

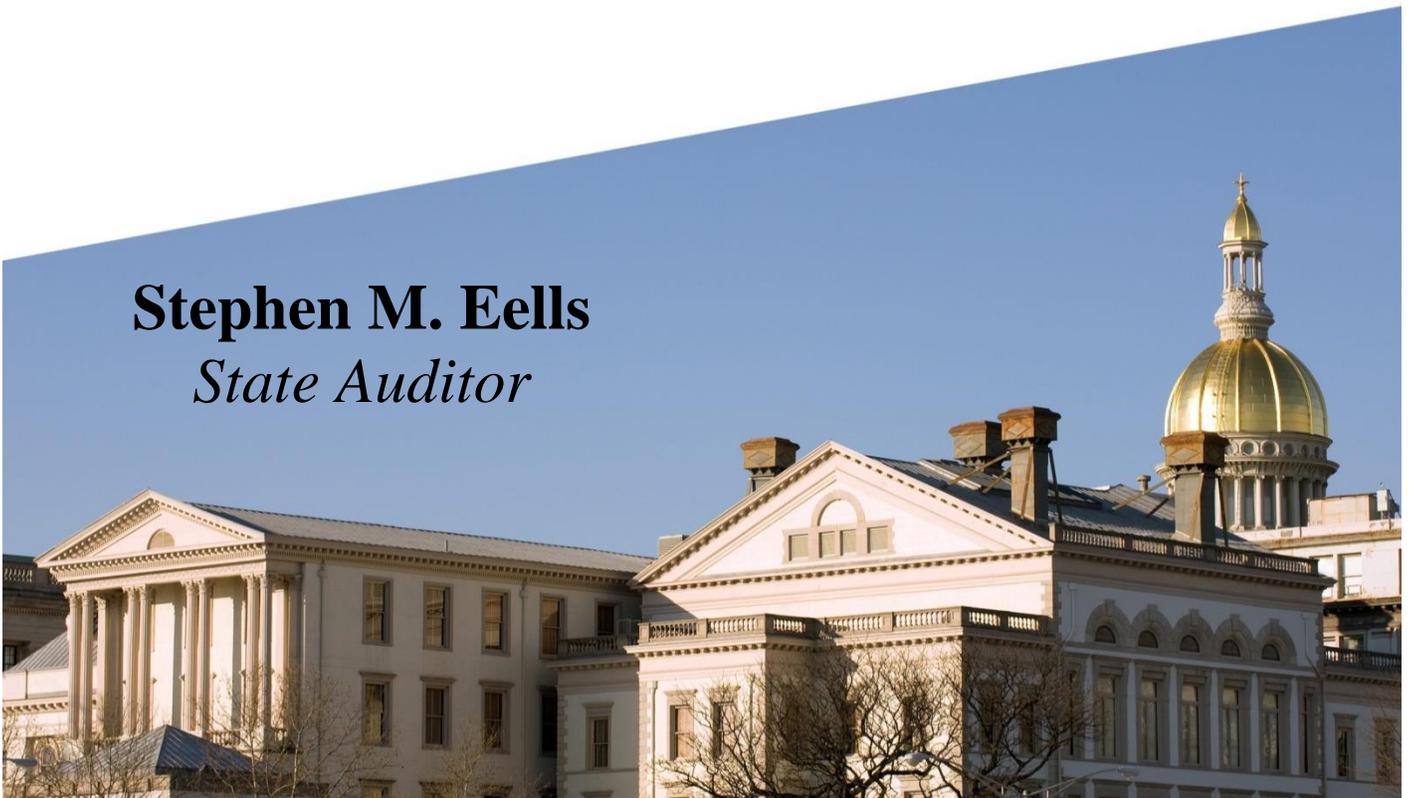


New Jersey Legislature
★ *Office of* LEGISLATIVE SERVICES ★
OFFICE OF THE STATE AUDITOR

Department of Law and Public Safety
Juvenile Justice Commission
New Jersey Training School for Boys

July 1, 2015 to October 31, 2018

Stephen M. Eells
State Auditor



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Enclosed is our report on the audit of the Department of Law and Public Safety, Juvenile Justice Commission, New Jersey Training School for Boys for the period of July 1, 2015 to October 31, 2018. If you would like a personal briefing, please call me at (609) 847-3470.

A handwritten signature in black ink, appearing to read "Stephen M. Eells".

Stephen M. Eells
State Auditor
September 5, 2019

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Scope

We have completed an audit of the Department of Law and Public Safety (department), Juvenile Justice Commission (JJC), New Jersey Training School for Boys (school) for the period July 1, 2015 to October 31, 2018. Our audit included financial activities accounted for in the state's General Fund. We did not audit the financial transactions of the non-appropriated funds since they are audited by the JJC Special Project Unit. Additionally, medical expenditures averaging \$3.3 million per year were excluded and will be audited during an audit of the JJC Administration. Annual expenditures of the school, excluding medical expenditures, during fiscal years 2016 through 2018 averaged \$36.7 million.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the school's programs, were reasonable, and were recorded properly in the accounting systems. Additional objectives were to assess the effectiveness of internal controls and the efficiency of operations.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, 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. 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.

In preparation for our testing, we studied legislation, the administrative code, circulars promulgated by the Department of the Treasury, and policies of the JJC. Provisions we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our testing. We also read the budget messages, reviewed financial and resident population trends, and interviewed agency personnel to obtain an understanding of the school's programs and the internal controls.

A nonstatistical sampling approach was used. Our samples of financial transactions were designed to provide conclusions on our audit objectives as well as internal controls and compliance. Sample populations were sorted and transactions were judgmentally and randomly selected for testing.

Conclusions

We found the financial transactions included in our testing were related to the school's programs and were recorded properly in the accounting systems. We noted inefficiencies in the areas of correctional police officer and education scheduling. We also noted weaknesses in internal controls related to inventory and asset management. We found that management failed to enforce the New Jersey Smoke-Free Air Act on the school grounds. We also made an observation regarding the availability of vocational training.

Background

The New Jersey Training School for Boys, located in Monroe Township of Middlesex County, provides programs for youths committed by the juvenile courts, stressing a decentralized approach to the treatment of the residents. Group living, community work training, preliminary vocational training, counseling services, and formal schooling constitute the program core. The school is a secure facility with a perimeter fence including a 24-hour roving patrol.

In 1992 the Annie E. Casey Foundation started the Juvenile Detention Alternatives Initiative (JDAI) to address an increasing national trend in the use of secure detention for juveniles. Nationally, in established JDAI sites, the reduction in the number of youth held in detention has led to a reduction in the number of youth committed to a state's custody, and in 2004, New Jersey implemented the JDAI. Across the 19 active New Jersey JDAI sites, commitments to the JJC have decreased with 866 fewer youth committed to state custody in 2017, as compared to each site's pre-JDAI year. Since 2004, the school's resident population has decreased from 297 in July 2015 and further to 106 as of October 2018. While school expenditures showed a decrease from \$42.2 million in fiscal year 2016 to \$38.2 million in fiscal year 2018, the average annual cost of commitment at the school during our audit period approximated \$283,000 per resident.

Correctional Police Officer Posts

Enhanced periodic reviews of correctional police officer posts at the school could result in an estimated annual savings of \$145,000.

Correctional police officers earned over 90,000 hours of overtime during both fiscal years 2016 and 2017, amounting to \$6.0 and \$5.8 million, respectively. Although school management asserts that the custody unit is short-staffed, the number of correctional police officers increased from 211 as of the third quarter of 2012 to 226 as of the second quarter of 2018. The number of civilian employees at the school decreased from 191 to 150 during the same period. The average number of occupied beds at the school decreased from 213 in fiscal year 2013 to 134 in fiscal year 2018 and continues to decrease.

Salary costs for correctional police officers averaged \$143,000 per occupied resident bed at the school during our audit period. In comparison, the highest average total cost per occupied bed in a juvenile correctional facility operated by the New Jersey Department of Corrections, was \$70,000 for fiscal year 2017 at Albert C. Wagner Youth Correctional Facility.

According to management, the number of approved correctional police officer posts at the school has not decreased since 2007-2008. The Custody Posts and FTE Report is approved annually for correctional police officer posts. This report facilitates the assessment of staffing levels necessary to fill already approved correctional police officer posts.

The Facility Detail post is scheduled for the first shift seven days a week and is designated for supervision of working residents performing janitorial functions. Working residents at the school are often supervised by civilian employees including those performing grounds-keeping duties. Our conversation with management concluded that this post could be eliminated. Freeing up correctional police officers from this post could result in estimated annual savings of \$145,000.

Recommendation

We recommend the school implement a more effective periodic review process for approved correctional police officer posts and consolidate duties where appropriate.



Education

Enhanced periodic reviews of student and teacher schedules are needed to control costs as the school's population is decreasing.

Residents younger than 21 years of age who do not possess a high school diploma or its equivalent are required to attend classes aimed towards obtaining a high school degree. The school's

academic programming is required to meet the standards of each resident's Local Education Association for the appropriate grade.

The resident population of approximately 130 as of January 2018 was assigned to seven housing units. Of these residents, approximately 80 were assigned to grades 8 through 12 and represented occupants of all seven housing units. The remaining school residents were either high school graduates or were older than the permissible school age of 21. Residents from different housing units were not enrolled in the same classroom. Each housing unit was further divided into two or three groups that attended different classes based on their educational needs. As a result, the school employed 50 teachers to educate these 80 students resulting in a student to teacher ratio of 1.6 to 1. During our walk-through of 20 classes in January 2018, we noted that, on average, each teacher had less than four students attending a class.

We suggested to management that allowing the education department to assign students to classes in accordance with their educational needs rather than housing unit might be more efficient. Starting in the spring of 2018, management had combined some residents from different housing units to attend school together thereby decreasing the total number of classes. In addition, as of August 2018, the resident population attending classes fell to 44 students. In September 2018 we noted two of the full-time vocational teachers had a total of two students each, and one full-time vocational teacher did not have any students.

Recommendation

We recommend the school continue to assign students to classes in accordance with the students' educational needs and perform periodic efficiency reviews of schedules and staffing.



Storeroom Inventory Controls

The school lacks controls to adequately track, safeguard, and maintain appropriate levels of storeroom inventory.

The school storeroom is responsible for ordering, safeguarding, and distributing clothing, office, household, cleaning, and other supplies. However, the school storeroom does not maintain accurate inventory records. It is not feasible to ensure that all inventory is accounted for without recurring inventory counts. In addition, access to the storeroom is also available to employees other than storeroom staff. A lack of accurate inventory records increases the risk of purchasing inefficiencies, spoilage, and misappropriation going undetected.

We could not determine, and management was unaware of, when the last comprehensive physical count was performed. We performed walk-throughs of the school storeroom locations and noted items that were overstocked and outdated. In addition, we observed locations that were disorganized, inaccessible, or appeared not to have been accessed in a number of years. On

October 18, 2018, we performed an inventory count of select items and noted the following examples.

- We counted 171 pairs of size 6 sneakers when only an average of 15 pairs were distributed annually during our audit period.
- We counted 53 pairs of size 14 boots. During our audit period, an average of 4 pairs were distributed annually.
- We counted 191 uniform coats size 2XL when only an average of 12 coats of this size were distributed annually during our audit period. We further noted the school purchased 150 coats in this size in November 2017 when the total resident population averaged 133.

The school relies on estimates of inventory counts and uses re-order practices based on outdated information to replenish the storeroom.

Recommendation

We recommend the school implement effective controls over storeroom inventory and maintain an appropriate level of inventory consistent with the needs of the current resident population. We further recommend that management consider sharing overstocked inventory items with other JJC facilities where possible.



Use of Tobacco on School Grounds

Management should enforce the New Jersey Smoke-Free Air Act on school grounds.

The New Jersey Smoke-Free Air Act, N.J.S.A. 26:3D-55 et seq. prohibits smoking in any area of any building of, or on the grounds of, any public or nonpublic elementary or secondary school regardless of whether the area is an indoor public place or is outdoors. The person having control of an indoor public place or workplace shall order any person smoking in violation of this act to comply with the provisions of this act. A person, after being so ordered, who smokes in violation of this act is subject to fines. The JJC has established an additional internal policy with provisions of penalties for correctional police officers who use tobacco where prohibited, including suspension and removal for repeat offenders.

Although there are multiple visible signs prohibiting tobacco throughout the school, we observed physical evidence of tobacco use on the school grounds where prohibited on four separate occasions between October 24, 2017 and March 12, 2018. The evidence included a container full of smoked cigarettes and a correctional police officer smoking tobacco in our presence.

School management is aware that tobacco is being used on school grounds but is either unwilling or unable to effectively enforce both the statute and the internal policy. Aside from being a health hazard to residents and employees, tobacco at the school is associated with additional risks according to management, such as access to cigarettes by underage juveniles and the use of tobacco as a currency. School custody personnel communicated to us that undocumented warnings are the common punishment for policy offenders.

Recommendation

We recommend management enforce the New Jersey Smoke-Free Air Act and its internal policy on tobacco use.



Excess Equipment and Waste Material

The school is not in compliance with state policies regarding assets at the end of their useful life.

Department of the Treasury Circular No. 08-03-DPP defines the proper procedures that must be followed in regards to state assets at the end of their useful life. Excess property must either be made available to other state agencies at no charge, be declared surplus and sold through bidding or public auction, or disposed of locally.

Management failed to timely identify and to properly dispose of assets that had reached the end of their useful life. We found school equipment that was considered excess, broken, or obsolete plus other waste material abandoned on school grounds outside the fenced area. School staff has been and continues to improperly store unneeded assets and equipment. Assets that were left outside have depreciated in value more than they would have if they were disposed of timely and in compliance with the circular. We observed and documented abandoned vehicles, scrap tires, refrigerators, meat slicers with blades attached, furniture, automotive batteries, and other recyclable and hazardous waste. These items are not contained and increase the risk of harm to employees, trespassers, and the environment.

Recommendation

We recommend the school clean up the waste and ensure future compliance with the circular for the proper procedures of disposing of excess/surplus property.



Custody Scheduling Application

The Custody Scheduling Application (CSA) system could be enhanced to improve correctional police officer scheduling.

The Custody Scheduling Application is used as a time and attendance management system for the correctional police officers working in JJC secure care facilities. The application is used by the school custody unit to ensure that all necessary correctional police officer posts are filled for each daily shift. In addition, the CSA interfaces with the state's Time and Attendance Leave Reporting System (TALRS) to transfer correctional police officer time records.

We reviewed the system data and noted 61 occurrences that appeared to be potential overpayments. A further review of these occurrences resulted in the following.

- There were seven instances when correctional police officers were paid for working two shifts during the same eight-hour work shift due to manual input errors. Total overpayments were \$2,550. Management recouped the overpayments after being notified by us.
- There were 54 instances when the correctional police officer had worked 2 shifts but was incorrectly recorded as if working 2 posts simultaneously on the same shift. Thus there was no actual overpayment.

Extra-sergeant posts are utilized when there is more than the minimum necessary number of sergeants on duty. These posts should not result in overtime. A review of overtime posts during fiscal years 2016 and 2017 revealed eight occasions when extra-sergeant posts were utilized for overtime.

Recommendation

We recommend the school implement system controls to alert personnel to scheduling conflicts and to minimize overpayments. We further recommend the school periodically review the database and recoup overpayments.



Observation

Vocational Training

In January 2018, 49 residents possessed either a GED or a high school degree. In August 2018, the total number of these residents increased to 58.

A number of vocational programs including culinary, barbershop, construction technology, landscaping, horticulture, and equine science are available at the school for school-age students.

However, high school graduates do not have access to many of these programs. High school graduates practice soft skills working at either the optical lab, in food service, or as porters throughout the school. In addition, the school offered three post-graduate classes in 2018, of which 4 residents took a culinary class and 13 took remedial English and math courses to prepare for college. Additional vocational programs for high school graduates might result in an increase of earning potential and chances for successful re-entry.





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August 28, 2019

David J. Kaschak
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Dear Mr. Kaschak:

On behalf of the Office of the Attorney General, thank you for the opportunity to provide comments to the draft audit report regarding the Department of Law and Public Safety, Juvenile Justice Commission, New Jersey Training School for Boys issued by your office on July 30, 2019. Enclosed please find our response.

Please do not hesitate to contact me if you have any questions or need additional information.

Sincerely,

William H. Cranford
Acting Administrator

C: Kevin M. Brown, Executive Director, Juvenile Justice Commission
Keith Poujol, Chief Administrative Officer, Juvenile Justice Commission



Findings

Correctional Police Officer Posts

Enhanced periodic reviews of correctional police officer posts at the school could result in an estimated annual savings of \$145,000.

Recommendation:

We recommend the school implement a more effective periodic review process for approved correctional police officer posts and consolidate duties where appropriate.

Response:

JJC will conduct a thorough review of correctional police officer posts in order to assess the needs of the Training School as well as the residents. This review will also identify posts that can be consolidated or eliminated throughout the facility, while maintaining proper levels of security and supervision for all residents and staff. Once this review is complete, JJC will implement a regular review process for posts within the Training School.

Education

Enhanced periodic reviews of student and teacher schedules are needed to control costs as the school's population is decreasing.

Recommendation:

We recommend the school continue to assign students to classes in accordance with the students' educational needs and perform periodic efficiency reviews of the schedules and staffing.

Response:

While JJC agrees that the number of youth we serve has been steadily decreasing, it is often perceived that this decrease should result in a comparable decrease of staff. JJC is required to provide an educational program at each educational site, regardless of the student count, that conforms to the rules and regulations set forth and in accordance with the New Jersey Department of Education (DOE). While some programs, at times, may have only a few students, staffing levels have not changed as we still must provide content certified staff in each of the major content areas, certified Career and Technical Education (CTE) teachers with appropriate shop spaces, as well as Child Study and related services. Providing education to the JJC student population can be particularly challenging as students continually move throughout the JJC programs, such as secure care and community programs, as well as local education agencies in their communities.

Given these considerations, student population fluctuations throughout the JJC result in continuously changing student rosters and placements. Student groups are influenced by operational classifications and security issues, often resulting in a change of educational groupings, as well as class assignments. We will continue to review educational staffing and schedules to ensure an effective and efficient educational experience for our students.

Storeroom Inventory Controls

The school lacks controls to adequately track, safeguard, and maintain appropriate levels of storeroom inventory.

Recommendation:

We recommend the school implement effective controls over storeroom inventory and maintain an appropriate level of inventory consistent with the needs of the current resident population. We further recommend that management consider sharing overstocked inventory items with other JJC facilities where possible.

Response:

The JJC acknowledges the need to institute inventory controls at the Training School, and will assist Training School staff with organizing the storeroom, and conducting an inventory. In addition, JJC will establish an inventory control procedure, which will include both access to inventory as well as replenishment levels and procedures.

Use of Tobacco on School Grounds

Management should enforce the New Jersey Smoke-Free Air Act on school grounds.

Recommendation:

We recommend management enforce the New Jersey Smoke-Free Air Act and its internal policy on tobacco use.

Response:

JJC understands the importance of eliminating smoking on school grounds. We will issue a memo to all staff regarding the New Jersey Smoke-Free Air Act, and will be more diligent about its enforcement.

Excess Equipment and Waste Material

The school is not in compliance with state policies regarding assets at the end of their useful life.

Recommendation:

We recommend the school clean up the waste and ensure future compliance with the circular for the proper procedures of disposing of excess/surplus property.

Response:

In order to be in compliance with Treasury Circular Letter 08-03-DPJ, JJC is working with Treasury in order to properly dispose of all excess and obsolete equipment at the Training School.

Custody Scheduling Application

The Custody Scheduling Application (CSA) system could be enhanced to improve correctional police officer scheduling.

Recommendation:

We recommend the school implement system controls to alert personnel to scheduling conflicts and to minimize overpayments. We further recommend the school periodically review the database and recoup overpayments.

Response:

JJC will continue to review the system in order to identify overpayments. In addition, the JJC Applications staff will address the issues that have been identified by the auditors by creating validations on the entry screen that will prevent duplicate entries.

Observation

Vocational Training

In January 2018, 49 residents possessed either a GED or a high school degree. In August 2018, the total number of these residents increased to 58. A number of vocational programs including culinary, barbershop, construction, technology, landscaping, horticulture, and equine science are available at the school for school-age students. However, high school graduates do not have access to any of these programs. High school graduates practice soft skills working at either the optical lab, in food service, or as porters throughout the school. In addition, the school offered three post-graduate classes in 2018, of which 4 residents took a culinary class and 13 took remedial English and math courses to prepare for college. Additional vocational programs for high school graduates might result in an increase of earning potential and chances for a successful re-entry.

Response:

JJC agrees that offering more vocational training to its residents who have either a high school diploma, GED or have aged out of the system would be beneficial. We understand the importance of teaching our residents a skill which could provide them with job opportunities once they are released from the Training School. We will work with the Department to find funding opportunities to expand our vocational training programs.