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

Department of Human Services
Division of Developmental Disabilities
Woodbridge Developmental Center

July 1, 1998 to July 31, 2000

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Governor of New Jersey

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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

Scope

We have completed an audit of the Department of Human Services, Division of Developmental Disabilities, Woodbridge Developmental Center for the period July 1, 1998 to July 31, 2000. Our audit included financial activities accounted for in the state’s General Fund, the Clients’ Personal Needs Accounts, and the Client Welfare Fund.

Annual expenditures and revenues for the center were $49.5 million and $2.6 million, respectively. The prime responsibility of the center is to provide housing, care, and training to clients who have been classified as severely retarded.

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 system. We also tested for resolution of significant issues noted in our prior audit 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 agency. 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 agency personnel to obtain an understanding of the programs and internal control.

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.

To ascertain the status of findings included in our prior report, we identified corrective action, if any, taken by the center and we 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 center’s programs, were reasonable, and were recorded properly in the accounting system. In making this determination, we noted certain internal control weaknesses meriting management’s attention.

We also found that the center has resolved the significant issues noted in our prior report except for matters related to excessive overtime. This issue has been updated and restated in our current report.
Alleviating Excessive Overtime

In a follow up to our previous recommendation regarding overtime, we examined the payroll record of the nursing staff. We noted 27 employees whose gross pay exceeded their base pay by over 25 percent which was directly related to the payment of overtime. We noted the center does not schedule coverage evenly when preparing the master work schedule. There is a high level of unscheduled staffing during weekend shifts. Working double shifts (16 hours) at the overtime rate is made available to those employees who wish to do so. We noted in the past that it would benefit the center to utilize a nursing service to provide the needed coverage. It would also be beneficial to hire additional nurses.

The Department of Human Services has arranged to transfer 24 positions to the center to alleviate this problem. The center has begun the hiring process for a majority of these positions. If all positions are filled, it should resolve the nursing shortage problem and reduce the overtime payments to a manageable level.

**Recommendation**

The department and the center should continue their efforts to fill nursing positions.

**Auditee’s Response**

As noted in the report, an additional 24 nursing positions have been re-assigned to the center for the express purpose of reducing overtime in this area. We have filled eight positions to date and will continue our aggressive recruitment efforts to fill the remaining positions as quickly as possible.
Upgrading the employee leave time record system could alleviate errors and inaccuracies.

Payroll Time Reporting

When reviewing employee leave records we found inaccurate balances carried forward from year to year and mathematical errors resulting in additional inaccuracies. The payroll department processes time records for 1,250 employees. Included in this process is the recording of leave time earned and used by employees and the computation of balances available. We noted the payroll section has three computers in its section, but has no software to accomplish their record keeping task. The state’s Department of Personnel has made available to all departments a Time Attendance Leave Record System (TALRS) to be used for timekeeping purposes. However, within the Department of Human Services only the divisions’ central administration are utilizing this system.

We find no reason that the divisions’ agencies could not implement TALRS. By doing so, it would decrease the time the payroll section devotes to this function and dramatically reduce or eliminate the existence of mathematical errors. It would also ensure the proper carry over of balances from year to year.

Recommendation

We recommend the department adopt the use of TALRS to maintain its employees’ leave time.

Auditee’s Response

Recognizing that the scope of the recommendation to adopt the TALRS methodology for timekeeping is beyond that of the center’s scope of authority, I will collaborate with appropriate Department personnel to review and evaluate the system in order to determine the appropriateness of use in institutional settings and field operations.