



Department of Youth Services

Bed Utilization Audit

Audit Period: State Fiscal Year 2018

Results Summary:

Objective	Conclusion
Community Corrections Facilities Monitoring Process	Well-Controlled with Improvement Needed

* Refer to Appendix A for classification of audit objective conclusions.



Executive Summary

Background

The Department of Youth Services (DYS) is a cabinet-level agency managed by a director appointed by the Governor. The Department's role is to enhance public safety through the confinement of juvenile felony offenders and the provision or support of various institutional and community-based programs to aid in the rehabilitation of delinquent juveniles.

The RECLAIM Ohio (Reasoned and Equitable Community and Local Alternatives to the Incarceration of Minors) Program was launched as a nine-county pilot in January 1994 and implemented statewide in 1995. RECLAIM Ohio is a funding initiative which encourages juvenile courts to develop community-based programs for juvenile offenders, thereby diverting them from the Department's juvenile correctional facilities. In doing so, the program is intended to reduce the number of youth sentenced to the custody of the Department, resulting in only the most serious offenders being committed to the Department. RECLAIM funding pays for a variety of services and activities associated with institutional services, juvenile court subsidies, community programs, and program management.

The Community Corrections Facilities (CCF) are local, secure, county-operated facilities and are fully funded by the Department. Money allocated from the Department's annual RECLAIM appropriation currently funds 329 beds at 12 CCF located around the State. These facilities are generally able to provide more individualized care for juvenile offenders by keeping them closer to their communities in less expensive settings for shorter periods of time, while also supporting a better transition to community settings following release. These beds are for felony adjudicated delinquent children who would otherwise be committed to a state juvenile correctional facility, with the exception of the Montgomery County Center for Adolescent Services, which operates one unit for females committed to the DHS. Under the budget, from its RECLAIM funding, the Department allocated approximately \$22.7 million in FY 2018.

During the audit, OIA identified opportunities for DHS to strengthen internal controls and improve business operations. OIA conforms with the *International Standards for the Professional Practice of Internal Auditing*. OIA would like to thank DHS staff and management for their cooperation and time in support of this audit.

This report is solely intended for the information and use of agency management and the State Audit Committee. It is not intended for anyone other than these specified parties.

Scope and Objectives

OIA staff was engaged to perform an audit related to the controls over the agency's CCF monitoring processes. This work was completed September through December 2018. The objective of the review was to evaluate the design and effectiveness of controls over the CCF external monitoring process. The audit period was state fiscal year 2018.



Additionally, OIA performed a consulting objective to evaluate the CCF budget calculations, quarterly distributions, and bed utilization for efficiency recommendations. OIA provided recommendations for the consulting objective to DYS management in a separate document that is not part of the public report.

Detailed Observations and Recommendations

The Observations and Recommendations include only those risks which were deemed high or moderate. There were no high or moderate risk observations. The low risk observation was discussed with individual agency management and is not part of the public report. However, the low risk observation was considered as part of the audit objective conclusions.

Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the observations and recommendations suggested above. However, these observations reflect our continuing desire to assist your department in achieving improvements in internal controls, compliance, and operational efficiencies.

* Refer to Appendix A for classification of audit observations.



Appendix A – Classification of Conclusions and Observations

Classification of Audit Objective Conclusions

Conclusion	Description of Factors
Well-Controlled	The processes are appropriately designed and/or are operating effectively to manage risks. Control issues may exist, but are minor.
Well-Controlled with Improvement Needed	The processes have design or operating effectiveness deficiencies but do not compromise achievement of important control objectives.
Improvement Needed	Weaknesses are present that compromise achievement of one or more control objectives but do not prevent the process from achieving its overall purpose. While important weaknesses exist, their impact is not widespread.
Major Improvement Needed	Weaknesses are present that could potentially compromise achievement of its overall purpose. The impact of weaknesses on management of risks is widespread due to the number or nature of the weaknesses.

Classification of Audit Observations

Rating	Description of Factors	Reporting Level
Low	Observation poses relatively minor exposure to an agency under review. Represents a process improvement opportunity.	Agency Management; State Audit Committee (Not reported)
Moderate	Observation has moderate impact to the agency. Exposure may be significant to unit within an agency, but not to the agency as a whole. Compensating controls may exist but are not operating as designed. Requires near-term agency attention.	Agency Management and State Audit Committee
High	Observation has broad (state or agency wide) impact and possible or existing material exposure requiring immediate agency attention and remediation.	Agency Management and State Audit Committee