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**Department of Law and Public Safety
Juvenile Justice Commission**

July 1, 1998 to November 28, 2000

**Richard L. Fair
State Auditor**

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The Honorable Christine Todd Whitman
Governor of New Jersey

The Honorable Donald T. DiFrancesco
President of the Senate

The Honorable Jack Collins
Speaker of the General Assembly

Mr. Albert Porroni
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Enclosed is our report on the audit of the Department of Law and Public Safety, Juvenile Justice Commission for the period July 1, 1998 to November 28, 2000.

If you would like a personal briefing, please call me at (609) 292-3700.

A handwritten signature in black ink, appearing to read "Richard L. Fair".

Richard L. Fair
State Auditor

January 30, 2001

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Department of Law and Public Safety Juvenile Justice Commission

Scope

We have completed an audit of the Department of Law and Public Safety, Juvenile Justice Commission, excluding the New Jersey Training School for Boys and the Juvenile Medium Security Center, for the period July 1, 1998 to November 28, 2000. Our audit included financial activities accounted for in the state's General Fund and the commission's Resident Wage Account.

Expenditures of the commission during the 29 month audit period were \$176 million. The prime responsibility of the commission is to provide education, treatment, and aftercare programs for juvenile offenders. Revenues of the agency were \$91 million during our audit period and the major component of revenue was education aid transfers from the Department of Education.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the commission's programs, were reasonable, and were recorded properly in the accounting systems. We also tested for resolution of significant conditions noted in our prior report.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section 1, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

In preparation for our testing, we studied legislation, administrative code, circular letters promulgated by the State Comptroller, and policies of the commission. Provisions that we considered significant were documented and compliance with

those requirements was verified by interview, observation, and through our samples of financial transactions. We also read the budget message, reviewed financial trends, and interviewed commission personnel to obtain an understanding of the programs and the internal controls.

A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions about the validity of transactions as well as internal control and compliance attributes. Sample transactions were randomly and judgmentally selected for testing.

To ascertain the status of findings included in our prior report, we identified corrective action, if any, taken by the commission and walked through the system to determine if the corrective action was effective.

Conclusions

We found that the financial transactions included in our testing were related to the commission's programs, were reasonable, and were recorded properly in the accounting systems. We also found that the commission has resolved the significant issues noted in our prior report.

Use of Non-contract Vendors

The commission should utilize state contract vendors whenever possible.

Treasury Circular Letter 98-18-DPP requires that any items available through state contract vendors cannot be purchased via Direct Purchase Authorization. We noted that in two fiscal years the commission had spent more than \$92,000 for groceries from a local non-contract vendor. Many items purchased were available through state contract vendors, but the centers chose neither to use a contract vendor nor to obtain the required three quotes from other non-contract vendors. Obtaining quotes provides assurance that the state is purchasing at the best available price.

Recommendation

We recommend that groceries be purchased from contract vendors.

Auditee's Response

Prior to the fresh fruit and vegetable contract T1353, the identified non-contract vendor provided two community programs (Voorhees and Warren) a good quality product and a competitive price. With the start of the contract, the facilities did indeed begin to utilize the contract vendor only to have poor quality and a low priority of service, as this vendor also was a main supplier to larger correctional facilities, i.e., Southwoods and Northern State Prison. The facilities then began resorting to the non-contract vendor previously used.



Equipment Inventory Record

The commission should maintain a current equipment inventory record.

Treasury Circular Letter 91-32-OMB requires that fixed assets with an original cost of \$1,000 or more and an expected useful life of three years or more must be maintained on an equipment inventory record. We noted that 118 new computers were not on the inventory record. We further noted that serial numbers of three computers at the New Jersey Training School for Boys did not agree with the commission's inventory record. We also noted that

the commission did not maintain an inventory of furniture. This inventory is necessary to fix stewardship responsibility, provide a means of control to determine that state equipment is not stolen or misappropriated, obtain optimum insurance coverage, and locate excess or surplus items.

Recommendation

We recommend that the commission comply with Treasury Circular Letter 91-32-OMB and maintain a complete equipment inventory record.

Auditee's Response

The fixed asset inventory will be instituted by the Facilitates Unit. Prior plans to begin this process have been delayed due to turnover within the unit. A bar code system is in the early stages of development within the unit.



Recidivism Rates

The commission should measure recidivism in all their facilities.

The Juvenile Community Programs provide services for male and female juveniles between the ages of 13 and 18 who have been committed, are on probation, or are at risk of incarceration. These programs provide an alternative to state institutions. To determine whether the Community Programs are meeting their objectives the commission should measure their effectiveness. We found that the commission does not measure recidivism (whether an individual continues to break the law and re-enter the system) for the Community Programs. Such measurements could assist in determining which programs are most effective.

Recommendation

We recommend that the commission measure recidivism for all of their programs.

Auditee's Response

Recidivism rates and evaluation of JJC programs are being fast tracked through the Research and Development Unit. Preliminarily, the unit is analyzing the boot camp population recidivism as

well as the effectiveness of some of our contract programs. One of the main objectives of the JJC is to be able to report on “what works” for the population that we serve.

