



# County of Allegheny

## Office of the Controller

**Shuman Juvenile Detention Center  
Report on the Analysis of Internal Controls  
For the Period January 1, 2012  
through December 31, 2012**

*(NON-AUDIT SERVICE)*

**August 6, 2013**

**Chelsa Wagner  
Controller**

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**CHELSA WAGNER**  
CONTROLLER

# COUNTY OF ALLEGHENY

## OFFICE OF THE CONTROLLER

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July 24, 2013

Mr. William S. Stickman, Interim Director  
Shuman Juvenile Detention Center  
7150 Highland Drive  
Pittsburgh, PA 15206

Subject: **Shuman Juvenile Detention Center**  
**Report on the Analysis of Internal Controls**  
**For the Period January 1, 2012 through December 31, 2012**

Dear Director Stickman:

The Controller's Office reviewed applicable policies and procedures and interviewed various Shuman Juvenile Detention Center ("Shuman Center") personnel to gain an understanding of the design and implementation of internal controls related to payroll, the Resident fund and Resident Improvement fund, and the safeguarding of the juvenile residents' belongings. We also considered whether the internal control structure pertaining to those areas was suitably designed, and performed tests of controls to assist us in evaluating whether controls had been implemented and were operating effectively during 2012. However we did extend certain tests to include 2010 and 2011. We performed our procedures as a non-audit service. Consequently, our engagement was not performed in accordance with *Government Auditing Standards*.

We identified deficiencies related to payroll processing, off-book accounts including petty cash as well as the safeguarding of the juveniles' possessions. The results of our procedures are disclosed in the attached report. We have provided a number of recommendations to assist management in remediating the noted deficiencies in Shuman Center's operations.



July 24, 2013

We would like to thank the management and staff of Shuman Center for their courtesy and cooperation during the performance of our procedures.

Kind regards,



Chelsa Wagner  
Allegheny County Controller



Lori A. Churilla  
Assistant Deputy Controller, Auditing

cc: Honorable Richard Fitzgerald, Allegheny County Executive  
Honorable Charles Martoni, President County Council  
Honorable Nicholas Futules, Vice President, County Council  
Mr. William McKain, County Manager, Allegheny County  
Ms. Jennifer Liptak, Chief of Staff, Allegheny County  
Mr. Warren Finkel, Budget Director, Allegheny County  
Mr. Joseph Catanese, Director of Constituent Services, County Council  
Mr. Walter Szymanski, Budget Director, County Council

## Executive Summary

### Background

On average 3,229 youths are admitted to Shuman Center each year. Repeat admissions account for roughly half of the total. The average length of stay is approximately 15 days. Twenty percent of the population consists of females.

	2012	2011	2010	2009	2008
Total Admissions	2,958	3,359	3,374	3,348	3,106
Repeat Admissions	1,444	1,648	1,679	1,813	1,864
% of Repeat Admissions	49%	49%	50%	54%	60%

Each resident is given a private room in a unit composed of 12 rooms and a large common space. The juveniles are assigned to units based on age, charges, physical size and sex. Two youth care workers supervise each unit during waking hours and one supervises during sleeping hours. The juveniles are permitted to make one fifteen-minute collect call per day.

When a child is brought to Shuman Center, a juvenile court intake officer conducts a basic assessment to determine whether the juvenile court has jurisdiction. The court's jurisdiction extends to Allegheny County youth between the ages of ten and seventeen who are accused of a delinquent offense. When it is determined that the juvenile court has jurisdiction, the intake officer considers the seriousness of the charge and decides whether to detain or release the child. The law provides that all detained children must have a detention hearing before a judge or hearing officer within 72 hours of admission to Shuman Center to determine the need for further detention. If the child is detained, a full hearing on the charges must be held within 10 days. The juvenile court makes the final decision about a resident's release from detention.

### Results in Brief

#### **Finding #1: The Controls over Payroll Processing are Inadequate**

Resulting from the findings below, overpayments to employees identified by the Audit Division of the Controller's Office totaled \$894.16 and by the Payroll Division of the Controller's Office \$738.43. Additionally, the Audit Division identified potential overpayments of \$12,649.92 if sick time is not reduced in Kronos for time sold back to the County. Further information on these findings can be found beginning on page 10 and are detailed in Schedules I and II.

For the two payroll periods we selected, we selected a sample of 20 employees and compared the hours worked and benefit hours taken for each employee per the time punch report to the hours paid to ensure agreement. We noted variances for 2 employees in total (10%).

- We noted that 1 employee (5%) was overpaid 8 regular work hours totaling \$158.40 in one of the pay periods.
- We noted that 1 employee (5%) was paid for 8 hours for both a personal day, and a paid holiday totaling \$139.92 for the same day, which is not permitted. Only the holiday pay should have been allowed.

## Executive Summary

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We selected two days during 2012 and attempted to trace all overtime paid for those two days to overtime authorizations. A total of 35 overtime payments were made for those two days, 21 employees paid overtime for one day and 14 employees paid overtime for the other day.

- We noted that overtime authorizations could not be located for 8 (23%) of the 35 overtime payments. Seven of these payments totaled \$814.22 (31 overtime hours). We also noted that one employee's overtime was improperly reduced, for an underpayment of \$203.71.

For the same 25 sampled employees, we attempted to determine whether the employees used more benefit time in 2012 than the amount of time to which they were entitled.

- We determined that 1 (4%) of the 25 employees used and was paid for 4 more vacation days in 2012 totaling \$595.84 than they were entitled to (32 hours).

Many of Shuman Center's union employees elect to sell back unused sick days as provided for in various labor agreements. We reviewed the sick day buybacks for 2010, 2011, and 2012 to determine whether the buybacks were initiated by the employees and approved, and whether the balance of the employees' available sick time was reduced to the extent that sick time was bought back.

- We determined that for all 9 of the Shuman Center employees (100%) that sold back sick days for 2010, the balance of the employees' available sick time was not reduced to the extent that sick time was bought back. The 9 employees sold back 85 sick days (680 hours). This amounts to \$11,269.44 in overpayments if the sick days are not properly adjusted.
- We determined that for 1 of the 6 employees (17%) that sold back sick days for 2012, the balance of the employee's available sick time was not reduced to the extent that sick time was bought back. The employee sold back 10 sick days (80 hours). This will result in an overpayment of \$1,380.48 if the sick days are not properly adjusted.

These discrepancies are detailed in Schedule I.

Finally, in assisting with research on this project, the Controller's Payroll Division identified a number of employees who were paid more than 24 hours per year in personal time. We determined that many of the employees were improperly awarded an extra personal day instead of compensation time. However, Shuman Center personnel were unable to explain why some of the employees were paid more than 24 hours per year in personal time. These overpayments totaled \$738.43 and should be researched and rectified, and can be found at Schedule II.

**Recommendations #1:** We recommend that Shuman Center:

- Immediately correct the discrepancies noted above.
- Undertake a reassessment of its payroll policies and procedures to ensure that employees are receiving the correct amount of pay and benefit time and payroll is properly processed.

## Executive Summary

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- Ensure that all payroll personnel are properly trained.
- Have someone independent of the payroll process review and authorize the payroll before it is sent to Human Resources and the Controller's Office.
- Require that all exception reports are signed and approved before the processing of payroll. All exceptions should be adequately explained and documented.
- Ensure that all overtime is approved by the supervisor and adequately documented.

### **Finding #2: The Resident Fund and Resident Improvement Fund Should be Closed**

During our engagement, we noted numerous internal control deficiencies surrounding the Resident fund and the Resident Improvement fund. These include:

- Inadequate separation of duties. The Custodian (Reverend) of the account receives the bank statements, reconciles the account, writes checks as well as makes deposits for both funds.
- There are no records maintained of donations received, amounts or names of the contributors.
- When donations are received during the holidays, we were told that the staff takes out any donations that they want and the remaining items are given to the residents.
- We also noted that at least one Christmas solicitation letter requested checks be made payable to the Reverend (not a County employee), the only authorized check signer on the account.
- There is no audit trail of the request for funds including the amount and purpose.
- Only one signature is required on the checks.
- Unclaimed monies are deposited into the Resident fund and are not being properly escheated to the state.
- Fund raising which includes bake sales, pretzel and popcorn sales and candy sales activities are held at Shuman Center but there is no audit trail of the amount of profit made and where the money was deposited. We were told by management that the profit was put into the petty cash fund or the Resident fund.
- Excess withdrawals were not re-deposited back into the appropriate funds.
- Payments for toiletries, pizza, hair supplies, etc. are items that can be purchased through the County. There is no need for separate off book accounts for the purchase of these items.

**Recommendation #2:** We recommend that Shuman Center discontinue the use of the Resident fund and Resident Improvement fund. To accomplish this, the corresponding bank accounts should be closed and the remaining funds deposited in the County's general fund.

### **Finding #3: The Safeguarding of Juvenile Belongings is Inadequate**

We sampled 20 current Shuman Center juvenile detainees to determine if their personal property was properly recorded at the time they were admitted. Of the 20 individuals, we noted:

- Three (15%) of the 20 juvenile detainees property itemized in their property record could not be found on site. We were advised that a youth services provider, that had been

## Executive Summary

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housing the juvenile, took the items that appeared to be missing for one of the detainees. It was asserted that Shuman Center's property record had not been updated to reflect the items taken by the youth services provider. We interviewed the juvenile who confirmed that the youth services provider had taken some of her property, but could not verify that the youth services provider had taken all of the property that appeared to be missing based on the property record. The missing items included clothing and a make-up bag with various kinds of make-up.

- Seven (35%) of the 20 juvenile detainees had additional personal property located in the locker room, safe, and/or valuables drawer beyond what had been recorded in the property records. These additional items consisted of clothing, a bracelet, and a ring.
- Some juvenile detainee personal property was not stored in the location specified in the property records, and some property was not described in adequate detail (ie. "sneakers" instead of "Air Jordan size 10 red basketball shoes") in the property records. For example, we noted 9 earrings were documented as being stored in the safe, however they were found in the juvenile's locker.

### **Recommendations #3:** We recommend that Shuman Center:

- Update and adhere to written policies and procedures.
- Require the Admissions department to adequately search the juvenile for all possessions and properly document the items and place of storage in the computer.
- Install computer software that creates an audit trail of juveniles' possessions.
- Install cameras in the locker room and keep the door locked when not in use.
- Consider taking pictures of juvenile detainee personal property.
- Consider limiting access to juvenile detainee property to one individual per shift.
- Retrain staff to better describe property in the property records.
- Document chain of custody transfers between Admissions Manager and Security Manager.
- Escheat juvenile property held for 5 years in accordance with the requirements of the Pennsylvania Disposition of Abandoned and Unclaimed Property Act.



## I. Introduction

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The first provision in Pennsylvania law for the detention of juveniles was enacted July 2, 1901. The first autonomous Juvenile Court in Pennsylvania was founded in Allegheny County in 1933. In 1936, the Juvenile Court was built on Forbes Avenue in the Oakland District of Pittsburgh serving both delinquent and dependent children less than sixteen years old. After Allegheny County Children and Youth Services was founded and established separate housing for dependent youth, only delinquent youth remained in detention. In December 1974, Shuman Juvenile Detention Center (“Shuman Center”) opened at 7150 Highland Drive in the East End of Pittsburgh due to increased population and the need for improved services. Shuman’s 2012 budget was \$11,492,027 of which \$9,774,887 (85%) was allocated for personnel and fringe benefits.

On average 3,229 youths are admitted to Shuman Center each year. Repeat admissions account for roughly half of the total. The average length of stay is approximately 15 days. Twenty percent of the population consists of females.

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Total Admissions	2,958	3,359	3,374	3,348	3,106
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Each resident is given a private room in a unit composed of 12 rooms and a large common space. The juveniles are assigned to units based on age, charges, physical size and sex. Two youth care workers supervise each unit during waking hours and one supervises during sleeping hours. The juveniles are permitted to make one, fifteen-minute collect call per day.

When a child is brought to Shuman Center, a juvenile court intake officer conducts a basic assessment to determine whether the juvenile court has jurisdiction. The court’s jurisdiction extends to Allegheny County youth between the ages of ten and seventeen who are accused of a delinquent offense. When it is determined that the juvenile court has jurisdiction, the intake officer considers the seriousness of the charge and decides whether to detain or release the child. The law provides that all detained children must have a detention hearing before a judge or hearing officer within 72 hours of admission to Shuman Center to determine the need for further detention. If the child is detained, a full hearing on the charges must be held within 10 days. The juvenile court makes the final decision about a resident’s release from detention.

Shuman Center provides the following services:

- Health Services – These services are to guarantee the health and safety of the juveniles while they are detained.
- Educational Services - A full-time school program offers a range of services, both diagnostic and instructional. State law requires that all youth, even juveniles who have graduated or have a GED, are required to attend school while in detention.

## **I. Introduction**

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- Recreational Services – These services are to provide residents access to positive, healthy release from the pressures of confinement. Programs range from sports, arts and crafts, and opportunities to earn privileges and to participate in a range of activities due to good behavior.
- Social Services – This is the ‘umbrella’ description for all of the other services provided by Shuman Center. This service is to develop a therapeutic environment designed to assist youth in adjusting to detention. It also is the focal point in the exchange of information about the child between the detention center and the probation department.

## **II. Scope & Methodology**

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We performed procedures to enable us to assess whether the internal control structure pertaining to certain specific areas at Shuman Center was suitably designed and evaluate whether controls had been implemented and were operating effectively during 2012, the period to which we applied our procedures. However, we did extend certain tests to include 2010 and 2011. Specifically, we performed the following procedures:

- Reviewed applicable policies and procedures and other relevant documents.
- Interviewed Shuman Center personnel to gain an understanding of the processes and controls in place with respect to the administration of Shuman Center's Resident fund and Resident Improvement fund (including the safeguarding of funds and accounting for fund transactions), safeguarding of juvenile detainee belongings, and the processing of payroll transactions.
- Reviewed Resident fund and Resident Improvement fund bank statements, transaction receipts, and other supporting documents. We then prepared schedules of those transactions and analyzed them.
- Performed tests of controls over the safeguarding of juvenile detainee belongings.
- Performed tests of controls over payroll processing.
- Performed other procedures as deemed necessary or practical.
- Summarized weaknesses identified in the processes utilized by Shuman Center or the design or implementation of internal controls for communication to management and those charged with governance and developed recommendations that management can implement to remediate the conditions.

We performed these procedures from March through June of 2013. We have provided a draft copy of this report to the Interim Director of the Shuman Juvenile Detention Center for comment. His response begins on page 23.

### III. Findings and Recommendations

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#### *Finding #1*

#### **The Controls Over Payroll Processing are Inadequate**

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We interviewed Shuman Center's Payroll Clerk and various other employees whose job duties relate to payroll to gain a better understanding of the processes and controls in place over payroll processing. During the interview process we determined that there was no detailed onsite review of Shuman Center's payroll processing for at least the period from October 21, 2012 through January 28, 2013. The individual that formerly supervised Shuman Center's payroll processing left the County's employment on October 20, 2012, and so we were unable to interview the individual regarding the extent of review procedures performed prior to her departure. We selected two individual payroll periods during 2012 for testing.

Shuman Center utilizes Kronos payroll software to track employee time and attendance. Employees "punch in" at the beginning of their shift and "punch out" at the end of their shift by putting their finger on a fingerprint scanner. Exception reports are prepared daily to document any changes from an employee's regular scheduled work hours and the reasons for the changes, such as tardiness, the use of benefit time, or working overtime (that was authorized to be paid). Each day is comprised of three eight-hour shifts. The individual assigned the overall responsibility for supervision on each shift, the shift "Chief", is responsible for documenting variances in work hours that pertain to their shift. The Chief typically initials the changes in the hours worked (from the scheduled work hours) pertaining to each particular employee. The Chief is also intended to sign the exception report at the end of their shift to represent their assertion that the exception reports are complete (all of the circumstances that have resulted in any employee actually working more or less than their scheduled work hours have been documented) and accurate. Because the payroll system being utilized at Shuman Center results in employees being paid for their scheduled work hours unless an exception is recorded in the system, identifying, documenting, and properly recording such exceptions in the payroll system is critical to ensuring that Shuman Center employees are paid properly for the hours that they actually work and any benefit time to which they are entitled.

The Payroll Clerk is responsible for recording the noted exceptions in Kronos. The Payroll Clerk is also intended to review the time punch reports generated by Kronos to identify and resolve any unresolved differences. If the exception reports prepared daily were complete and accurate, there should be few, if any, unresolved payroll differences.

We reviewed the 28 exception reports (one for each day in both of the payroll periods we selected for testing), to determine whether the exception reports had been signed by the Chief for each shift as required. Each of the 28 exception reports should have been signed by the Chief for each of the three shifts, a total of 84 signatures.

- We noted that 38 (45%) of the 84 required Chiefs' signatures were missing from the exception reports.

### III. Findings and Recommendations

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The Payroll Clerk acknowledged that missing signatures on exception reports are common, and that payroll has routinely been processed based on the exception reports and other available supporting documents whether they were signed or not.

For the two payroll periods we selected, we selected a sample of 20 employees and compared the hours worked and benefit hours taken for each employee per the time punch report to the hours paid to ensure agreement. We noted variances for 2 employees in total (10%).

- We noted that 1 employee (5%) was overpaid 8 regular work hours totaling \$158.40 in one of the pay periods.
- We noted that 1 employee (5%) was paid for 8 hours for both a personal day, and a paid holiday totaling \$139.92 for the same day, which is not permitted. Only the holiday pay should have been allowed.

These discrepancies are detailed in Schedule I.

For the same two selected payroll periods and the same 20 sampled employees (40 pay period test items), we attempted to determine whether circumstances resulting in time punch exceptions (missed time punches or excess punches) were explained by the exception reports and/or other supporting documents, and whether the exception reports and/or other supporting documents explained any other variances between hours worked and hours paid.

- We determined that for 5 (13%) of the 40 pay period test items, missed time punches or excess time punches were not explained by the exception reports and/or other supporting documents.
- We determined that for 7 (18%) of the 40 pay period test items, the exception reports and/or other supporting documents did not explain other variances between the hours worked and the hours paid.

These discrepancies are not included in Schedule I as we could not confirm whether a missed time punch was resulting from an employee purposefully not punching in, which might occur in a situation where an employee arrives late and does not want to be docked, or that the scanner was not functioning.

We selected two days during 2012 and attempted to trace all overtime paid for those two days to overtime authorizations. A total of 35 overtime payments were made for those two days, 21 employees paid overtime for one day and 14 employees paid overtime for the other day.

- We noted that overtime authorizations could not be located for 8 (23%) of the 35 overtime payments. Seven of these payments totaled \$814.22 (31 overtime hours). We also noted that one employee's overtime was improperly reduced, for an underpayment of \$203.71.

### III. Findings and Recommendations

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These discrepancies are not included in Schedule I as we could not confirm whether the authorization was lost or that the employee was improperly paid.

We also attempted to determine whether overtime has been properly allocated to Shuman Center employees based on the provisions of the various labor agreements in effect. We noted that five of the six labor agreements in effect for 2012 stipulate that a voluntary overtime list is to be used, and that preference for overtime is to be given based on seniority. We observed that Shuman Center uses a card system to allocate overtime on a rolling basis. Each year employees are requested to record their overtime preferences on a card. (The cards collectively represent the voluntary overtime list.) The cards for all of the employees willing to volunteer for overtime for each shift are combined, and are initially put in order of seniority.

- We noted, if the qualified employee with the greatest seniority refuses to work overtime on any occasion, that employee's card is put on the bottom of the pile, and the individual will not be given preference for overtime again until other qualified employees with less seniority refuse to work overtime. This practice is not consistent with five of the six active labor agreements. This issue is not included in Schedule I.

We selected a sample of 25 employees and compared the benefit time accruals recorded in the system to the benefit time we calculated that the employees were entitled to for 2012 based on their employment dates. We noted variances for 2 of the 25 employees (8%).

- We noted that 10 vacation days, 10 sick days, and 3 personal days for 2012 had been accrued in the system for 1 employee (4%) who was on inactive status and not entitled to benefit time.
- We noted that the sick day accrual for 2012 for 1 employee (4%) was three days less than the number of days to which the employee was entitled.

We notified Shuman Center's payroll clerk who then made adjustments to the employee's sick accrual. These other discrepancies are due to the payroll clerk using the wrong dates in Kronos.

For the same 25 sampled employees, we attempted to determine whether the employees used more benefit time in 2012 than the amount of time to which they were entitled.

- We determined that 1 (4%) of the 25 employees used and was paid for 4 more vacation days in 2012 totaling \$595.84 than they were entitled to (32 hours).

This discrepancy is detailed in Schedule I.

### III. Findings and Recommendations

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We also noted that the wrong dates were used for the awarding and expiration of benefit time in the payroll software for 2012. Instead of using the calendar year, the period from November 18, 2011 to December 15, 2012 was used.

Many of Shuman Center's union employees elect to sell back unused sick days as provided for in various labor agreements. We reviewed the sick day buybacks for 2010, 2011, and 2012 to determine whether the buybacks were initiated by the employees and approved, and whether the balance of the employees' available sick time was reduced to the extent that sick time was bought back.

- We determined that for all 9 of the Shuman Center employees (100%) that sold back sick days for 2010, the balance of the employees' available sick time was not reduced to the extent that sick time was bought back. The 9 employees sold back 85 sick days (680 hours). This amounts to \$11,269.44 in overpayments if the sick days are not properly adjusted (i.e. sick time in Kronos needs to be reduced).
- We determined that for 1 of the 6 employees (17%) that sold back sick days for 2012, the balance of the employee's available sick time was not reduced to the extent that sick time was bought back. The employee sold back 10 sick days (80 hours). This will result in an overpayment of \$1,380.48 if the sick days are not properly adjusted.

The failure to reduce the balance of the employees' available sick time to the extent that sick time was bought back could result in and has resulted in employees taking benefit time and being paid for benefit time to which they are not entitled. If this condition is not corrected the aggregate amount of overpayments attributable to the condition will be \$12,649.92.

These discrepancies are detailed in Schedule I.

Finally, in assisting with research on this project, the Controller's Payroll Division identified a number of employees who were paid more than 24 hours per year in personal time. We determined that many of the employees were improperly awarded an extra personal day instead of compensation time. However, Shuman Center personnel were unable to explain why some of the employees were paid more than 24 hours per year in personal time. These overpayments totaled \$738.43 and should be researched and rectified, and can be found at Schedule II.

**Recommendations:** We recommend that Shuman Center:

- Immediately correct the discrepancies noted above.
- Undertake a reassessment of its payroll policies and procedures to ensure that employees are receiving the correct amount of pay and benefit time and payroll is properly processed.
- Ensure that all payroll personnel are properly trained.

### **III. Findings and Recommendations**

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- Have someone independent of the payroll process review and authorize the payroll before it is sent to Human Resources and the Controller's Office.
- Require that all exception reports are signed and approved before the processing of payroll. All exceptions should be adequately explained and documented.
- Ensure that all overtime is approved by the supervisor and adequately documented.



### III. Findings and Recommendations

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#### *Finding #2*

#### **The Resident Fund and Resident Improvement Fund Should be Closed**

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Shuman Center utilizes two off-book deposit accounts plus a petty cash fund. One account is used for "Resident fund" transactions and the other is used for "Resident Improvement fund" transactions. Allegheny County has contracted with Christian Associates to provide chaplain services at Shuman Center. The Reverend assigned to Shuman Center (an independent contractor) is the custodian of the funds for both Shuman Center's Resident Fund and Resident Improvement Fund. As of December 31, 2012 the Resident fund had a balance of \$1,155 and the Resident Improvement fund had a balance of \$380.

We were advised by the Reverend that the Resident fund is used to incur expenditures that benefit the juvenile detainees, and that expenditures are typically incurred for small holiday gifts for the detainees and small toiletry items distributed in connection with an incentive program that has been instituted to promote good behavior. Contributions have been solicited for the Resident fund. We were advised that in 2012 one fundraising appeal in the form of a letter was issued, and the Reverend also solicited contributions from various churches and community groups on behalf of Shuman Center.

We were advised that the recently established Resident Improvement fund was established primarily to incur expenditures that help the juvenile detainees improve their self-image. These expenditures include hair clippers for boys and hair care products for girls. However, we were also advised that funds from the Resident Improvement fund have been used to pay a portion of the cost of Shuman Center's annual recognition dinners. The annual recognition dinners are held to acknowledge volunteers that have served at Shuman Center and acknowledge staff members who have reached certain years of service milestones. Other invited guests also attend.

During our engagement we noted numerous internal control deficiencies surrounding these two accounts. These include:

- Inadequate separation of duties. The Custodian (Reverend) of the account receives the bank statements, reconciles the account, writes checks as well as makes deposits for both funds.
- There are no records maintained of donations received, amounts or names of the contributors.
- When donations are received during the holidays, we were told that the staff takes out any donations that they want and the remaining items are given to the residents.
- We also noted that at least one Christmas solicitation letter requested checks be made payable to the Reverend (not a County employee), the only authorized check signer on the account.
- There is no audit trail of the request for funds including the amount and purpose.

### III. Findings and Recommendations

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- Only one signature is required on the checks.
- Unclaimed monies are deposited into the Resident fund and are not being properly escheated to the state.
- Fund raising which includes bake sales, pretzel and popcorn sales and candy sales activities are held at Shuman Center but there is no audit trail of the amount of profit made and where the money was deposited. We were told by management that the profit was put into the petty cash fund or the Resident fund.
- Excess withdrawals were not re-deposited back into the appropriate funds.
- Payments for toiletries, pizza, hair supplies, etc. are items that can be purchased through the County. There is no need for separate off books accounts for the purchase of these items.

It is our understanding that fund expenditures have been limited to no more than a few thousand dollars per year, which suggests that these expenditures should be able to be covered by Shuman Center's annual operating budgets. Shuman Center should also be able to purchase most items that need to be purchased using Resident fund and Resident Improvement fund resources via the County's standard purchase order process. In addition, any contributions received (should fundraising efforts continue to be deemed appropriate) could be deposited and recorded in JDE in the same manner as other County receipts.

Shuman Center's management apparently did not identify weaknesses in the design and implementation of controls over the administration of the Resident fund and Resident Improvement fund, possibly due to a lack of adequate involvement. These conditions subject the County to an unnecessary risk of misappropriation.

**Recommendations:** We recommend that Shuman Center discontinue the use of the Resident fund and Resident Improvement fund. To accomplish this, the corresponding bank accounts should be closed and the remaining funds deposited in the County's general fund.

### III. Findings and Recommendations

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#### *Finding #3*

### **The Safeguarding of Juvenile Belongings is Inadequate**

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#### *Policies and Procedures*

During our review, it was noted that Shuman Center does not have updated policies and procedures. Additionally, the policies and procedures pertaining to the handling of personal property of juvenile detainees are not very in-depth or detailed. The policies and procedures manual currently being used by Shuman Center was last revised in June 2008. According to the Admissions Manager and Security Manager, cash that juvenile detainees had on their person when they were admitted was formerly stored in a single strongbox, which provided for commingling of the detainees' funds which made it difficult to track and account for the funds. Each juvenile detainee's cash is now stored with their other valuables in sealed envelopes in the drop safe or valuables drawer located in the admissions area. However, these procedures have not been adequately documented.

#### *Juveniles' Personal Possessions*

During our tour of Shuman Center, we observed that juvenile detainee belongings are currently being stored in four locations. Clothing is stored in separate lockers within a locker room adjacent to the admissions area (the locker room is not used for changing clothes). Most other property is stored in either the drop safe or the valuables drawer, which are both located in the admissions area. There are security cameras in the admissions area. If the Admissions Officer believes the aggregate value of a juvenile detainee's personal property other than clothing to be more than \$50, the property is usually stored in the drop safe. If the value of the personal property is perceived to be less than \$50, the property is usually stored in the valuables drawer. If the juvenile is transferred to Shuman Center from another agency and has a lot of personal property, the property is stored in Room 5, which is a locked storage room used to store supplies.

During our tour, we noted that:

- Except for the shifts that the Admissions Manager works, multiple admissions officers are able to access the personal property of juvenile detainees, which limits management's ability to hold admissions officers responsible for personal property that was lost or may have been misappropriated.
- While there are security cameras in the admissions area, there are no cameras in the locker room or Room 5. In addition, we observed that the door to the locker room is normally unlocked.
- During 2012, security camera footage was only maintained for approximately 2 weeks due to media storage constraints and cost considerations unless specific incidents were identified, in which case the incident footage was intended to be stored permanently.

We sampled 20 current Shuman Center juvenile detainees to determine if their personal property was properly recorded at the time they were admitted. Of the 20 individuals, we noted:

### III. Findings and Recommendations

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- Three (15%) of the 20 juvenile detainees property itemized in their property record could not be found on site. We were advised that a youth services provider that had been housing the juvenile and would likely continue to house the juvenile after the juvenile's detention period took the items that appeared to be missing for one of the detainees. It was asserted that Shuman Center's property record had not been updated to reflect the items taken by the youth services provider. We interviewed the juvenile who confirmed that that youth services provider had taken some of her property, but could not verify that the youth services provider had taken all of the property that appeared to be missing based on the property record. The missing items included clothing and a make-up bag with various kinds of make-up.
- Seven (35%) of the 20 juvenile detainees had additional personal property located in the locker room, safe, and/or valuables drawer beyond what had been recorded in the property record. These additional items consisted of clothing, a bracelet, and a ring.
- Some juvenile detainee personal property was not stored in the location specified in the property records, and some property was not described in adequate detail (ie. "sneakers" instead of "Air Jordan size 10 red basketball shoes") in the property records. For example, we noted 9 earrings were documented as being stored in the safe, however they were found in the juvenile's locker.

#### *Computer Software and Logbooks*

We also noted that the tracking of juveniles' possessions through the computer software program used by Shuman Center does not allow for the tracking of specific data pertaining to the return of juveniles' personal property. In addition we noted the documentation of the possessions is not always complete. We were told that the software has been in use for many years, is not customizable, and is no longer supported by the developer. Therefore, we were unable to determine whether unclaimed personal property belonging to specific juveniles that were formerly detained at Shuman Center was still being stored at the facility or was otherwise properly disposed of.

At the time of admissions, the property of the juvenile is entered into the computer along with the place of storage. However, we noted that throughout the juvenile's stay, other possessions found on the juvenile such as tongue and belly rings, necklaces, etc. are taken from the juvenile but not entered into the computer to update the list of valuables. It appears that the Admissions department is not adequately searching the juveniles and properly documenting all of their possessions.

We also scanned one of the logbooks maintained in the admissions area. This logbook covered 2011 and 2012. The logbooks are maintained by the Admissions Manager and documents any problems encountered with juveniles, census checks, employees on duty, etc.

We observed that the logbook entries included documentation of several juvenile property matters, including what appeared to be missing property. We were informed that the Admissions

### III. Findings and Recommendations

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Manager is the only management-level employee that reviews the logbooks. The logbook does not contain what the outcome of the missing items. Some of the entries included:

- On December 18, 2011 a juvenile's belongings were to have been stored in locker #87. However, when the locker was searched, the clothes were missing. The juvenile was to attend a court hearing. Management also searched Room #5 where juveniles' possessions are sometimes stored with the supplies. It was documented in the logbook that no clothing was found. However, when the next shift entered Room #5 the juvenile's clothing has been found on the floor in Room #5.
- On December 5, 2011 a juvenile had jeans that were to be placed in his locker. However, the jeans were missing and were finally located in Room #5 in a bag with a "?" on it.
- On October 25, 2011 a juvenile's belongings were stored in an unsecured locker that had a broken lock.
- On October 25, 2011 a different juvenile's valuables were reported missing.
- On October 11, 2011 it was reported that someone cleaned out the safe and removed belongings that should not have been removed.
- On October 10, 2011 a juvenile was released and his locker was empty. His belongings could not be located.

We were informed by management that juvenile personal property still on site 30 days after a juvenile's release date is transferred to the Security Manager for storage in his office. No documentation pertaining to the change in custody of the unclaimed property between the Admissions Manager and Security Manager is maintained. This limits management's ability to hold either party responsible for any missing items.

We inquired as to whether unclaimed personal property held by Shuman Center has been escheated to the Commonwealth of Pennsylvania in accordance with its Disposition of Abandoned and Unclaimed Property Act. We were advised that Shuman Center staff were not aware of the requirements imposed by the Act, and as a result, unclaimed property held for five years is not being escheated to the Commonwealth of Pennsylvania as required. We were advised that unclaimed funds were added to the Resident fund and petty cash.

It appears that management has not identified weaknesses in the procedures pertaining to the safeguarding of juvenile property although a number of incidents have apparently occurred. The effect of these conditions is that the safeguarding of juvenile personal property is inadequate, reducing the likelihood that juvenile detainees will have all of their personal property returned to them to an unacceptably low level. Failure to secure written acknowledgements that all personal property was returned (when it was) also exposes the County to unnecessary risk. Finally, not escheating the personal property of juvenile detainees to the Commonwealth of Pennsylvania in accordance with the Pennsylvania Disposition of Abandoned and Unclaimed Property Act represents noncompliance with that Act.

**Recommendations:** We recommend that Shuman Center:

- Update and adhere to written policies and procedures.

### **III. Findings and Recommendations**

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- Require the Admissions department to adequately search the juvenile for all possessions and properly document the items and place of storage in the computer.
- Install computer software that creates an audit trail of juveniles' possessions.
- Install cameras in the locker room and keep the door locked when not in use.
- Consider taking pictures of juvenile detainee personal property.
- Consider limiting access to juvenile detainee property to one individual per shift.
- Retrain staff to better describe property in the property records.
- Document chain of custody transfers between Admissions Manager and Security Manager.
- Escheat juvenile property held for 5 years in accordance with the requirements of the Pennsylvania Disposition of Abandoned and Unclaimed Property Act.

**Schedule I**

Shuman Center  
Schedule of Payroll Discrepancies

Employee Number	Description of Issue	Hours	Period	Hourly Rate	Extension
<b><u>Overpayments</u></b>					
107174	Overpaid 8 regular work hours	8	Pay period ending 12/1/12	\$ 19.80	\$ 158.40
1431020	Paid personal day and holiday pay for the same day	8	11/22/2012	17.49	139.92
107066	Paid for 4 vacation days to which he was not entitled	32	12/16/12 - 12/31/12	18.62	595.84
	Total			\$	<u><u>894.16</u></u>
<b><u>Possible Overpayments if Time is not Reduced</u></b>					
106881	Paid for 10 days of sick time and time not reduced in Kronos	80	2011 (sick time sold for 2010)	\$ 16.26	\$ 1,300.80
106838	Paid for 10 days of sick time and time not reduced in Kronos	80	2011 (sick time sold for 2010)	15.47	1,237.60
107011	Paid for 5 days of sick time and time not reduced in Kronos	40	2011 (sick time sold for 2010)	16.33	653.20
107175	Paid for 20 days of sick time and time not reduced in Kronos	160	2011 (sick time sold for 2010)	16.77	2,683.20
683981	Paid for 10 days of sick time and time not reduced in Kronos	80	2011 (sick time sold for 2010)	16.72	1,337.60
1515093	Paid for 3 days of sick time and time not reduced in Kronos	24	2011 (sick time sold for 2010)	16.98	407.52
107069	Paid for 10 days of sick time and time not reduced in Kronos	80	2011 (sick time sold for 2010)	17.55	1,404.00
106840	Paid for 12 days of sick time and time not reduced in Kronos	96	2011 (sick time sold for 2010)	16.27	1,561.92
107425	Paid for 5 days of sick time and time not reduced in Kronos	40	2011 (sick time sold for 2010)	17.09	683.60
	Total			\$	<u><u>11,269.44</u></u>
107069	Paid for 10 days of sick time and time not reduced in Kronos	80	2013 (sick time sold for 2012)	\$ 17.26	\$ 1,380.48
	Total			\$	<u><u>12,649.92</u></u>

**Schedule II**

Shuman Center  
 Schedule of Excess Personal Hours Paid

Employee Number	Personal Hours		2011		2011		2012		2012		Total for 2011 and 2012
	Paid	Hours Earned	Hours Overpaid	Amount Overpaid	Hours Paid	Hours Earned	Hours Overpaid	Amount Overpaid			
106838	32	24	8	\$ 127.47						\$ 127.47	
107261	32	24	8	138.34						138.34	
107299	32	24	8	138.34						138.34	
107383	32	24	8	121.45						121.45	
1745575					32	24	8	160.86		160.86	
1011366	28	24	4	51.97						51.97	
				\$ 577.57				\$ 160.86		\$ 738.43	



COUNTY OF



ALLEGHENY

RICH FITZGERALD  
COUNTY EXECUTIVE

August 2, 2013

Honorable Chelsa Wagner  
Allegheny County Controller  
County Courthouse  
436 Grant Street Room 104  
Pittsburgh, PA 15219

RE: Response to Controller's "Shuman Detention Center Report on the Analysis of Internal Controls For the Period January 1, 2012 through December 31, 2012 (Non-Audit Service)"

Dear Ms Wagner:

Thank you for the opportunity to respond to the Shuman Detention Center Report on the Analysis of Internal Controls For the Period January 1, 2012 through December 31, 2012. This engagement and report was requested by the Allegheny County Manager on February 26, 2013 and he stated in his letter that any added value findings and recommendations which strengthen controls over these two accounts would be welcome.

As you are aware, the leadership has very recently changed at Shuman and I was appointed the Interim Director on July 25<sup>th</sup> and the newly appointed Deputy Director who is a Certified Public Accountant begins employment on August 5, 2013. The duty of all government employees is to be good stewards of the resources committed to their care. Good stewardship requires that assets be properly safeguarded, managed and accounted for. This administration and Shuman Detention Center takes very seriously this responsibility and will utilize and consider this report's recommendations to strengthen controls and processes in this department.

We recognize that Management is primarily responsible for designing, implementing, monitoring and reporting controls and effective internal controls will be a top management priority. Thank you again for your report and the recommendations to assist us as we immediately start to review and enhance the internal control environment and structure at Shuman Detention Center.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Stickman III".

William Stickman III  
Interim Director  
Shuman Detention Center

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WILLIAM STICKMAN III, INTERIM DIRECTOR  
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