- Reviewed DOC policy 13.8.1, Access to Mental Health Care, to determine the services and treatment available to mentally ill inmates.

- Reviewed DOC policy 3.1.1, Fiscal Administration and Management Directive 310.31, Purchase Order, Invoice Processing and Invoice Reconciliation Processes, to determine what management controls have been developed to monitor whether contracted services have been received and whether contractor invoices reflect these services.

- Interviewed DOC and SCI Albion personnel responsible for ensuring compliance with the terms and conditions of the mental health services contract in effect during our audit period. These employees included SCI Albion's licensed psychology manager and Corrections Health Care Administrator and DOC's project manager, budget analyst, and account technician.

- Reviewed the medical records of the 15 inmates assigned to the diversionary treatment unit as of June 3, 2015, to determine whether psychiatric treatment services were received at least once every 30 days as required.

- Randomly selected 40 of 783 inmates diagnosed with mental illness and reviewed their medical records to

determine whether psychiatric treatment was received a minimum of one session every 90 days as required. We also reviewed their medical records to determine whether psychological treatments were received a minimum of one session every 30 days as required.

- Reviewed the medical records of the 15 inmates (from the test group of 40) that were diagnosed with serious mental illness to determine whether the psychiatric review team met to review and update the inmate's treatment status at least once every 120 days as required.

- Reviewed the mental health services invoices for the period March 2014 to February 2015 and attempted to reconcile the invoices to Albion timekeeping records.

- Attempted to observe the reconciliation of the August 2015 mental health services invoice; however, we were not permitted to observe the reconciliation process. We were provided with documents that were purportedly used during the reconciliation process.

To address the status of Prior Finding 1 in our prior audit, we performed the following:

- Randomly selected the daily count logs for 10 days during the period January 1, 2015 to March 31, 2015 and compared these to the inmate payroll records to determine if Albion paid inmate wages for work inmates did not perform.

- Randomly selected 25 of 1,344 inmates from the February 2015 inmate payroll transaction reports and reviewed their employment records to whether an inmate progress report was completed for the current job assignment.

To address the status of Prior Finding 5 in our prior audit, we performed the following:

- Obtained a listing of inventory items maintained by Albion (dated May 14, 2015) as well as copies of inventory counts conducted by Albion personnel during the 2013-2014 and 2014-2015 fiscal years. These

counts were requested to determine whether Albion was performing inventory counts as recommended in the prior report.

- Randomly selected 40 of 532 inventory items, performed a physical count of these items, and compared our counts to the perpetual inventory counts maintained by Albion to determine the accuracy Albion's inventory records.

- Obtained and reviewed the revised warehouse manual, dated January 14, 2011, to determine what changes had been implemented and whether prior control weaknesses had been addressed.

To address Prior Finding IV-1 in the prior report, we performed the following:

- Obtained training records of active FERT team members during the period July 1, 2013, to June 30, 2014 to determine if mandatory training requirements were met.

- Discussed this issue with SCI Albion management.

Appendix B Audit Distribution List

Upon its release, this report was distributed to the following Commonwealth officials:

The Honorable Tom Wolf
Governor

The Honorable Randy Albright
Secretary of the Budget
Office of the Budget

The Honorable Timothy Reese
State Treasurer
Treasury Department

The Honorable Kathleen G. Kane
Attorney General
Office of the Attorney General

The Honorable John E. Wetzel
Secretary
Pennsylvania Department of Corrections

The Honorable Sharon Minnich
Secretary of Administration
Office of Administration

The Honorable Nancy Giroux
Superintendent
State Correctional Institution at Albion

The Honorable Ron Marsico
Majority Chair
House Judiciary Committee

The Honorable Joe Petrarca
Democratic Chair
House Judiciary Committee

The Honorable Stewart Greenleaf
Majority Chair
Senate Judiciary Committee

The Honorable Daylin Leach
Minority Chair
Senate Judiciary Committee

Mr. Brett Bucklen
Director
Bureau of Planning, Research, and Statistics
Department of Corrections

Mr. Louis Resto
Acting Director
Bureau of Community Corrections
Department of Corrections

Ms. Tammy Turner
Business Manager
State Correctional Institution at Albion

Mr. Brian Lyman, CPA
Director
Bureau of Audits
Office of Comptroller Operations

Ms. Mary Spila
Collections/Cataloging
State Library of Pennsylvania