



**New Jersey State Legislature
Office of Legislative Services
Office of the State Auditor**

**Department of Health and Senior
Services
Programs for the Aged and
Office of the Ombudsman**

July 1, 1996 to June 30, 1998

**Richard L. Fair
State Auditor**

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Enclosed is our report on the audit of the Department of Health and Senior Services, Programs for the Aged and the Office of the Ombudsman for the period July 1, 1996 to June 30, 1998.

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

Richard L. Fair
State Auditor
August 26, 1998

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Department of Health and Senior Services Programs for the Aged and the Office of the Ombudsman

Scope

We have completed an audit of the Department of Health and Senior Services (DHSS), Programs for the Aged and the Office of the Ombudsman for the period July 1, 1996 to June 30, 1998. Our audit included financial activities accounted for in the state's General Fund and the Casino Revenue Fund. Annual expenditures of the Programs for the Aged and the Office of the Ombudsman approximate \$35 million. The prime responsibility of the Programs for the Aged is support and monitoring of programs to improve the quality of life for New Jersey's older citizens. The responsibility of the Office of the Ombudsman is to preserve and promote the health, safety, welfare and civil rights of the institutionalized elderly.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the programs, were reasonable and were recorded properly in the state accounting system.

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 agency. Provisions that we considered significant were documented and compliance with those requirements was verified by interview and observation and through our samples of financial transactions. We also read the budget message, reviewed financial trends, and interviewed agency 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. Populations were stratified and large dollar transactions were examined. Other transactions were judgmentally selected.

Conclusions

We found that the financial transactions included in our testing were related to the programs, were reasonable and recorded properly in the state accounting system.