

**Performance Audit**

**State Correctional Institution at Pittsburgh**

**Commonwealth of Pennsylvania  
Department of Corrections**

**July 1, 2007, to June 19, 2009**





**Performance Audit**

***State Correctional Institution at Pittsburgh***

**Commonwealth of Pennsylvania  
Department of Corrections**

**July 1, 2007, to June 19, 2009**



July 11, 2011

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120

Dear Governor Corbett:

This report contains the results of a performance audit of the State Correctional Institution at Pittsburgh of the Department of Corrections from July 1, 2007, to June 19, 2009. We conducted our audit under authority provided in Section 402 of The Fiscal Code and in accordance with generally accepted government auditing standards.

The report contains ten audit objectives along with an audit scope and methodology for each objective. Where appropriate, the audit report contains findings, conclusions, and recommendations. The report noted that SCI Pittsburgh did not manage its automotive fleet effectively and that the work order system had weaknesses.

We discussed the contents of the report with management of SCI Pittsburgh, and all comments are reflected in the report.

Sincerely,

**JACK WAGNER**  
Auditor General



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July 2011*

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## **Background Information**

This section contains information about the Department of Corrections and the State Correctional Institution at Pittsburgh.

### **Department of Corrections**

*History, mission,  
and operating  
statistics*

The Pennsylvania General Assembly created the Pennsylvania Bureau of Corrections under the authority of the Pennsylvania Department of Justice with the passage of the Act of July 29, 1953, (P.L. 1428, Section I, No. 408).<sup>1</sup> In December 1980, responsibility moved from the Pennsylvania Department of Justice to the Office of the General Counsel under the Governor. The Governor signed the Act of December 30, 1984, (P.L. 1299, Act 245)<sup>2</sup> in 1984 elevating the Bureau of Corrections to cabinet-level status as the Department of Corrections.

The mission of the Department of Corrections is as follows:

*Our mission is to 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.<sup>3</sup>*

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

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<sup>1</sup> 71 P.S. §§ 301-306.

<sup>2</sup> 71 P.S. § 310.1-310.14.

<sup>3</sup> [www.cor.state.pa.us](http://www.cor.state.pa.us), accessed February 2, 2010; verified February 8, 2011.

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**State Correctional Institution at Pittsburgh**

The State Correctional Institution at Pittsburgh, referred to as SCI Pittsburgh within this report, is located in Allegheny County on the north side of the city of Pittsburgh. It was built in 1882 and is the oldest correctional institution operated by the Department of Corrections. The institution was mothballed in January 2005 due to its age. It reopened in June 2007 as a minimum- to lower-medium security facility for males in need of alcohol and other drug treatment. SCI Pittsburgh's physical plant is situated on 21 acres of land, with approximately 11.5 acres inside the wall.

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

	<b>Using rounding</b>		
	<b>2007<sup>4</sup></b>	<b>2008</b>	<b>2009</b>
<b>Operating expenditures<sup>5</sup></b>			
State	\$6,018,718	\$38,998,542	\$52,835,351
Federal	<u>0</u>	<u>0</u>	<u>2,914</u>
<b>Total expenditures</b>	<u><u>\$6,018,718</u></u>	<u><u>\$38,998,542</u></u>	<u><u>\$52,838,265</u></u>
Inmate population at year-end	201	1,315	1,704
Inmate capacity at year-end	750	1,200	1,500
Percentage of capacity at year-end	26.8%	109.6%	113.6%
Average monthly inmate population	201	874	1,638
Average cost per inmate per year <sup>6</sup>	\$29,944	\$44,621	\$32,258

<sup>4</sup> SCI Pittsburgh began accepting inmates in June 2007 for only one month of operations.

<sup>5</sup> Operating expenses were recorded net of fixed assets, an amount that would normally be recovered as part of depreciation. In addition, regional level and indirect charges were not allocated to the totals reported here.

<sup>6</sup> Average cost per inmate per year was calculated by dividing total operating expenses by the average monthly inmate population.

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**Audit  
Objectives**

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our performance audit of the State Correctional Institution at Pittsburgh contains ten objectives. We selected the audit objectives from the following areas: automotive fleet, hiring practices, employee pay incentives, employee complaints, employee training, contracts, expenses, maintenance expenses, inmate general welfare fund and inmate employment. The specific audit objectives were as follows:

- One        To assess the adequacy of management over the automotive fleet. (Finding 1)
- Two        To assess hiring practices pursuant to federal and state guidelines and regulations. (Finding 2)
- Three      To determine the propriety of use of employee pay incentives. (Finding 3)
- Four      To review employee complaints and suggestions, and evaluate the efforts to respond to them. (Finding 4)
- Five      To determine compliance with employee training requirements. (Finding 5)
- Six        To determine if contracts duplicated, overlapped, or conflicted with other institution efforts to provide similar goods and services. (Finding 6)
- Seven     To determine if the significant expenses were appropriate and met the objectives of the Department of Corrections' mission statement. (Finding 7)
- Eight     To determine control over maintenance expenses. (Findings 8 and 9)

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**Audit  
Objectives**

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- Nine To determine if SCI Pittsburgh operated the Inmate General Welfare Fund in accordance with the Department of Corrections' policies and procedures, and to assess the adequacy of relevant management controls. (Finding 10)
- Ten To determine management controls over inmate employment. (Finding 11)

The scope of the audit was from July 1, 2007, to June 19, 2009, unless indicated otherwise. The scope included the earliest time period selected for audit and continued through the end of our analysis.

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

Since the facility was closed between January 2005 and June 2007, there were no relevant audit issues still open so we did not include a status of prior findings section in this report.

**Audit Results**

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**Audit Results**

In the pages that follow, we have organized our audit results into the following sections, which are organized as follows under each objective:

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

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**Audit Results  
Objective One**

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**Audit Results  
for  
Objective  
One**

**The objective**

Objective one for our performance audit was to assess the adequacy of management over the automotive fleet.

**Scope of our audit work**

*Automotive Fleet  
Management*

We selected the ten employees with the highest personal mileage reimbursements for the fiscal year ended June 30, 2008, and examined detailed records maintained by SCI Pittsburgh for the period from January 1, 2008, to February 28, 2009.

**Relevant laws, policies, and agreements**

The Department of Corrections has established policies and procedures regarding vehicle use, maintenance, and reporting.<sup>7</sup> In addition, the Governor signed an executive order establishing the Commonwealth of Pennsylvania automotive fleet efficiency initiative. The initiative states as follows:

*Agencies will monitor, at regular intervals, vehicle assignments and utilization patterns, fuel card activity and reimbursements made to employees for miles traveled in personal vehicles to ensure that Commonwealth resources are being deployed in the most cost-effective manner.<sup>8</sup>*

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

**Methodologies to meet our objective**

To establish our understanding of automotive fleet operations, we reviewed the Department of Corrections' policy statements for automotive fleet management and the Governor's executive order as

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<sup>7</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 3.1.1 "Fiscal Administration," Section 8, "Vehicles," effective January 27, 2009.

<sup>8</sup> Commonwealth of Pennsylvania, Governor's Office, Executive Order Number 2007-03, "Commonwealth Automotive Fleet Efficiency Initiative," dated May 9, 2007.

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referenced in the preceding summary of Department of Corrections' requirements.

We interviewed two SCI Pittsburgh facilities maintenance managers to establish our understanding of the implementation of the Department of Corrections' policies.

We reviewed mileage logs, driver usage forms, and fuel consumption receipts from January 1, 2008, to February 28, 2009. We also reviewed receipts for fuel purchased from January 2008 to December 2008.

Finally, we reviewed SCI Pittsburgh's weekly vehicle schedules to determine availability and usage.

## **Finding 1**

### **Finding 1 – SCI Pittsburgh did not comply with Department of Corrections' policies and did not develop practices to manage its automotive fleet effectively at the lowest reasonable cost.**

A well-managed vehicle fleet system supports the efficient and effective operations essential to SCI Pittsburgh. Documenting mileage and fuel usage enables management to evaluate and monitor the accuracy and adequacy of vehicle usage. Such documentation would also allow management to be more effective at monitoring and scheduling preventative maintenance repairs in order to control costs and prevent more costly repairs in the future.

Our review of the automotive fleet operations at SCI Pittsburgh revealed the following deficiencies:

- Fuel and oil receipts were, at times, illegible, missing, or did not list the gas pump meter reading and other information.
- SCI Pittsburgh did not submit the required monthly vehicle activity summary report for the months of July 2007 through February 2009.
- Our testing of records for the ten employees with the highest personal mileage reimbursement found that these employees received a total of \$6,180 for 37 trips during the fiscal year

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**Audit Results  
Objective One**

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ended June 30, 2009. We found that the required request form was not completed for 30 of the 37 of the trips, or 83 percent. In addition, a total of \$2,465 in personal mileage was paid for 16 of the 37 trips even though a state vehicle was available.

**Our conclusion**

Based on the results of our testing, we concluded that SCI Pittsburgh did not comply with Department of Corrections' policy and did not develop practices to manage its automotive fleet effectively at the lowest reasonable cost.

**Recommendations  
for Finding 1**

1. SCI Pittsburgh management should enforce existing policies to ensure that the required forms are being completed, submitted, and approved to support decision-making.
2. In addition, management should ensure that all travel is cost effective in a state vehicle by maximizing the effective use of these vehicles and minimizing any additional travel costs.

*Response of SCI Pittsburgh management:*

*Hiring of staff to man the automotive shop along with implementing controls for dispensing fuels has greatly improved control of gas receipts.*

*The Summary Report Form has never been an attachment to [Department of Corrections'] policy. When identified by the auditors the form was requested from the automotive officer and has been included with the monthly vehicle activity report.*

*Past practice permitted discretion in approving personal mileage reimbursement in lieu of assigning a state vehicle when deemed cost effective. This is the exception and when available, state vehicles are assigned to staff for business trips.*



**Audit Results  
Objective Two**

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**Audit Results  
for  
Objective  
Two**

**The objective**

Objective Two for our performance audit was to assess hiring practices pursuant to federal and state guidelines and regulations.

**Scope of our audit work**

*Hiring Practices*

We selected the nine most recent new hires as of June 1, 2009, for testing of the implementation of Commonwealth of Pennsylvania requirements.

**Relevant laws, policies, and agreements**

The Civil Service Act provides for the “establishment of conditions of service, which will attract to the service of the Commonwealth qualified persons of character and ability and their appointment and promotion on the basis of merit and fitness...”<sup>9</sup> The Pennsylvania State Civil Service Commission has prescribed policies and procedures for the recruitment, eligibility assessment, interview, and selection of candidates for positions classified as civil service.<sup>10</sup> The Commonwealth of Pennsylvania has also issued a management directive regarding the use of veterans’ preference for classified service employment.<sup>11</sup>

The Civil Service Commission provides information to potential applicants, recruits and tests applicants, and sends lists of qualified applicants to agencies seeking to fill jobs.<sup>12</sup> The Civil Service Commission ranks qualified applicants for specific job classifications based on the scores for written or oral examinations, demonstrations of skill, evaluations of experience and education, or a combination of these. If a vacant position is filled from an employment list, the agency must select a person who is among the three highest ranking available persons.

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<sup>9</sup> Act of August 5, 1941, P.L. 752, as amended.

<sup>10</sup> Commonwealth of Pennsylvania, Governor’s Office, Manual M580.10, “Certification of Eligibles for the Classified Service,” April 7, 1997.

<sup>11</sup> Commonwealth of Pennsylvania, Governor’s Office, Management Directive 580.21, “Veterans’ Preference on Classified Service Employment Lists,” dated May 5, 2008.

<sup>12</sup> Commonwealth of Pennsylvania, State Civil Service Commission, “Rules of the Civil Service Commission,” Title 4, Part IV, Subparts A and B, effective March 13, 2004.

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Objective Two**

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The Management Directive regarding the use of veterans' preference for employment states, as follows:

*Eligible veterans, spouses of disabled veterans, and widows or widowers of veterans:*

- 1) Receive 10 additional points on their final earned ratings, provided they pass the examination.*
- 2) Have mandatory appointment preference over non-veterans when their names appear together within the Rule of Three certifications covered by this policy.<sup>13</sup>*

**Methodologies to meet our objective**

To establish our understanding of hiring practices, we reviewed certain Commonwealth of Pennsylvania laws and policies, such as the Civil Service law and various Governor's Management Directives and operating manuals as referenced in the above summary of hiring requirements.

We interviewed the human resources director to establish our understanding of the implementation of the Commonwealth of Pennsylvania's requirements.

We selected the nine most recent new hires as of June 1, 2009, for testing of the implementation of Commonwealth of Pennsylvania requirements.

**Finding 2**

**Finding 2 – SCI Pittsburgh complied with Civil Service guidelines for veterans' preference for the new hires we reviewed.**

The results of our testing for the nine recent new hires revealed that SCI Pittsburgh filled a Civil Service position by requesting one or more employment lists from the Civil Service Commission and then sent availability survey/interview notice forms to the candidates listed. The available candidates were interviewed and a selection was

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<sup>13</sup> Commonwealth of Pennsylvania, Governor's Office, Management Directive 580.21, "Veterans' Preference on Classified Service Employment Lists," dated May 5, 2008.

**Audit Results  
Objective Two**

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made based on the Rule of Three. The Rule of Three requires that the agency must hire one of the three highest-scoring available candidates. If a veteran is among the Rule of Three, then mandatory preference is granted to qualified veterans over non-veterans. The selected candidate is then hired after passing a pre-employment physical, criminal background check, and a check of references. Our review of this process determined that these procedures complied with the Civil Service Commission's rules and regulations concerning hiring and the application of veterans' preference.

Discussions with the human resources director indicated that several factors come into play when making decisions for selection of potential new hires. One factor is the security of the institution. Vacant positions normally occur with corrections officer positions. These positions need to be filled as quickly as possible in order to avoid overtime and to meet all staffing requirements. A second factor is SCI Pittsburgh's experience in selecting candidates. According to the human resources director, there are times when candidates that do not reside locally will not be willing to relocate or commute into the City of Pittsburgh. Selecting these candidates slows down the process. A third factor is the time and effort required to select and interview candidates. The human resources director noted occasions where candidates have been selected and interviewed only to have them take positions at other institutions closer to their residence. With such an occurrence, clerical staff must purge the listing of these hired candidates, which also slows the hiring process.

When we tested the supporting documentation for the nine recent new hires, we found that the vacancies were filled according to Commission policies for veterans' preference.

**Our conclusion**

Based on the results of our testing of supporting documentation, we concluded that SCI Pittsburgh filled the nine vacancies according to Commission policies for veterans' preference.

We note, however, that even though we found no exceptions in our testing, our interview with the human resources director causes us to make a further response. Specifically, while we agree that the

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Objective Two**

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security of the institution is a priority and all steps should be taken to expedite the process of filling security position vacancies, we also believe that all eligible candidates should be given the opportunity to interview for vacant positions if they meet the examination qualifications and have indicated a preference to work in Allegheny County. This would necessitate the sending of interview notices to candidates based on their examination scores and counties of work preference, and not just their current counties of residence. We will continue to monitor SCI Pittsburgh's practices to make sure eligible candidates are not overlooked in the expediency of filling vacant corrections officer positions.

**Audit Results  
Objective Three**

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**Audit Results  
for  
Objective  
Three**

**The objective**

Objective Three for our performance audit was to determine the propriety of use of employee pay incentives.

**Scope of our audit work**

*Employee Pay  
Incentives*

We selected employee pay incentives from the fiscal years ended June 30, 2007, and June 30, 2008, for testing of the implementation of Commonwealth of Pennsylvania requirements.

**Relevant laws, policies, and agreements**

The Commonwealth of Pennsylvania has developed certain programs, monetary incentives, and union contract terms to attract, retain, and reward medical and dental professionals.<sup>14</sup> The agreement between the Commonwealth of Pennsylvania and the Pennsylvania Doctors Alliance<sup>15</sup> provided for a quality assurance program that awarded monetary incentives to medical and dental professionals based on their years of service with the Commonwealth of Pennsylvania. The awards ranged from \$5,000 for one year of service to \$16,000 for twelve or more years of service. Additionally, two consecutive agreements between the Commonwealth of Pennsylvania and the Service Employees International Union<sup>16</sup> provided for payments to Commonwealth of Pennsylvania nurses who attained one or more of the certifications specified in the contract. Each qualifying nurse receives a \$200 payment in each contract year that the employee meets the criteria.

Separate agreements between the Commonwealth of Pennsylvania and several different unions,<sup>17</sup> as well as a resolution of the Office of

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<sup>14</sup> Commonwealth of Pennsylvania, Governor's Office, Management Directive 525.16, "Physicians and Related Occupations Quality Assurance Program," dated February 14, 2006; Commonwealth of Pennsylvania, Governor's Office, Management Directive 535.2, "Physicians and Related Occupations Specialty Board Certification Payments," dated February 21, 2006.

<sup>15</sup> Agreement between Commonwealth of Pennsylvania and the Pennsylvania State System of Higher Education and Pennsylvania Doctors Alliance, effective July 1, 2005, to June 30, 2009.

<sup>16</sup> Agreement between Commonwealth of Pennsylvania and the Service Employees International Union, District 1199P, CTW, CLC, effective July 1, 2007, to June 30, 2011.

<sup>17</sup> Master Memorandum between Commonwealth of Pennsylvania and Council 13, American Federation of State, County and Municipal Employees, AFL-CIO, effective July 1, 2007, to June 30, 2011; Agreement

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Objective Three**

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Administration's Executive Board,<sup>18</sup> provided each permanent full- or part-time employee in active pay status on July 1, 2007, a one-time lump sum payment of \$1,250 (full-time employee) or \$625 (part-time employee). Full-time and part-time employees who were inactive but returned to active status prior to December 31, 2007, were also eligible for the one-time lump sum payments. Additionally, that same Executive Board issued a resolution that extended the \$1,250 lump sum payment to select corrections management employees.<sup>19</sup>

**Methodologies to meet our objective**

To establish our understanding of the use of employee incentive payments, we reviewed applicable Commonwealth of Pennsylvania and Department of Corrections' policies and procedures. We also reviewed the applicable union contracts.

We interviewed a human resource officer to establish our understanding of the implementation of the Commonwealth of Pennsylvania's requirements.

We examined the December 31, 2007, and November 30, 2008, detailed employee complement reports.

Finally, we reviewed the supporting documentation for bonuses and other cash payments made during the fiscal years ended June 30, 2007, and June 30, 2008.

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between Commonwealth of Pennsylvania and the Correctional Institution Vocational Education Association, Pennsylvania State Education Association, National Education Association, effective July 1, 2007, to June 30, 2011; Collective Bargaining Agreement for Educational and Cultural Employees between the Commonwealth of Pennsylvania and the Federation of State Cultural and Educational Professionals Local 2382, American Federation of Teachers Pennsylvania AFL-CIO, effective July 1, 2007, to June 30, 2011; Agreement between Commonwealth of Pennsylvania and PSSU, Local 668 SEIU, Pennsylvania Social Services Union, effective July 1, 2007, to June 30, 2011; Memorandum of Understanding between Commonwealth of Pennsylvania and OPEIU Healthcare Pennsylvania, Local 112, effective July 1, 2007, to June 30, 2011.

<sup>18</sup> Commonwealth of Pennsylvania, Governor's Office, Executive Board Resolution Number CN-07-122, dated May 21, 2007.

<sup>19</sup> Commonwealth of Pennsylvania, Governor's Office, Executive Board Resolution Number CN-07-170, dated June 25, 2007.

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**Finding 3**

**Finding 3 – SCI Pittsburgh calculated monetary incentives and one-time signing bonuses in accordance with applicable contract or program requirements.**

We analyzed monetary incentive payments to physicians and nurses from July 1, 2007, to June 30, 2008, and found that payments were calculated and processed in accordance with contract requirements.

SCI Pittsburgh made the \$1,250 one-time bonus payment to full-time employees and the \$625 payment to part-time employees that were on active pay status as of July 1, 2007, or who were inactive but returned to active status prior to December 31, 2007. SCI Pittsburgh also made the \$1,250 lump sum payments to eligible management employees. A review of payroll data disclosed these payments were accurately processed.

**Our conclusion**

We concluded that SCI Pittsburgh calculated and processed employee pay incentives in accordance with applicable contract or program requirements.

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**Audit Results  
Objective Four**

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**Audit Results  
for  
Objective  
Four**

**The objective**

Objective Four for our performance audit was to review employee complaints and suggestions, and evaluate the efforts to respond to them.

*Employee  
Complaints*

**Scope of our audit work**

We selected a random sample of grievances filed between January 1, 2008, and December 31, 2008, for testing of the implementation of Commonwealth of Pennsylvania requirements.

**Relevant laws, policies, and agreements**

SCI Pittsburgh employs more than 470 individuals. Approximately 90 percent of employees are classified as bargaining unit employees. There are eight different unions that cover bargaining unit employees, and membership is based on the type of position held. Each bargaining unit agreement includes specific procedures to be used when handling employee complaints.<sup>20</sup>

In addition, the Commonwealth of Pennsylvania has developed policies in the form of Governor's Management Directives for handling employee grievances.<sup>21</sup>

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<sup>20</sup> Memorandum of Understanding between Commonwealth of Pennsylvania and OPEIU Healthcare Pennsylvania, Local 112, effective July 1, 2007, to June 30, 2011; Agreement between Commonwealth of Pennsylvania and the Service Employees International Union, District 1199P, CTW, CLC, effective July 1, 2007, to June 30, 2011; Agreement between Commonwealth of Pennsylvania and PSSU, Local 668 SEIU, Pennsylvania Social Services Union, effective July 1, 2007, to June 30, 2011; Master Agreement between Commonwealth of Pennsylvania and Council 13, American Federation of State, County and Municipal Employees, AFL-CIO, effective July 1, 2007, to June 30, 2011; Agreement between Commonwealth of Pennsylvania and the Pennsylvania State System of Higher Education and Pennsylvania Doctors Alliance, effective July 1, 2005, to June 30, 2009; Collective Bargaining Agreement for Educational and Cultural Employees between the Commonwealth of Pennsylvania and the Federation of State Cultural and Educational Professionals Local 2382, American Federation of Teachers Pennsylvania AFL-CIO, effective July 1, 2007, to June 30, 2011; Agreement between Commonwealth of Pennsylvania and the Correctional Institution Vocational Education Association, Pennsylvania State Education Association, National Education Association, effective July 1, 2007, to June 30, 2011; Agreement between the Commonwealth of Pennsylvania and Pennsylvania State Corrections Officers Association, effective July 1, 2007, to June 30, 2011.

<sup>21</sup> Commonwealth of Pennsylvania, Governor's Office, Management Directive 505.15, "Employee Mobility Information Program," dated October 3, 2007; Commonwealth of Pennsylvania, Governor's Office,



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#### **Methodologies to meet our objective**

To establish our understanding of the employee complaint process, we reviewed applicable Commonwealth of Pennsylvania and Department of Corrections' policies and procedures. We also reviewed the applicable union contracts.

We interviewed human resource officers and the superintendent to establish our understanding of the implementation of the Commonwealth of Pennsylvania's requirements.

We randomly selected and tested 39 of 360 grievances filed between January 1, 2008, and December 31, 2008.

#### **Finding 4**

##### **Finding 4 – SCI Pittsburgh was timely in handling the 39 employee complaints that we sampled.**

The complaints reviewed were investigated and documented according to regulations. The human resources office handled equal employment opportunity and sexual harassment complaints. A labor relations specialist handled union grievances, and the grievances were filed with the applicable union.

#### **Our conclusion**

We concluded that employee complaints were processed in a timely manner.

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**Audit Results  
Objective Five**

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**Audit Results  
for  
Objective  
Five**

**The objective**

Objective Five for our performance audit was to determine compliance with employee training requirements.

**Scope of our audit work**

*Employee Training*

The scope of our performance audit was limited to an examination of the mandatory course instructors' certification documents to determine if they possessed the required certifications.

**Relevant laws, policies, and agreements**

The Department of Corrections has established a policy for training.<sup>22</sup> SCI Pittsburgh, through the Department of Corrections, is responsible for providing employees with initial orientation and continuing education and training programs that focus on skills and competencies directed toward the safety and care of the inmates and staff of the institution. The training coordinator is responsible for overseeing the planning, coordinating, record maintenance, and on-site monitoring of training to ensure adherence to requirements.

**Methodologies to meet our objective**

To establish our understanding of the training process, we reviewed applicable Department of Corrections' policies and procedures.

We interviewed the training coordinator to establish our understanding of the implementation of the Department of Corrections' requirements.

We reviewed the facility's annual training plan for the fiscal year ended June 30, 2009.

We also reviewed 37 mandatory course instructors' certification documents to determine if they possessed the required certifications.

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<sup>22</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1, "Staff Development and Training," effective December 15, 2003.

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**Finding 5 – SCI Pittsburgh ensured that the sampled training instructors obtained their proper certifications.**

Department of Corrections' policy states that the facility training coordinator is responsible for ensuring that instructors who conduct local training successfully complete all initial certification and re-certification requirements applicable to the subject material being taught.<sup>23</sup>

Our audit found that 33 of the 37 instructors selected for testing received proper certification in their teaching assignments. The remaining four instructors did not teach a course in the last 18 months and, therefore, were inactive.

**Our conclusion**

We concluded that the sampled training instructors were properly certified.

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<sup>23</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 5.1.1, "Staff Development and Training," Section 9, "Instructor Certification," effective December 15, 2003.

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**Audit Results  
for  
Objective Six**

**The objective**

Objective Six for our performance audit was to determine if contracts duplicated, overlapped, or conflicted with other institution efforts to provide similar goods and services.

*Contracts*

**Scope of our audit work**

We selected eight of the 32 open contracts for testing.

**Relevant laws, policies, and agreements**

The Commonwealth of Pennsylvania has established policy and procedures in the form of a procurement manual for entering into contracts and effectively monitoring and controlling contracts.<sup>24</sup> SCI Pittsburgh contracts with various vendors to provide a variety of goods and services. Institution management is responsible for ensuring that adequate services are provided and expenditures are incurred according to contract stipulations.

**Methodologies to meet our objective**

To establish our understanding of the contracting process, we reviewed the Commonwealth of Pennsylvania requirements for contracts.

We interviewed the business manager to establish our understanding of the implementation of the Commonwealth of Pennsylvania's requirements.

We also randomly selected and tested eight of 32 service contracts by reviewing the terms of the contracts, and the bid and purchase order documentation.

Finally, we compared selected approved invoices to expenditure ledger entries for the eight contracts to determine compliance with payment procedures.

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<sup>24</sup> Commonwealth of Pennsylvania, Department of General Services, Field Procurement Handbook, M215.3, Revision No. 5, July 20, 2005.

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**Finding 6**

**Finding 6 – SCI Pittsburgh incorporated effective practices in its oversight of the selected contracts.**

The eight contracts reviewed included chaplaincy services, cremation services, dental services, automatic temperature control repair, chiller preventative maintenance services, and fire safety equipment services.

Our audit of the selected contracts revealed that SCI Pittsburgh complied with Department of Corrections' policies and procedures for bidding and monitoring of the contracts. The selected contracts did not duplicate, overlap, or conflict with institution efforts to provide similar or related goods and services. The internal controls were sufficient to ensure that services billed were actually provided, and that invoices were accurate and approved before payment.

**Our conclusion**

We concluded that SCI Pittsburgh properly monitored the selected contracts.

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**Audit Results  
for  
Objective  
Seven**

**The objective**

Objective Seven for our performance audit was to determine if the significant expenses were appropriate and met the objectives of the Department of Corrections' mission statement.

*Significant  
Expenses*

**Scope of our audit work**

Expenses for the fiscal year ended June 30, 2008, totaled approximately \$39.7 million. We randomly selected a sample of 48 transactions for testing.

**Relevant laws, policies, and agreements**

The mission of the Department of Corrections is to protect the public by confining persons committed to 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.<sup>25</sup>

SCI Pittsburgh is funded through state appropriations. Expenses included ordinary transactions such as salaries, utilities, office supplies, and equipment expenses, as well as transactions that were non-ordinary in nature. The Commonwealth of Pennsylvania has established policies and procedures for procuring goods and services.<sup>26</sup>

**Methodologies to meet our objective**

To establish our understanding of the contracting process, we reviewed the Commonwealth of Pennsylvania requirements for incurring expenses.

We interviewed the business manager to establish our understanding of the implementation of the Commonwealth of Pennsylvania's requirements.

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<sup>25</sup> [www.cor.state.pa.us](http://www.cor.state.pa.us), accessed June 5, 2009, verified January 21, 2010.

<sup>26</sup> Commonwealth of Pennsylvania, Department of General Services, Field Procurement Handbook, M215.3, Revision No. 5, July 20, 2005.

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We reviewed the institution's SAP Business Warehouse module expenditure summaries.

We then randomly selected and tested 48 transactions totaling approximately \$920,241 from the SAP Business Warehouse module expenditure summaries for the fiscal year ended June 30, 2008.

Finally, we reviewed supporting documentation for the 48 selected transactions.

## **Finding 7**

### **Finding 7 – SCI Pittsburgh expenditures that we tested were reasonable and consistent with the Department of Corrections' mission.**

SCI Pittsburgh expended approximately \$39.7 million for operations. A review of these expenditures revealed that \$26.8 million, or 68 percent, were payroll-related transactions. The sample of 48 transactions was selected from the remaining \$12.9 million.

We considered the following categories to be non-ordinary expenditures: medical, dental, or drug transactions; one-time vendor purchases; and miscellaneous transactions. We then selected transactions that were of an unusually large or small dollar value and reviewed supporting documentation.

Our review of the 48 transactions selected for detailed testing consisted of various supplies and services. Our review did not reveal excessive expenditures. The selected transactions were reasonable, supported normal operations, and were consistent with the Department of Corrections' mission. The transactions included those for personal alarm transmitters, training room furniture, hazardous waste removal, radios and chargers, leave payout for retired employees, maintenance repairs, and office and housekeeping supplies.

### **Our conclusion**

We concluded that the sampled expenses were reasonable and consistent with the Department of Corrections' mission.

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**Audit Results  
for  
Objective  
Eight**

**The objective**

Objective Eight for our performance audit was to determine control over maintenance expenses.

**Scope of our audit work**

*Maintenance  
Expenses*

We selected maintenance department work orders and maintenance expenditure transactions from the period beginning on July 1, 2007, through February 28, 2009, for testing of the implementation of Commonwealth of Pennsylvania requirements.

**Relevant laws, policies, and agreements**

The primary objective of the maintenance department is to provide routine and preventive maintenance. SCI Pittsburgh is required to maintain a written preventive physical plant maintenance plan that includes provisions for emergency repairs and replacement in life-threatening situations. In March 2008, SCI Pittsburgh implemented a new computer maintenance work order system that enabled the institution to request, prioritize, assign, log, and track work orders electronically.<sup>27</sup>

SCI Pittsburgh maintenance department employees use Commonwealth of Pennsylvania purchasing cards as well as regular procurement procedures to pay for the necessary goods and services for the maintenance department.<sup>28</sup>

**Methodologies to meet our objective**

To establish our understanding of the maintenance process, we reviewed the Commonwealth of Pennsylvania and Department of

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<sup>27</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 10.2.1, "Facility Maintenance," effective September 3, 2008.

<sup>28</sup> Commonwealth of Pennsylvania, Governor's Office, Management Directive 310.23, "Commonwealth Purchasing Card Program," dated August 11, 2006; Commonwealth of Pennsylvania, Department of General Services, Field Procurement Handbook, M215.3, Part I, "Policies and Guidelines," Chapter 7, "Thresholds and Delegations," modified December 17, 2008; Commonwealth of Pennsylvania, Department of General Services, Field Procurement Handbook, M215.3, Part I, "Policies and Guidelines," Chapter 27, "Procurement Card," modified July 12, 2007.



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Corrections' requirements for purchasing and the Department of Corrections' requirements for facility maintenance.

We interviewed the business manager to establish our understanding of the implementation of the Commonwealth of Pennsylvania's requirements.

We randomly selected and tested 52 of 5,802 completed maintenance work orders from July 1, 2007, to February 26, 2009.

We also randomly selected and tested 77 of 536 work orders identified as issued/not completed as of February 26, 2009.

Finally, we randomly selected and tested 38 of 2,354 maintenance Visa credit card purchases from July 1, 2007, to February 28, 2009.

## **Finding 8**

### **Finding 8 – SCI Pittsburgh complied with policies and procedures for the maintenance purchases we sampled.**

We determined that the sampled 38 maintenance Visa credit card purchases tested were completed in accordance with policies and procedures. The requests were properly approved; justifications were appropriate, and required documentation—such as agency purchase requests, invoices, and receiving reports—were included.

#### **Our conclusion**

We concluded that Visa payments were proper and complied with Commonwealth of Pennsylvania and Department of Corrections' policies and procedures for the purchases we sampled.

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**Finding 9**

**Finding 9 – SCI Pittsburgh used a maintenance work order system whereby employees could enter electronic approvals of department heads without the knowledge of those department heads; SCI Pittsburgh also did not monitor open work orders.**

A proper maintenance work order system is necessary to ensure that management maintains a safe, secure, and healthy work environment for staff, inmates, and visitors. Information maintained on the system includes the required approvals, time and materials used, and the dates for each project and/or repair. Department of Corrections' policy requires a "request for maintenance" form (DC-437) to be completed to initiate a work order. Further, the policy states as follows:

*A DC-437 [form], after approval by the department head, shall be entered into the electronic Maintenance Management Program Work Request System by designated staff within the originating department. The originating department will maintain a file copy of the original DC-437 after recording the electronically assigned work request tracking number.<sup>29</sup>*

We randomly tested 52 completed maintenance work orders and found that an employee of the department requesting the work enters the work order requests into the system. The system permits the same employee to enter the department head's approval electronically without the knowledge of the department head.

Our testing also included the selection of 77 of 536 work orders still open as of February 26, 2009. Most of these work orders were identified as possible safety and/or security issues that appeared to warrant immediate attention. Our review of the work orders identified the following issues:

- 50 work orders were completed the same day as requested by us.

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<sup>29</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 10.2.1, "Facility Maintenance," Section 12, "Maintenance Work Orders," Subsection B, "Submission Process," effective September 3, 2008.

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- Three work orders were actually completed prior to our review and appeared to be left open due to a clerical error.
- 21 work orders were closed with mostly the same completion dates after we inquired about the status. Ten of these projects had a completion date of April 29, 2009.
- Only three work orders did not have a completion date.

**Our conclusion**

We concluded that submission of work order requests with improper approval could allow for unnecessary maintenance expenditures. In addition, the lack of monitoring of open work orders could lead to incomplete repairs, unnecessary equipment failure, as well as possible injury to staff and inmates.

**Recommendations  
for Finding 9**

3. SCI Pittsburgh management should enforce existing policies to ensure that all work order requests are approved by the appropriate department head.
4. Additionally, management should consistently monitor open work orders to ensure timely completion.

*Response of SCI Pittsburgh management:*

*From the Department of Operations, responsible for the work order system program--*

*This is a finding we have received from the AG's Office ever since the MMS system was started. I [the respondent from the Department of Operations] have explained to them (Auditors) multiple times why it is impractical to change the system.*

*Primarily, the system is designed around the paper DC-437 (4 part snap set). This is due to the fact that many of the line staff [do] not have instant access to a computer, and they are the primary starting point for a work request. This person "should" fill out a DC-437 and have his/her supervisor sign it and then give it to a person designated to enter the electronic*

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*version. The paper copy is to be filed or logged at the submission location for easy follow up (The entire process is spelled out in detail in DOC Policy 10-02-01 Section 12, Paragraph B). The policy also mentions that no signature is required for an electronic work request (Paragraph A).*

*The rational[e] for the decision NOT to do routing as in the APR system is that the nature of a Maintenance Request prohibits the possibility of that request languishing in someone's electronic "In Box" if they are "out of office." This decision has been supported by executive staff.*

*What it boils down to is what I call an "ethical decision" on the part of that person who submits the electronic version of the Work Request. If someone is abusing the process by submitting unapproved work requests, there are provisions within our "Code of Ethics" (B-9 & 10) to deal with the situation if they persist after being instructed otherwise.*

*I have considered removing the "Authorized By" field from the electronic work order request form, thus far, this idea has NOT been supported by Executive Staff.*

*Every Auditor [we] have talked to regarding this process has understood the rational[e], but it seems we get new people doing the audits periodically so.....*

*Additionally all work orders are evaluated by maintenance supervisors to determine if they are viable prior to prioritizing and assigning to maintenance staff for completion.*

*During the time frame of the audit the facility was in the process of re-opening after being mothballed for 2-1/2 years. The mission of the maintenance department was to reactivate buildings and provide bed space for inmates that resulted in backlogs in the work order system due to manpower constraints that were reviewed and closed time permitting.*

**Auditors' evaluation of SCI Pittsburgh's response:** Our finding remains as stated. We further note that, if different auditors keep finding the same inadequacies, that is further evidence of the validity of this finding.

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Objective Nine**

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**Audit Results  
for  
Objective  
Nine**

**The objective**

Objective Nine for our performance audit was to determine if SCI Pittsburgh operated the Inmate General Welfare Fund in accordance with the Department of Corrections' policies and procedures and to assess the adequacy of relevant management controls.

*Inmate General  
Welfare Fund*

**Scope of our audit work**

We selected random samples of cash disbursements and cash deposits from July 1, 2007, through March 9, 2009, and examined reconciliations from July 2007 through December 2008 for testing of the implementation of Commonwealth of Pennsylvania requirements.

**Relevant laws, policies, and agreements**

The Inmate General Welfare Fund consists of non-appropriated funds which are locally controlled and administered at each correctional facility. The fund serves as a depository for inmate-owned money and funds generated by revenue-producing operations, which are utilized for the benefit of all inmates. The Department of Corrections has developed policies and procedures for the Inmate General Welfare Fund.<sup>30</sup>

**Methodologies to meet our objective**

To establish our understanding of the Inmate General Welfare Fund, we reviewed the Department of Corrections' policies and procedures.

We interviewed the business manager and the accounting assistant to establish our understanding of the implementation of the Department of Corrections' requirements.

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<sup>30</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number 3.1.1, "Fiscal Administration," Section K, "Inmate General Welfare Fund (IGWF)," effective January 27, 2009; Commonwealth of Pennsylvania, Department of Corrections, Policy Number DC-ADM 803, "Inmate Mail and Incoming Publications," effective April 28, 2008; Commonwealth of Pennsylvania, Department of Corrections, Policy Number DC-ADM 815, "Personal Property, State Issued Items, and Commissary/Outside Purchases," effective May 12, 2008; Commonwealth of Pennsylvania, Department of Corrections, State Correctional Institution at Pittsburgh, "Inmate Handbook Supplement," October 2008 edition; Commonwealth of Pennsylvania, Department of Corrections, State Correctional Institution at Pittsburgh, Policy Number 3.1.1 Pit 1, "Inmate General Welfare Fund," effective February 10, 2009.

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We reviewed Inmate General Welfare Fund financial statements for the fiscal years ended June 30, 2006, and June 30, 2007.

We also reviewed bank statements, bank reconciliations, and account reconciliations from the months of July 2007 through December 2008.

We conducted surprise counts of petty cash on March 4, 2009, and March 18, 2009.

We randomly selected and tested 49 of 3,312 cash disbursements and 47 of approximately 33,000 deposits from July 1, 2007, through March 9, 2009.

**Finding 10**

**Finding 10 – SCI Pittsburgh maintained the Inmate General Welfare Fund adequately for items we tested.**

SCI Pittsburgh maintained the Inmate General Welfare Fund in accordance with Department of Corrections' policies, procedures, and regulations. All transactions reviewed were processed accurately and timely. Appropriate approvals were obtained. The petty cash count was accurate and bank reconciliations were prepared accurately and timely. Finally, SCI Pittsburgh had sufficient management controls to monitor fund activity.

**Our conclusion**

We concluded that SCI Pittsburgh adequately maintained the Inmate General Welfare Fund for the items we tested.

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**Audit Results  
for  
Objective Ten**

**The objective**

Objective Ten for our performance audit was to determine management controls over inmate employment.

*Inmate  
Employment*

**Scope of our audit work**

We randomly selected and tested records for 47 of 1,787 inmates for testing of the implementation of Department of Corrections' requirements.

**Relevant laws, policies, and agreements**

The policy of the Department of Corrections is to compensate inmates for participating in work and education programs.<sup>31</sup> Inmate employment supports the overall operation of the facility as well as the inmate rehabilitation process. Jobs are assigned according to inmate skills and the facility's needs. The compensation and opportunities for advancement provide positive reinforcement for developing good work habits that are important for reintegration into the community upon release.

**Methodologies to meet our objective**

To establish our understanding of the inmate employment process, we reviewed the Department of Corrections' policies and procedures.

We interviewed the corrections employment and vocational coordinator to establish our understanding of the implementation of the Department of Corrections' requirements.

We randomly selected and tested records for 47 of 1,787 inmates to determine compliance with employment and compensation guidelines.

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<sup>31</sup> Commonwealth of Pennsylvania, Department of Corrections, Policy Number DC-ADM 816, "Inmate Compensation," effective May 5, 2008.

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**Finding 11**

**Finding 11 – SCI Pittsburgh established adequate control over the inmate employment that we sampled.**

Our audit of the inmate employment program found that SCI Pittsburgh had adequate control over the program. Performance reviews were completed within the required 60 days of starting a job, pay raises were appropriate, and pay rates matched the job classifications for the 47 inmates selected for testing. Payroll was calculated with the correct rates and the amounts were accurately posted to the inmates' accounts. None of the inmates selected for testing were paid for hours not worked.

**Our conclusion**

We concluded that SCI Pittsburgh had adequate control over inmate employment for records that we sampled.



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