

LBA Financial Audit Report Summary:

Department Of Youth Development Services Audit Report For The Year Ended June 30, 2001

Reporting Entity And Scope

The reporting entity and scope of this audit and audit report is the New Hampshire Department of Youth Development Services as of and for the fiscal year ended June 30, 2001. During this period, the Department of Youth Development Services' operations extended across three facilities: the Youth Development Center in Manchester, N.H., and the Youth Detention Services Unit and the Tobey Special Education School located in Concord, N.H. The Concord facilities comprise the Department's organizational unit known as the Youth Services Center.

Effective September 14, 2001, pursuant to Chapter 286, Laws of 2001, all functions, powers, duties, personnel, records, property, and funds of the Department of Youth Development Services under RSA 621 and RSA 621-A were transferred to the New Hampshire Department of Health and Human Services. Effective with the transfer, the Division for Juvenile Justice Services was established within the Department of Health and Human Services for the administration of juvenile justice services including, but not limited to, the administration of the Youth Development Center and the Youth Services Center. This audit was performed at the request of the Commissioner of the Department of Youth Development Services.

The report describes the operation of the Department of Youth Development Services as it existed during the period under audit. Auditee responses to observations in the report include references to the Department and also to the Division for Juvenile Justice Services (DJJS), which came into existence subsequent to the end of the audit period.

Organization

The Department of Youth Development Services is comprised of several divisions.

Administration - The Division of Administration provides administrative support to all divisions of the Department. This division is composed of Fiscal Management, Human Resources, and Purchasing/Stockroom Services.

Residential Services - The Division of Residential Services delivers an array of programs and services to the youth within the facilities of the Youth Development Center in Manchester and the Youth Detention Services Unit in Concord.

Health Services - The Health Services Division provides a variety of medical, nursing, dental, and psychiatric services to the youth residing at Department facilities. Nursing services are available 24 hours each day.

Educational Services - The Division of Educational Services provides educational services to youth at its three facilities. All faculty are New Hampshire certified.

Professional Development Unit - The Professional Development Unit follows basic training standards set forth by the American Correctional Association for Juvenile Justice Facilities. This unit provides orientation and pre-service and in-service training to employees.

Information Technology - The Division of Information Technology provides information technology planning, support, and guidance to all divisions and employees of the Department.

At June 30, 2001, the Department of Youth Development Services employed 240 permanent full-time and 25 part-time employees.

Responsibilities

According to Department of Youth Development Services policy, its mission is “to provide residential and educational services in a safe, secure environment appropriate for youth with behavioral problems referred by local courts and schools, while promoting personal accountability for the youths’ actions with the goal to return the youth to their local community with skills to be productive members of society.”

The Department’s mission is carried out across three facilities.

Youth Development Center

The Youth Development Center (YDC) is an architecturally secure rehabilitative center for youth adjudicated for criminal offenses. During fiscal year 2001, 134 juveniles were committed to the YDC. Ages ranged from 12 years, 1 month to 16 years, 11 months. Average age at commitment was 15 years, 8 months. During fiscal year 2001, 82% of committed youth were male and 18% were female. When a youth is committed to the YDC, a systematic process is used to classify and assign youths to a secure residential unit where they participate in a prescribed behavioral program. The program encompasses academia, cottage life, and group sessions. Progress in all three spheres is measured using a rating system with progress regularly communicated to the youth. Program completion and ultimate eligibility for release and parole from the YDC is determined by the youth's progress in addressing identified problem areas and program goals based on assessment by the youth's Program Team. The Program Team is comprised of a unit clinical coordinator, resident house leader, youth counselor, education representative, juvenile services officer, parent or guardian, and the youth. During fiscal year 2001, the length of time for a youth to complete a rehabilitative program (from date of commitment to date of first administrative release) ranged from 5 to 12 months.

Youth Detention Services Unit

The Youth Detention Services Unit (YDSU) is a 23-bed architecturally secure detention center that houses youth up to 17 years of age who are alleged to have committed delinquent offenses and are awaiting disposition of their cases by the courts. The YDSU also detains youth wanted in other states in accordance with the provisions of the Interstate Compact on Juveniles (RSA 169-A) and juveniles awaiting completion of the certification process pursuant to RSA 169-B:28.

During fiscal year 2001, the length of detention ranged from 1 to 171 days with an average period of 21 days. During fiscal year 2001, 384 youth were detained at the YDSU. Ages ranged from 9 years, 8 months to 17 years, 6 months with an average age of 15 years. During fiscal year 2001, 73% of the population was male and 27% was female. Residential staff provide for secure care and respond to youths' recreational needs. All detained youth are provided with educational services and close supervision for the duration of their stay.

Tobey Special Education School

The Tobey Special Education School (Tobey) is a specialized school for students identified as seriously emotionally disturbed and entitled to services under an Individualized Educational Plan. Students with other educational disabilities have been accepted through the cooperation of the New Hampshire Department of Education under a waiver process. Students are placed at Tobey pursuant to court orders under RSA 169-B, C, and D or by local school districts. Tobey includes a residential component as well as academic and vocational programs. Tobey accepts male and female students ranging in age from 6 to 21 years old. During fiscal year 2001, 49 students were enrolled; 32 students were residential students and 17 were day students. The average length of stay was 9.8 months with a range of 2 months to 2.3 years. During fiscal year 2001, 78% of the students were male and 22% were female. Average age at enrollment was 14 years, 8 months.

Funding

Summary Of Revenues And Expenditures

Fiscal Year Ended June 30, 2001

(expressed in thousands)

	General Fund	Special Fund	Capital Projects Fund	Total All Governmental Funds
Revenues				
Unrestricted Revenues	\$ 43	\$ -0-	\$ -0-	\$ 43
Restricted Revenues	4,744	106	-0-	4,850
Total Revenues	<u>\$ 4,787</u>	<u>\$ 106</u>	<u>\$ -0-</u>	<u>\$ 4,893</u>
Total Expenditures	<u>\$ 13,498</u>	<u>\$ 106</u>	<u>\$ 249</u>	<u>\$ 13,853</u>
Excess (Deficiency) Of Revenues Over (Under) Expenditures	<u>\$ (8,711)</u>	<u>\$ -0-</u>	<u>\$ (249)</u>	<u>\$ (8,960)</u>

The financial activity of the Department of Youth Development Services is accounted for in the General, Special, Capital Projects, and Fiduciary Funds of the State of New Hampshire.

The fiscal year 2001 appropriations combined with supplemental warrants, balances forward, and transfers resulted in spending authority of \$19,060,004, \$224,501, and \$1,660,946 in the General, Special, and Capital Projects Funds, respectively. Estimated restricted revenue combined with supplemental warrants and balances forward resulted in anticipated fiscal year 2001 revenues of \$8,123,317 and \$219,421 in the General and Special Funds, respectively.

The auditor's report on the Department of Youth Development Services' financial statements was qualified with respect to the lack of presentation of the financial position of the Department in the General, Special, and Capital Projects Funds and with respect to the lack of auditable records for general fixed assets.

Internal Control Comments

Material Weakness

- Real Property Records Need To Be Established And Expanded

Other Reportable Conditions

- Controls Over Rate-Setting Should Be Improved
- Outstanding Board And Care Invoices Should Be Tracked
- Controls Over Accuracy Of Preliminary Board And Care Invoices Should Be Reviewed
- Controls Over School District Billings Should Be Reviewed
- School Districts Should Be Billed For Special Education Costs Of Youth Detention Services Unit Residents
- Payroll Expenditure Budget Control Process Should Be Observed
- Controls Over Consumable Inventory Should Be Improved
- Maintenance And Utilization Of Purchasing Documents Should Be Improved
- Controls Over The Issuance Of Gasoline Should Be Improved
- Use And Effectiveness Of Appropriation Ledgers Should Be Reviewed
- Use And Effectiveness Of Federal Grant Worksheets Should Be Reviewed
- Excess Cash Should Be Deposited
- The Department Should Increase Its Understanding Of Amounts Due Under The National School Lunch And School Breakfast Programs
- Monitoring Of Controls Over The Department's Acceptance Of Gifts And Donations Should Be Improved
- Contributions Towards Retiree Health Care Costs Should Be Based On Actual Funding Percentages
- Controls Over Petty Cash Should Be Reviewed And Monitored - YSC
- Increased Controls Should Be Exercised Over The Recycling Program Checking Account
- Controls For Reporting Commuter Use Of Department Vehicles Should Be Established
- Purpose And Use Of Special Project Accounts Should Be Determined
- Claims For Federal School Meals Programs Support Should Be Based On Accurate Meal Counts
- Annual Reporting Of Real Property And Equipment Balances Should Be More Timely
- Controls Over Equipment Inventory Should Be Improved
- Monthly Reporting Of Changes In Equipment Balances Should Be Improved
- Control Procedures Should Be Performed, With Results Reported, For Lost, Stolen, Or Damaged State Equipment
- Controls Over Surplused Property Should Be Improved
- Controls Over Campus Store Operations Should Be Improved
- Controls Over Fast Break Operations Should Be Improved

- Segregation Of Duties Over The Fast Break Food-Services Checking Account Should Be Improved
- Control Procedures Over Disbursements From The Special Projects And Youth Benefit Funds Should Be More Closely Monitored
- Monitoring Of Controls Over The Processing And Handling Of Fiduciary Funds Should Be Improved - Youth Benefit Fund
- Controls Over Resident And Cottage Funds Should Be Monitored
- Use Of Trust Fund Income Should Be Reviewed
- Controls For Paying Student/Resident Wages Should Be Established And Documented

Compliance Comments

State Compliance

- Capital Projects Reports Should Be Filed
- Funds Presumed Abandoned Should Be Remitted To The State Treasury

Management Issues Comments

- Parental Contributions Collected By The Counties Should Be Tracked
- Recovery Of Medical Costs Should Be Analyzed
- Controls Over Residents' Personal Property Should Be Improved - YDC
- Controls Over Residents' Personal Property Should Be Improved - YDSU
- Controls Over Residents' Personal Property Should Be Improved - Tobey School
- Authority To Withhold Restitution From YSC Students Should Be Documented
- Need For Population Oversight Panel's Annual Meetings Should Be Reviewed