



County of Allegheny

Office of the Controller

PERFORMANCE AUDIT REPORT
ON CONTRACT COMPLIANCE
WITH CONTRACTS #136566 AND #198916 BETWEEN
THE PROGRAM FOR OFFENDERS, INC.
ALLEGHENY COUNTY TREATMENT ALTERNATIVES FACILITY
AND ALLEGHENY COUNTY FOR THE PERIOD
JANUARY 1, 2016 THROUGH DECEMBER 31, 2017

(Performance Audit)

May 11, 2018

Chelsa Wagner
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May 1, 2018

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Allegheny County Jail
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Pittsburgh, PA 15219

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Dear Ms. Hertz and Warden Harper:

We have conducted a performance audit to evaluate The Program for Offenders, Inc. (TPFO) Allegheny County Treatment Alternatives Facility's (ACTA) compliance with the terms of Contracts #136566 and #198916, as amended. Our performance audit covers the period from January 1, 2016 through December 31, 2017, and was performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The results of our procedures revealed that TPFO has not properly remitted funds back to the resident or the Jail when a resident was paroled, escaped, or revoked. We also found that TPFO did not maintain adequate documentation to support compliance with its contracts and Jail policies related to medication changes, and community and work release from the facility. In addition, we noted issues with TPFO's invoice reconciliation process and client list, as well as non-compliance with Health Department Regulations.

The detailed results of our performance audit are included in the attached report.



Warden Harper and Ms. Hertz
May 1, 2018

We believe that the implementation of our recommendations will help improve The Program for Offender's compliance with its alternative housing program Agreements. We would like to thank the management and staff of the Allegheny County Jail and The Program for Offenders, for their courtesy and cooperation during the performance of our procedures.

Kind regards,



Chelsa Wagner
Controller



Lori A. Churilla
Assistant Deputy Controller, Auditing

cc: Honorable John DeFazio, President, County Council
Honorable Nicholas Futules, Vice-President, County Council
Honorable Rich Fitzgerald, County Executive, Allegheny County
Honorable Judge David Cashman, Chair, Allegheny County Jail Oversight Board
Mr. William D. McKain, County Manager, Allegheny County
Ms. Jennifer M. Liptak, Chief of Staff, County Executive
Ms. Mary C. Soroka, Director, Budget and Finance, Allegheny County
Mr. Kenneth J. Varhola, Chief of Staff, County Council
Ms. Sarah Roka, Budget Manager, County Council

I. Introduction

Allegheny County entered into agreements with the Program for Offenders (TPFO) to provide community residential corrections and work release services (referred to as alternative housing services), including drug & alcohol treatment, for certain male and female inmates of the Allegheny County Jail (Jail). Inmates, referred to as residents throughout the report, are referred to the TPFO by the Jail. Services are provided in accordance with the ACTA Resident handbook as well as the TPFO proposal that was submitted in response to the County's request for proposal. TPFO provides services for male residents at the Allegheny County Treatment Alternative (ACTA) facility.

Contract #136566 went into effect March 1, 2012, and was set to expire February 28, 2015. However, the contract was extended through December 31, 2015, and again through December 31, 2016. Contract #198916 is effective for the period from January 1, 2017 through December 31, 2019, and includes an option for two, one year renewals until December 31, 2021.

The contracts allow for services for a maximum of 50 male offenders. From January through December 2016, the rate was \$66 per day per bed, which increased to \$70 on January 1, 2017. The rate is all-inclusive and is the maximum rate payable for all services including meals, transportation, and all other services.

TPFO's mission is to provide supportive services for offenders to give them a second chance and to give their children a first chance. The program provides a structured environment where residents can receive treatment, case management, and other supportive services, as well as participate in workforce development activities and work-release programs. The goals of TPFO are to:

- Provide services that facilitate the reintegration of offenders into society while reducing the number of offenders returning to criminal behavior.
- Increase community awareness about the plight of offenders.
- Provide programs for the children of offenders in order to deter intergenerational crime.

The priority for the delivery of services is: treatment, education, and employment. Eligible residents must seek and maintain employment or a volunteer position. Resident's employment income is divided as follows: 20% rent (reimburses Allegheny County cost), 20% savings, 10% court costs, fines, and restitution, and 50% personal use.

For the two year period, TPFO billed the Jail a total of \$879,098, which is net of rent collected from its ACTA residents. Although the Jail is billed for and pays for certain residents at the ACTA facility, the Jail is not the sole source of funding for its residents. Certain residents are eligible for billing to Community Care Behavioral Health Organization (CCBHO) or Allegheny County Department of Humans Services Office of Behavior Health Bureau of Drug and Alcohol Services (ALDA). ACTA provided alternative housing services for 199 and 175 residents, and Allegheny County paid \$444,619 and \$434,479 for the alternative housing services provided by ACTA during 2017 and 2016. During our audit period TPFO collected \$53,988 for room and board and \$22,006 for court costs/fines/restitution from ACTA residents.

II. Objectives, Scope, and Methodology

Objectives

Our objectives were to:

1. To determine whether residents participating in the alternative housing program at ACTA were referred to the program by the Allegheny County Jail and met the eligibility requirements for participation.
2. To determine whether residents in this program are employed and are properly monitored while at their work release sites.
3. To determine whether resident funds have been handled and accounted for properly, including the transfer of resident account balances from the Jail, the distribution and tracking of funds residents earned through employment, and the ultimate distribution of funds (or escheating to the Commonwealth of PA).
4. To evaluate the effectiveness of TPFO's controls over the administration of resident medications, including the disposal of unused medications.
5. To determine whether TPFO ensures that residents do not leave the alternative housing facilities without proper authorization, tracks and monitors residents who are permitted to leave the facilities, makes all of the required notifications in a timely fashion when residents escape, and complies with the Jail's policy regarding escapes.
6. To determine if TPFO is in compliance with the contract terms regarding the number of residents served, amounts billed for services, insurance coverage, reporting requirements, and any other key contract provisions.
7. To determine how the Allegheny County Jail ensures TPFO complies with the contracts, including an analysis of what policies and procedures are in place to ensure proper oversight.

Scope

Our audit procedures covered the period from January 1, 2016 through December 31, 2017. We conducted this performance audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

II. Objectives, Scope, and Methodology

Methodology

Methodologies used to accomplish our objectives included, but were not limited to the following:

- Reviewed the most recent contract compliance report issued by the Allegheny County Controller's Office to assist in determining the status of any prior findings and recommendations.
- Reviewed contracts #136566 and #198916, the ACTA Resident Handbook, independent auditors' report, and other contracts and documents relevant to the ACTA facility.
- Interviewed various TPFO and Allegheny County Jail personnel to update our understanding of the processes and controls utilized by the program and the Jail.
- Made additional inquiries, examined records of TPFO, and performed various other procedures and testing as deemed necessary to assess TPFO's compliance with respect to the aspects of its operations that we perceived to represent the most significant compliance risks.
- Our audit also included an assessment of internal controls that are significant within the context of our objectives. Any significant findings related to internal control are included in findings and recommendations.
- Verified (on a test basis) that residents were referred to the ACTA facility by the Allegheny County Jail and met the established eligibility requirements for participation in the alternative housing program, including the required analysis of the nature of the residents' criminal offenses.
- Examined case files, head counts, invoices, and other records of TPFO relevant to the administration of the alternative housing contracts to assess TPFO's compliance with the contracts and to determine whether TPFO was only compensated for the services it provided.
- Applied procedures (on a test basis) to assess whether resident funds were handled and accounted for properly. These procedures addressed the initial transfers of resident account balances from the Allegheny County Jail, the proper allocation and distribution of funds that residents earned through employment, and the ultimate distribution of funds to residents who are no longer participants in the alternative housing program.
- Analyzed TPFO's policies and procedures pertaining to resident medications and evaluated the effectiveness of the actual implementation of those policies and procedures during the audit period.
- Assessed TPFO's monitoring of residents who participate in activities outside of the alternative housing facility and its compliance with the Directives and Policies in effect

II. Objectives, Scope, and Methodology

that impose requirements on alternative housing facilities in the event of walkaways or escapes from the facilities.

We performed these procedures during February and March of 2018. We provided a draft copy of this report to the Allegheny County Jail Warden and the Executive Director of the Program for Offenders for their responses. The Executive Director of TPFO's response begins on page 22 and the Warden's response begins on page 28.

III. Findings and Recommendations

Finding #1
**Services Fees Totaling \$3,731 Applied to
Residents Who Escape Lacks Proper Basis**

Criteria: According to the Finance section of the ACTA Resident Handbook:

- Residents who are paroled to the community must complete a close-out check request form prior to leaving the facility. Residents may opt to pay a fee to have their close-out check sent via certified mail.
- Residents who are revoked to the Jail will have their money (minus any money owed to TPFO) sent to the Jail.
- Residents who escape will be charged a \$500 service fee which will be withdrawn from their account. Any money remaining in the account will be forwarded to the Jail.

Condition: The prior report issued by the Controller's Office on May 10, 2012 included a finding that TPFO could not provide any documentation that indicates the practice of charging the \$500 escape fee was approved by the Warden, as required by the contract. It recommended that TPFO abolish the practice of charging escapees the \$500 fee, revise the Resident Handbook, and remit \$2,873 to the County for service fees applied to escapees.

Our recent review of the Resident Handbook shows that the handbook has not been revised, and it appears that TPFO is still assessing the fee. We requested a cancelled check to document that the \$2,873 was repaid. However, TPFO could not provide this documentation. In addition, the County's JDE system does not reflect the payment and an invoice was never credited for the amount.

It appears that the service fee being assessed by TPFO actually constitutes a penalty, since the fee is not based on specific costs incidental to a resident's escape. In addition, any such costs are to be covered by the per diem reimbursement rate that was established for the service. The current Jail Administration has indicated that the practice of charging escapees a \$500 service fee is not an approved practice.

During our current year testing, we randomly selected 16 residents and tested their accounts. We found the account balances were not properly paid to one paroled resident or to the Jail for five of the escaped/revoked residents out of the 16 (38%) residents tested. The following chart details the results of our testing for each resident. TPFO's external accounting firm indicated that for the five escaped and revoked residents the amount was written off based on the \$500 escape fee.

III. Findings and Recommendations

Due to an error, the firm agreed that the funds should be returned for the two revoked residents, and that the \$43.92 should be returned to the escaped resident who had more than \$500 written off. However, we believe that all of the amounts below need to be returned to either the resident or the Jail.

	Left ACTA	Status	Savings Balance	Checking Balance	Total	Written Off
1.	11/22/17	Paroled	\$0.00	\$0.15	\$0.15	\$0.15
2.	7/6/16	Revoked	\$0.00	\$0.86	\$0.86	\$0.86
3.	5/19/17	Revoked	\$35.39	\$27.06	\$62.45	\$62.45
4.	3/16/16	Escaped	\$60.00	\$483.92	\$543.92	\$543.92
5.	1/26/16	Escaped	\$0.00	\$250.69	\$250.69	\$250.69
6.	5/18/17	Escaped	\$0.00	\$0.21	\$0.21	\$0.21
					\$858.28	\$858.28

Cause: It appears that TPFO is still allowing the unauthorized \$500 fee to be charged to residents that escaped from ACTA and has not followed the proper procedure to institute program changes. Based on the documentation reviewed, it also appears that errors and inadequate review procedures led to these discrepancies.

Effect: TPFO is not in compliance with the contracts regarding the charging of an unauthorized \$500 escape fee to residents who escape from the ACTA facility. Additionally, residents have not received the correct balance on their account when they left the ACTA program.

Recommendations: We recommend that TPFO management (ACTA):

- Immediately remit the \$2,873 noted above as escape fees to the former resident or the Allegheny County Jail.
- Remit to the former resident or to the Jail, the proper amount that was in the resident’s account before it was ‘written off’, for a total of \$858.28.
- Eliminate the policy allowing the \$500 escape fee to be charged to individuals that escape from ACTA, or have the policy formally approved by the Jail. If the policy is approved, include terms that address allowable uses of the funds. Any changes should be properly reflected in the Resident Handbook, as well as any other ACTA paperwork.
- Establish practices that ensure that all residents leaving the facility are remitted the correct amount of their funds in a timely manner.

Management’s Response: The response begins on page 22.

III. Findings and Recommendations

Finding #2
**Required Documentation Related to
Resident Medication is not Properly Maintained**

Criteria: According to Jail Policy #418, a Medication Distribution Log must be maintained for each prescription, and medication must be dispensed according to the resident's prescription and logged on the medication log. Furthermore, it is an expectation of the Bureau of Corrections that residents maintain their medication regime while at alternative housing. Any resident that refuses his medication will result in a medical refusal form being filled out by the provider. Each day of refusal, the form should be submitted to the Jail's Deputy Health Services Administrator and Alternative Housing Administrator. If the resident refuses his medication, then the Alternative Housing Administrator will contact an appropriate medical professional to determine if continuation of the medication is needed or if the medication can be discontinued. If the medical professional determines that the resident should continue their medications and they continue to still refuse to take them, the Jail's Alternative Housing Administrator is to be notified and the resident is to be revoked back to the Jail. The ACTA Resident Handbook also contains a section regarding medication requirements.

Condition: We randomly selected ten residents and tested their records for compliance with the approval and administration of their prescription medications. Five of the residents were taking prescription medication during their stay at ACTA. For one of the five residents (20%), we noted several issues with the disbursement of his medications.

During our review, we noted:

- The resident did not take his medications prescribed by the doctor as noted on the Jail medication release and the progress notes.
- Medication log sheets were either missing or incomplete for two of the four prescribed medicines for the time period the resident was supposed to be taking medication.
- The Incident Report and the Allegheny County Bureau of Corrections Refusal of Clinical Services report were prepared by TPFO on April 19th, which is approximately 27 days after the medication log sheets show the resident stopped taking one of the medications.
- The medications listed on the incident report do not agree to the medications on the progress notes from March 10th. TPFO was unable to provide any additional doctor's orders or any other documentation related to this resident's refusal to take his medication.

III. Findings and Recommendations

- Medication log sheets detailing the remaining pill balance appeared to be inaccurate. The balance on the log also differed from the quantity returned to the pharmacy per the Medication Disposal Sheet.

Cause: Based on conversations with TPFO personnel, this resident did not want to take his medications because he felt that he didn't need them. During our fieldwork, staff indicated that they were monitoring the resident's behavior, and he appeared to be alright without the medication. They also indicated that there were additional doctor's orders that were unable to be located.

Effect: TPFO is not able to demonstrate compliance with Jail policies or its own Resident Handbook. If doctor's orders are not properly maintained, there is an increased risk that the medication logs will not be properly updated and residents may not receive proper medication. If a resident does not feel they need to take a particular medication, policy indicates that an appropriate medical professional, not the resident, must determine if continuation of the medication is needed or if the medication can be discontinued. Refusal to follow a doctor's orders can have serious effects on an individual's physical and/or mental health.

Recommendations: We recommend TPFO management (ACTA):

- Adhere to the Jail's policy, as well as the Resident Handbook regarding residents that refuse to take their medication, regardless of the reason.
- Ensure Case Managers retain all records pertaining to a resident's medication treatment including doctor's orders and medication distribution logs.
- Ensure Case Managers verify the accuracy of the balance of the pills on the medication log.
- Ensure Case Managers reconcile the medication distribution sheet with the resident's medication log when returning unused medications.
- Explore the option of scanning paper records as an additional backup to the paper copies to help avoid lost or misplaced records.

Management's Response:

The response begins on page 22.

III. Findings and Recommendations

Finding #3
**Required Documentation Related to
Community Release is not Properly Maintained**

Criteria:

Jail Policy #413 “Guidelines for Alternative Housing Facilities” Section 10, regarding community release for residents residing in an alternative housing facility, states it is the responsibility of the alternative housing provider to know the whereabouts of all residents who are signed out of the facility on community release. Providers must accurately document the address and phone number of the resident’s location. Furthermore, the Community Release section of the ACTA Resident Handbook, details requirements related to residents’ community release and states “A community release pass must be completed by the resident and approved by staff for all out of facility activities” and Residents must punch in and out on their Community Release Sheets each time they leave or enter the facility for non-work related activities. The contract between Allegheny County and TPFO indicates that the Resident Handbook is incorporated and made part of the contract. ACTA uses Community Release Sign-in/out Sheets as well as Community Release Passes to document the required information. The sign-in/out sheets are maintained by the resident and list basic information for each trip, such as date, destination and time in/out. Multiple trips are listed on each sheet until the sheet is full. There is also a separate pass for each trip which includes more details regarding the trip, including the resident’s and case manager’s signature.

Condition:

We randomly selected 20 residents to test for compliance with community release monitoring requirements, and examined the Community Release Sign-in/out Sheets included in each resident’s case file to determine the number of times a resident left the facility for any reason other than work. We randomly selected one pass from the sign-in/out sheets for each of the 20 residents. TPFO could not locate four of the 20 passes selected for testing (20%), and advised us that a pass was not necessary for one trip (5%) as the resident was escorted and gone less than one half hour. This left us with 15 passes to test.

During our review of the sign-in/out sheets, we noted that a number of the entries were not fully completed by the Case Managers. This included missing:

- dates,
- the name of the person the resident was released by,
- the destination/mode of transportation,
- the type of activity,
- the corresponding in and/or out date and time stamp.

III. Findings and Recommendations

We also found that for four of 20 resident case files (20%), there appeared to be missing sign-in/out sheets. We informed management about the missing sheets. While they could not provide the missing sign-in/out sheets, they did provide a total of 63 Community Release Passes for the four residents in question. There is no way to determine if this is the complete population of missing passes. Auditor selected one additional pass to test for each of these four residents, bringing the total number of passes tested to 19.

Based on the results of our testing of 19 Community Release passes, auditor noted that:

- one pass (5%) did not have a return timestamp,
- 14 (74%) passes did not have a phone number for the location of the resident's destination, and
- two passes (11%) did not contain a resident's signature (the case manager did sign the pass).

Cause: TPFO personnel explained that there were staffing issues, and not all required documentation was properly completed and maintained. While there are policies and procedures in place, it appears that there are not adequate controls in place to ensure that all required information and forms are properly documented and maintained.

Effect: By not ensuring that the Community Release Sign-in/out Sheets are readily available and filled out completely by the Case Managers each and every time a resident leaves and enters the facility, and by not maintaining all Community Release Passes, TPFO is not compliant with their own policies and procedures and is not fulfilling the Allegheny County Jail's requirement to readily know the whereabouts of each resident at any given time.

Recommendations: We recommend TPFO (ACTA) management:

- Ensure Case Managers properly complete Community Release Passes in an accurate and timely manner. Each pass should be signed and dated by the resident as well as the Case Manager. All passes should be filed in such a manner as to ensure each and every pass for each resident is readily available and accounted for.
- Ensure Case Managers properly complete Community Release Sign-in/out Sheets, including legible time stamps indicating time out and time returned to the facility. These sheets should be sequentially numbered to ensure the integrity of the sequence, and should be maintained in the resident case files.
- Explore the option of scanning paper records as additional backup to the paper copies to help avoid lost or misplaced records.

III. Findings and Recommendations

- Assign certain staff to review Community Release Passes and Community Release Sign-in/out Sheets to ensure they are completed in accordance with the policies. Management should follow-up with Case Managers if documentation is missing or incomplete.

Management's
Response:

The response begins on page 22.

III. Findings and Recommendations

Finding #4

Required Documentation Related to Work Release is not Properly Maintained

Criteria: Jail Policy #413 “Guidelines for Alternative Housing Facilities” Section 10, regarding community release for residents residing in an alternative housing facility, allows work release (with certain restrictions) with standard verification conducted by provider personnel. Furthermore, the Work Release section of the ACTA Resident Handbook, details requirements related to residents’ work release and states that “All employment sites must be approved by center staff and all employers must sign an Employer Agreement before the resident begins work”. It also states that residents must report directly to the worksite and call the facility before beginning work, and that center staff may make random job-check phone calls or on-site visits. We spoke with the TPFO personnel to get clarification on how often the phone checks are done. They indicated that center staff will contact the employer during each of the resident’s work shifts and document the verification on either the time card or shift report. Call logs are maintained to record incoming calls from residents. The contract between Allegheny County and TPFO indicates that the Resident Handbook is incorporated and made part of the contract.

Condition: We randomly selected 20 residents to test for compliance with work release requirements. Our testing found that ten residents were employed and the other ten were not employed for various reasons. For the ten that were not employed, we found documentation in resident’s file to indicate the reason why the resident did not obtain employment.

For the ten employed residents, we reviewed the time card for their first pay period and requested the call logs and shift reports for the dates worked during this period. TPFO could not provide documentation to support that either the resident called into the center or the center staff contacted the employer to verify the resident was at their work location for 14 of 21 (67%) shifts worked for seven residents. Furthermore, TPFO could not provide the required Employer Agreements for six of the ten (60%) employed residents.

Cause: TPFO personnel explained that there were staffing issues, and not all required documentation was properly maintained. While there are policies and procedures in place, it appears that there are not adequate controls in place to ensure that all required information and forms are properly documented and maintained in the files.

Effect: By not ensuring an Employer Agreement is signed by the employer and maintained in the resident case file, TPFO is not compliant with their own

III. Findings and Recommendations

policies and procedures. The purpose of this document is to ensure the employer meets the necessary requirements and the resident was indeed hired by the employer. The Employer Agreement states key terms and conditions of employment such as start date, location, payment terms, and wages.

Recommendations: We recommend TPFO management (ACTA):

- Ensure Case Managers obtain signed and dated Employer Agreements for each resident who obtains employment. A copy of the agreement should be placed in the resident case file.
- Ensure all call logs are properly retained and require staff to adequately document all employment verification checks that are performed.
- Explore the option of scanning paper records as additional backup to the paper copies to help avoid lost or misplaced records.
- Assign certain staff to review resident case files to ensure the file contains all required documents and information. Follow-up with Case Managers if documentation is missing in resident case files.

Management's
Response:

The response begins on page 22.

III. Findings and Recommendations

Finding #5

TPFO does not Review Head Count Sheets during its Invoice Reconciliation Process and the ACTA Client List was Incomplete and Inaccurate

- Criteria:** The contract between Allegheny County and TPFO indicates that the County shall pay TPFO a specified rate of per day per bed for the number of days that the County is billed for residents housed by ACTA during any month. The County will be obligated to pay for the day of admission to the facility, but will not be obligated to pay for the day of the resident's release. In addition, documentation related to the ACTA residents must contain accurate information.
- Condition:** On a monthly basis, TPFO provides the Jail an invoice with a detailed spreadsheet listing each resident, the total number of days each resident spent in the facility, as well as the number of days each resident was billed to the Jail. TPFO also performs numerous head counts every day to verify that the residents are in the facility and properly accounted for. The main head count is performed around midnight as the starting head count for the day. However, TPFO does not reconcile these head count sheets to the invoice. We reviewed the head count sheets for two randomly selected months per year (a total of four months) and found that while the Jail was not overbilled based on the head count sheets, there were variances related to the discharge date between the head count sheets and the Jail's system.
- The prior report issued by the Controller's Office on May 10, 2012 had found issues with the head count sheet totals not agreeing to the invoice and recommended that \$58 be repaid to the County. We requested a cancelled check to document that this amount was repaid, but were not provided with one.
- In addition to the head count sheets and invoices, at the beginning of our audit we requested, and TPFO personnel provided, an ACTA client list. This list was not complete, and contained some incorrect information. During our testing, we found that there were several residents that appeared on the monthly invoices sent to the Jail that were not included on the ACTA client list. In addition, the Department of Corrections (DOC) number for other residents was incorrect on the client list.
- Cause:** TPFO does not perform a reconciliation between the monthly total of the head count sheets and the monthly billing. According to TPFO personnel, data entry errors lead to the inaccurate client list.
- Effect:** The Jail has not been reimbursed the \$58 identified in the 2012 report.

III. Findings and Recommendations

TPFO should be able to provide an accurate listing of its clients at any point in time. While information on each resident may be correctly reported in the resident's case file, all internal records maintained by TPFO should contain complete and accurate information for all residents.

Recommendations: We recommend that TPFO management (ACTA):

- Repay the Jail the \$58 it owes for the above noted overbilling.
- Strengthen its review of monthly invoices to help ensure that the daily head count sheets are accurate and agree to the invoice, that the invoices do not include billings for resident release days, and that all credits due to the Jail are appropriately applied.
- Implement procedures necessary to ensure data entered into the client lists is complete and accurate, and assign certain staff to review the client list to verify it is complete and accurate.

Management's
Response:

The response begins on page 22.

III. Findings and Recommendations

Finding #6

Noncompliance with Food Safety Regulations

Criteria:	TPFO's contract with Allegheny County requires it to comply with any and all applicable federal, state, and local laws, statutes, rules, or regulations. The Allegheny County Health Department (ACHD) Rules and Regulations, Article III Food Safety, Section 335 Placarding of Food Facilities, specifies that "No Food Facility shall be operated within the County of Allegheny unless, following an inspection by the Director, it conforms with the requirements of this Article".
Condition:	The prior report issued by the Controller's Office on May 10, 2012 included a finding with noncompliance with food safety requirements. The kitchen at the facility had never been inspected by the Health Department as required by the ACHD's Rules and Regulations. According to TPFO personnel, they contacted the ACHD regarding an inspection, but the inspection never took place, and the facility did not receive its permit. It has been operating without a valid permit since 2012.
Cause:	It appears that TPFO made an attempt to have the required inspection completed, but did not follow-up to ensure the process was completed.
Effect:	TPFO is not in compliance with the ACHD Rules and Regulations. Food safety inspections help to reduce the possibility of foodborne illness by monitoring and evaluating the handling, preparation, and serving of food, as well as basic sanitation requirements, to ensure the facility is in compliance with safety standards.
Recommendations:	We recommend TPFO management (ACTA): <ul style="list-style-type: none">• Immediately apply for the required health permit for the ACTA facility's kitchen.• Take appropriate and timely action to address any food safety issues identified during the Health Department's inspection of the TPFO facility's kitchen.
Management's Response:	The response begins on page 22.

III. Findings and Recommendations

Allegheny County Jail Finding *Finding #1*

The Jail's Monitoring of Compliance with Alternative Housing Contract Requirements can be Improved

Criteria: According to Contracts #136566 and #198916 between Allegheny County and the Program for Offenders (TPFO), management oversight on behalf of the County and review of compliance with the terms of the Agreement shall be provided through the Warden of the Allegheny County Jail (Jail).

Condition: While the Jail does monitor the alternative housing providers as evidenced through its written Site Inspection Verification Reports, it appears that the Jail should expand its procedures, particularly in the areas relating to the return of resident funds and case file documentation, given the findings that were identified in our audit (Findings #1 through #5).

The Jail needs to implement procedures to verify that resident funds are properly returned to the resident or to the Jail upon a resident's parole, escape, or revocation. The Jail is aware that all of these situations have occurred, giving it an opportunity to follow-up on the disbursement of the resident funds from TPFO.

Additionally, we noted that the Jail's inspection report includes a section related to resident case files. However, this section does not include any procedures surrounding documentation of resident community or work release.

Cause: The Jail's monitoring appears to be fairly consistent across all of the alternative housing providers. However, its monitoring does not appear to include certain areas, such as resident funds and case file documentation related to community and work release, where our audit identified findings.

Effect: The instances of noncompliance identified in the audit may have been reduced or eliminated had these areas been included as part of the Jail's monitoring procedures.

Recommendations: We recommend that Jail management:

- Expand its monitoring procedures to include additional areas that are at risk for noncompliance.
- Verify that corrective action plans submitted by the provider are implemented on a timely basis to ensure that any deficiencies discovered during the inspection are properly resolved.

III. Findings and Recommendations

Management's
Response:

The response begins on page 28.

IV. Conclusion

Documentation is key to providing evidence of compliance with requirements, and policies and procedures. During our testing, we found numerous instances where documentation related to the ACTA residents was missing or insufficient. Without the required records, it cannot be determined if these required procedures were followed, but not properly documented, or not followed at all. Failure to follow procedures increases whatever risk the procedure was designed to mitigate. In order to ensure compliance with Jail policies, its contract with Allegheny County, as well as the ACTA Resident Handbook, TPFO needs to improve its record keeping and documentation as well as some of its review procedures and controls.

Also, residents have the right to have their funds properly accounted for and returned to them upon release or escape from the facility. While we did review evidence that the majority of the residents tested had their funds properly returned, we did find instances where residents did not have their funds properly returned after they were revoked to the Jail, and one instance where more than \$500 was taken from a resident as an 'escape fee'. Procedures and controls need to be strengthened to ensure compliance with policies and procedures.



SUPPORT. GROWTH. SUCCESS. TODAY AND TOMORROW.

Ms. Chelsa Wagner
Allegheny County Controller
Courthouse Room 104
436 Grant St.
Pittsburgh, PA 15219
May 10, 2018

Ms. Wagner:

Enclosed is a copy of our response to the performance audit report on contracts #136566 and #198916 (THE PROGRAM for Offenders) for the period January 1, 2016 through December 31, 2017. An electronic copy will also be forwarded to your email address.

If you have any questions or require additional information, please do not hesitate to contact me at chertz@tpfo.org or (412) 535-4310.

Sincerely,

Carol A. Hertz
Executive Director
THE PROGRAM for Offenders, Inc.

THE PROGRAM for Offenders, Inc.

Response to Allegheny County Controller's Audit - ACTA

Contract # 136566 & # 198916

Audit Period January 1, 2016 through December 31, 2017

Finding # 1: Service fees totaling \$3731 applied to residents who escape lacks proper basis.

Response: Per the audit recommendations, THE PROGRAM will remit \$3731 (\$2873 from the 2012 audit plus \$858 from the current audit) to the Allegheny County jail for disbursement.

THE PROGRAM has traditionally charged residents a \$500 escape fee to cover accounting, administrative and processing costs. This fee was based upon a 2009 agreement with the Warden of the Allegheny County jail. However, documentation for this agreement cannot be located in THE PROGRAM's records.

THE PROGRAM concedes that the fee could be perceived as excessive and arbitrarily punitive. Consequently, THE PROGRAM will immediately end the practice of charging a \$500 escape fee. Donnelly Boland and Associates (THE PROGRAM's contracted accounting firm) will be instructed to immediately stop assessing the fee and the resident handbook will be amended to reflect the policy change.

The audit report also recommends that residents leaving the facility be remitted the correct amount of their funds in a timely manner.

THE PROGRAM currently has procedures in place to provide for the remittance of resident funds to those who separate from THE PROGRAM. Current procedures indicate that residents who separate from THE PROGRAM fill out a "Close out Check Request" which is forwarded to Donnelly Boland and Associates. Residents have the option to return to the facility to pick up their check or leave a forwarding address so the check can be mailed. Sometimes, however, residents do not return to pick up checks, particularly if the remitted amount is small. Additionally, given the itinerant nature of our resident population, checks are sometimes returned from the forwarding address as undeliverable.

In the future, Checks that are not picked up by the resident in a timely manner will be forwarded to the jail. Close out checks will be sent directly to the jail for those residents who escape from THE PROGRAM. Staff will be instructed to document instances where THE PROGRAM has attempted to remit funds to residents who cannot be located.

Finding # 2: Required documentation related to resident medication is not properly retained

Response: THE PROGRAM has a comprehensive medication policy which describes procedures for receiving and logging medication into the facility, distributing medication to residents, logging when residents receive medication, auditing medication to assure that all medication is accounted for and procedures for disposal of unused medication.

THE PROGRAM recognizes its responsibility that residents receive proper medical care, including that residents receive medication as prescribed. To make the medication distribution process more efficient, THE PROGRAM contracted with Asti Pharmacy in 2017 to provide pharmaceutical services to the resident population. The agency also employs a part-time contracted psychiatrist to do medication checks for residents receiving psychotropic medications. To ensure the accuracy of medication logs, and to ensure that residents are taking their medication as prescribed, midnight shift staff audit each medication nightly. The facility manager also conducts a monthly medication review.

As detailed above, THE PROGRAM has procedures in place to manage medication delivery. THE PROGRAM concedes that errors have sometimes occurred regarding retaining doctor's orders and properly posting, changing or canceling doctor's orders regarding medication.

To reduce future errors, staff will be re-trained on the medication policy, particularly as it pertains to medication audits and reconciling medication logs. Staff will also be re-trained on reconciling the resident medication log with the returned medication log. The process used for documenting residents who refuse medication will also be revisited.

Given the large number of records involved, retention and retrieval of medical record information was problematic during this audit. In 2017, THE PROGRAM began electronically scanning certain records to an electronic file to make them more easily retrievable. THE PROGRAM will establish a process to determine which additional records will be scanned and establish a naming convention to retain records. Minimally, medication logs and doctor's orders will be included in the scanning process.

Finding # 3: Required documentation related to community release is not properly maintained.

Response: In order to facilitate resident accountability, THE PROGRAM utilizes a pass system/sign out system. Policy and practice indicate that whenever a resident leaves the facility for any reason, written documentation in the form of a pass is required. The pass contains essential accountability information such as the date of the pass, location, type of activity, transportation and most importantly, the time the resident may be released for the pass and a curfew (the time he/she must return to the facility). Case managers research the validity of the pass before it is approved. Both the case manager and the resident sign the pass as acknowledgment of approval.

As a check and balance to ensure that residents are not released without proper documentation, approved passes are placed in the control center. Before residents leave the facility, monitors review

the pass. If the pass is not signed by the case manager or if essential accountability data is not properly filled out on the pass, the resident should not be released.

Data from the Controller's Audit indicate that ACTA did not always comply with the agency's policy regarding passes. Additionally, monitors released residents with passes that were not completely filled out.

To ensure accountability of the resident population, THE PROGRAM will require residents who leave the facility accompanied by staff to fill out a pass. This will ensure 100% documentation of all residents who leave the facility.

Case managers will be re-trained regarding proper procedures for processing passes. All required fields on the pass must be filled out. If the resident or case manager cannot determine a phone number or other required data, the pass will not be approved. Both residents and case managers will be advised of this requirement. In the extremely rare event that a data field must be left blank, the reason for the omission will be noted on the pass.

Monitors will be re-trained on their role as a check and balance to ensure that residents will not be released without a fully completed, signed pass. If a pass is not complete, the resident will not be released.

Monitors will also be re-trained on the process regarding sign out sheets. At the present time, passes and sign out sheets are two separate documents. To reduce paper flow and to keep the documents together, THE PROGRAM will determine if the pass and sign out sheets can be combined (or if some other process can be determined), thereby showing pass, sign out and sign in on the same document.

Facility Managers will also perform a bi-monthly audit of a random sampling of passes. On or about the 15th and 30th of every month, the Managers will choose a minimum of ten randomly selected passes to check documentation completion. Feedback will be provided to staff following each review.

Given the large volume of documentation generated by the pass procedure and the challenge involved with data management and retrieval, THE PROGRAM began scanning community pass information to an electronic file in December, 2017.

Finding # 4: Required documentation related to work release is not properly maintained.

Response: THE PROGRAM permits work release once a resident is nearing achievement of the requirements of their 3C level of care (inpatient treatment) and preparing for the transition to outpatient treatment. When a resident secures employment, case managers verify the employment and both the employer and resident sign an employment agreement which details the terms and conditions of employment as well as describing accountability requirements.

Each employed resident has a work card which indicates his/her scheduled employment hours for the week. When a resident leaves for work, he/she signs out on the work card. When the resident arrives at work, he/she calls the facility. The call is recorded on a "call-in sheet". As an additional accountability measure, once during each shift, the facility contacts the resident at his/her workplace to ensure they are at work. The work verification call is logged on the shift report.

It should be noted that in May 2017, ACTA hired two new case managers to fill two case manager vacancies. The new case managers were trained in May, 2017. Internal auditing indicates that since that time, case managers have utilized the employment agreement as required. Prior to this time, THE PROGRAM cannot verify the consistent use of the document or of the process. Data retrieval issues may also contribute to the lack of documentation.

THE PROGRAM believes that issues connected with the use of the employer agreement have been corrected at ACTA. Nevertheless, case management staff will be re-trained to ensure 100% compliance with employment procedures.

Additionally, case managers will be required to scan the employment agreement to an electronic file to facilitate future document retrieval.

Facility managers will ensure that monitors maintain a "daily call-in sheet" log to document calls from residents when they arrive at work. Call in logs will be scanned to an electronic file to facilitate future document retrieval.

Finding # 5: THE PROGRAM does not review head count sheets during its invoice reconciliation process and the ACTA client list was incomplete and inaccurate.

Response: Per the audit recommendations, THE PROGRAM will remit \$58 to the Allegheny County jail for overbilling errors.

ACTA staff conduct 12 head counts per day to ensure resident accountability. The audit report characterizes ACTA's midnight count as the "main count". This is the count that is sent to the Allegheny County jail each night, however all counts are equally important in maintaining the accountability of residents. Each count serves as a snapshot in time showing the number of residents in custody at that particular time. Residents are received, discharged, escape, are returned to jail or otherwise separated from THE PROGRAM across all counts throughout the day. Since the count is a dynamic number, when reconciling billing, all resident reception and separation for the entire day should be considered. Currently ACTA sends a headcount which is characterized as the first count of the day. Going forward, ACTA will send the jail a nightly count detailing the final count of the previous day, which will reflect any admissions or discharges that occurred thus will be an accurate reflection for billing reconciliation. Facility Managers will periodically review these to ensure they are dated, labeled and saved correctly.

Billing for THE PROGRAM is managed by the accounting division of Donnelly Boland and Associates. When residents are received into or separated from THE PROGRAM, documentation of the movement is forwarded to Donnelly Boland and Associates. In order for billing to be accurate, the facility will ensure that accurate, timely resident movement information is transmitted to Donnelly Boland and Associates. The facility will take steps to ensure that accurate information regarding receptions and discharges is submitted to Donnelly Boland and Associates to minimize the risk of future errors.

Equally critical for accurate billing is the maintenance of an accurate client list (Receive/Discharge Log). Monitors are responsible for entering all resident movement into and out of the facility on the document. An internal audit in February, 2018 indicated several issues with the document which could lead to confusion or inaccurate entry of data. Consequently, a revised Receive/Discharge Log was issued.

To further reduce the likelihood of errors, ACTA's post orders assign responsibility to a specific monitor for correct entry of data on the document. Additionally, the facility manager will ensure that monitors are correctly entering data by reviewing the Receive/Discharge Log once per month.

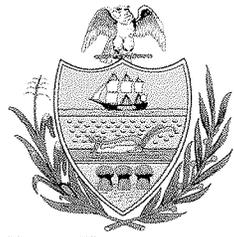
Finding # 6: Noncompliance with Food Safety Regulations

Response: The Controller's Audit indicated that ACTA's kitchen had never been inspected by the Allegheny County Health Department.

Following the 2012 Controller's Audit, THE PROGRAM contacted the Allegheny County Health Department several times to schedule an inspection, but the inspection never occurred. No record exists to document the reason the kitchen was not inspected.

It should be noted that in February, 2018, ACTA hired a full-time, credentialed food service supervisor. (Previous food service supervisors were credentialed, part-time employees)

THE PROGRAM recognizes its obligation to comply with food safety requirements regarding the handling, preparation and serving of food. It is THE PROGRAM's intent to ensure that the food service area of ACTA complies with Allegheny County Health Department standards and to apply for a food service inspection. Records will be maintained to document contacts with the health department and to document actions taken to ensure compliance.



RICH FITZGERALD
COUNTY EXECUTIVE

MEMORANDUM

TO: Chelsa Wagner
Allegheny County
Controller

Lori Churilla
Allegheny County
Assistant Deputy Controller, Auditing

FROM: Orlando Harper 5/8/18
Allegheny County Jail
Warden

DATE: May 8, 2018

RE: Allegheny County Jails Response to Performance Contract Compliance with Contracts 136566 and 198916 (The Program for Offenders-Allegheny County Treatment Alternatives)

Controller's Finding:

The jail's monitoring of compliance with alternative housing contract requirements can be improved.

Jail's Response:

Thank you for the opportunity to respond to the performance contract compliance audit for The Program for Offenders. The Allegheny County jail is committed to ensuring that The Program for Offenders is compliant with the specifications of the contract with Allegheny County as well as the jails policies and procedures. As you are aware throughout the past five years the Jail's Alternative Housing Department has developed and implemented thirteen (13) policies and procedures for alternative housing providers including policy #419 which is specific to the monitoring of alternative housing programs. In 2016 and 2017 the Allegheny County Jail Alternative Housing Department was responsible for the transfer and oversight of approximately 1,900 inmates, over 285 of which were transferred to The Program for Offenders-Allegheny County Treatment Alternatives.

Page #2

ACJ Response to Controllers Audit of The Program for Offenders-ACTA

Jail personnel will concentrate monitoring efforts to the areas of the program where findings have been identified to ensure that The Program for Offenders' corrective action plan is instituted and effective.

The Allegheny County Jail would like to thank the Controller's Office for their review. Placement of inmates into alternative housing is a privilege awarded to inmates of the jail who meet placement criteria. The placement of Allegheny County Jail inmates into The Program for Offenders enables the inmate the opportunity to engage in training and educational programs, drug, alcohol and mental treatment, family reunification, and employment. The services provided by the Program for Offenders supports the jails mission to reduce recidivism through programs that help persons reenter and succeed in society.