



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

EXECUTIVE SUMMARY

**DEPARTMENT OF CORRECTIONS
GARDEN STATE YOUTH CORRECTIONAL FACILITY
July 1, 2015 to March 31, 2018**

We found that the financial transactions included in our testing were related to the facility's programs, were reasonable, and were recorded properly in the accounting systems except for the allocation of costs related to fuel and utilities and central motor pool. In making this determination, we noted compliance issues regarding delegated purchasing authority transactions, internal control deficiencies involving the monitoring of employee sick leave, revenue enhancement opportunities concerning the Child Nutrition Programs, and purchasing of food items that merit management's attention.

We also observed that declining inmate populations at the three youth correctional facilities may allow for consolidation and provide an opportunity for potential cost savings.

AUDIT HIGHLIGHTS

- The facility did not comply with the Department of the Treasury Circular 16-02-DPP. Our sample testing found missing or insufficient quotations, purchases made from non-contract vendors for items where a state contract was available, and required forms not on file.
- Fuel and utility and central motor pool rental expenses were based on the availability of budgeted funds rather than actual costs. Actual charges for vehicles assigned to GSYCF totaled \$79,026 in fiscal year 2016 and \$73,462 in fiscal year 2017, while payments were \$266,000 and \$133,000 during these two years, respectively.
- The facility is not maximizing federal reimbursements for child nutrition. The facility has been limiting meal counts based on the number of inmates that are under 21 and enrolled in the education program at the facility rather than all inmates that meet the age requirement. Additional annual federal reimbursement would approximate \$100,000.
- We found that the link the facility (and all other state facilities) should use in verifying produce prices was not operational. Using an updated link, we calculated that contract prices were approximately 13.6 percent less than invoiced amounts. Statewide payments utilizing this contract totaled \$3.0 million.
- Our audit also included an observation suggesting the department consider if it continues to remain effective and efficient to operate all three youth correctional facilities. As of January 2, 2018 the inmate population at the three facilities had declined by a total of 1,795 inmates or 41 percent since January 2011, while total operating costs has only declined 15 percent. The cost per inmate has increased by approximately \$12,000 during this period.

AUDITEE RESPONSE

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click [here](#).