Department of Human Services
Division of Developmental Disabilities
Greenbrook Regional Center

July 1, 2002 to February 29, 2004
The Honorable James E. McGreevey
Governor of New Jersey

The Honorable Richard J. Codey
President of the Senate

The Honorable Albio Sires
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

Enclosed is our report on the audit of the Department of Human Services, Division of Developmental Disabilities, Greenbrook Regional Center for the period July 1, 2002 to February 29, 2004. If you would like a personal briefing, please call me at (609) 292-3700.
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Department of Human Services  
Division of Developmental Disabilities  
Greenbrook Regional Center

Scope
We have completed an audit of the Department of Human Services, Division of Developmental Disabilities, Greenbrook Regional Center for the period July 1, 2002 to February 29, 2004. Our audit included financial activities accounted for in the state’s General Fund as well as the center’s off-line accounts and functions related to the Client Welfare Fund, Occupational Therapy Fund and Client’s Trust Accounts.

The prime responsibility of the center is to provide habilitative and residential functional services for residents over age 55, who are classified as moderate to profoundly retarded. The average daily population during the audit period was approximately 110. Annual General Fund expenditures of the center were $12.5 million and revenues, primarily from patient receipts, were $373,000.

Objectives
The objectives of our audit were to determine whether financial transactions were related to the center’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 dated July 11, 1997.

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 Department of Human Services and the Division of Developmental Disabilities. 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 center 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 populations were sorted and revenue and expenditure transactions were both 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 center and walked through or performed tests of 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 center’s programs, were reasonable, and were recorded properly in the accounting systems. We also found that the center has resolved the significant issues noted in our prior report. We did note one area where we believe management can improve its recordkeeping and analytical abilities concerning payroll, employee overtime recordkeeping, and employee leave time balances.
The center should change its manual recordkeeping system to TALRS.

Greenbrook Regional Center employs approximately 240 people in various capacities. The time records are submitted to the payroll section for review and to transfer the applicable pay-time information to the payroll sheets for submission to the state’s Centralized Payroll Division. The center is currently using a manual recordkeeping system to substantiate its $9 million payroll, and to record, maintain and control employee leave time rather than utilizing the state’s centralized Time, Attendance, Leave Record System (TALRS).

As a part of our audit we attempted to analyze total overtime earned and compare it to similar developmental centers. While the amount of cash overtime earned and paid is available within the payroll records, the amount of overtime earned and accumulated as compensatory leave time is not. The center does not accumulate such data, nor does its manual payroll/employee leave system. We could not develop such analytical information without time prohibitive procedures.

We tested the records of employee leave time for amounts earned and used, and the calculation of leave balances. Although we did not find material errors, the risk of error would be greatly reduced by eliminating the human element in calculating leave balances through the use of a computerized system such as TALRS. This system would enable management to more effectively monitor total overtime earned and all leave time used. The Department of Human Services, while using TALRS for its administrative divisions, has not directed the use of TALRS throughout its institutions such as Greenbrook. We have noted in our auditing experience that TALRS is being utilized by many of the state’s departments and agencies as an effective
means to maintain, control, and analyze employee leave, including compensatory leave time.

**Recommendation**

We recommend the Department of Human Services direct the use of TALRS for all its institutions, including Greenbrook Regional Center.

**Auditee Response**

Green Brook Regional Center (GBRC) agrees with the recommendation that utilization of a computerized system would enable management to more effectively monitor total overtime earned and leave time used. In the past, GBRC used an electronic system for these functions; however, the system was not Y2K compatible and a replacement was cost prohibitive. GBRC welcomes the eventual installation of a computerized system such as TALRS.