

OFFICE OF JUVENILE JUSTICE  
MONITORING OF NON-SECURE RESIDENTIAL  
CONTRACT PROVIDERS



PERFORMANCE AUDIT  
ISSUED JANUARY 15, 2014

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AT 225-339-3800.**

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

January 15, 2014

The Honorable John A. Alario, Jr.,  
President of the Senate  
The Honorable Charles E. "Chuck" Kleckley,  
Speaker of the House of Representatives

Dear Senator Alario and Representative Kleckley:

This report provides the results of our performance audit on the Office of Juvenile Justice (OJJ). This report is a follow-up to the performance audit we issued in December 2010 and focuses on the findings and recommendations related to OJJ's monitoring of non-secure residential contract providers.

The report contains our findings, conclusions, and recommendations. Appendix A contains OJJ's response to this report. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of OJJ for their assistance during this audit.

Sincerely,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/ch

OJJ FOLLOW-UP 2013

# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



## Monitoring of Non-Secure Residential Contract Providers Office of Juvenile Justice

January 2014

Audit Control # 40120065

### Introduction

This report provides the results of our performance audit on the Office of Juvenile Justice (OJJ). This report is a follow-up to the performance audit we issued in December 2010 and focuses on the findings and recommendations we made related to OJJ's monitoring of non-secure residential contracts.<sup>1</sup> Non-secure residential care facilities provide residential treatment services for OJJ youth. These youth are not considered a threat to public safety but require supervision in a more structured setting than the home. The services provided include behavior management, substance abuse treatment, education training, and individual and group counseling.

As of June 30, 2013, OJJ had 12 non-secure residential contracts totaling over \$42.9 million. During the 2010 performance audit, we made 14 recommendations to assist OJJ in improving its monitoring of non-secure residential contract providers. As of December 31, 2013, OJJ had implemented or partially implemented 11 of these recommendations. Exhibit 1 shows a summary of the implementation status of the recommendations as of December 31, 2013.

<b>Exhibit 1</b>		
<b>Status of OJJ Recommendations</b>		
<b>As of December 31, 2013</b>		
<b>Recommendation Status</b>	<b>Number of Recommendations</b>	<b>Percentage</b>
Implemented	8	58%
Partially Implemented	3	21%
Did Not Implement	3	21%
<b>Total</b>	<b>14</b>	<b>100%</b>
<b>Source:</b> Prepared by legislative auditor's staff using information obtained from OJJ.		

The objective of this audit was to determine if OJJ has improved its monitoring of non-secure residential contract providers since our 2010 performance audit. While OJJ has implemented or partially implemented the majority of our recommendations, we found that there are outstanding monitoring issues the agency still needs to address. In addition, OJJ has not developed a plan to monitor OJJ contracts that are now managed by the Magellan Health Services contract. Appendix A contains OJJ's response to this report, Appendix B details our scope and methodology, and Appendix C provides more detail on the current status of these recommendations.

<sup>1</sup> Our 2010 performance audit on the Office of Juvenile Justice can be found at [http://app1.la.state.la.us/PublicReports.nsf/627F425D392105E086257807006A156A/\\$FILE/0001B35F.pdf](http://app1.la.state.la.us/PublicReports.nsf/627F425D392105E086257807006A156A/$FILE/0001B35F.pdf).

## Has OJJ improved its monitoring of non-secure residential contract providers?

Since our 2010 performance audit, OJJ has implemented some processes to improve its monitoring of non-secure residential contract providers. However, we identified the following outstanding issues:

- OJJ has not established a formula to determine rates for non-secure residential contracts as required by state law. Instead, contract providers submit a proposed rate to OJJ as part of the Request for Proposal (RFP) process.
- OJJ does not conduct financial monitoring to ensure contract providers operate within their budgets and spend their per diems on required services for youth.
- While OJJ has developed standardized monitoring tools, these tools do not address all contract requirements. As a result, OJJ cannot ensure that program specialists are comprehensively monitoring providers to ensure they are fulfilling all contract requirements.
- OJJ has not established a comprehensive system to track monitoring results. As a result, OJJ cannot track the deficiencies of providers over time and ensure it is consistently imposing sanctions on contract providers for failing to adhere to all provisions in the contract.
- While OJJ collects outcome data from non-secure residential contract providers, OJJ does not ensure this data is complete and does not use this data to measure the quality and effectiveness of its contracted services.

We also found that OJJ has not developed a plan to monitor OJJ contracts that are managed by Magellan Health Services (Magellan). Magellan started supervising OJJ youth on January 1, 2013. Our results are summarized below.

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### **OJJ has not established a formula to determine rates for non-secure residential contracts as required by state law.**

La. R.S. 15:1084 requires that the Department of Public Safety and Corrections establish a formula that “bears a reasonable relationship to the cost of care for children cared for in non-state operated institutions.” This formula is to be used to establish monthly rates for non-secure residential facilities. Instead of using a formula, OJJ requires that contractors submit a proposed rate and an operating budget as part of the RFP process. However, OJJ does not negotiate the rate or determine whether the rate is based on accurate information. As a result, OJJ cannot ensure that the rates charged by non-secure residential contract providers are reasonable.

Currently, OJJ has 12 contracts with providers to operate 14 non-secure residential facilities. The rates (per diems) charged by these providers range from a low of \$112.65 to a high of \$258.62 per youth per day for facilities that provide the same contracted services. Exhibit 2 shows the per diems charged by all 12 residential providers.

<b>Exhibit 2</b> <b>Per Diems of Non-Secure Residential Contracts</b> <b>As of June 30, 2013</b>			
<b>Non-Secure Residential Contract</b>	<b>Per Diem (Per Youth Per Day)</b>	<b>Number of Beds for Youth</b>	<b>Contract Amount</b>
1. Ware Youth Center (2 facilities)	\$258.62/day	24	\$2,234,500
2. Christian Acres Youth Center, Inc.	\$206.34/day	56	11,900,040
3. Rutherford House	\$200.58/day	46	9,745,380
4. AMI Kids	\$149.87/day	32	5,112,365
5. Harmony Center - Camelia Group Home*	\$149.30/day	10	1,091,383
6. Boys and Girls Villages*	\$138.65/day	22	3,343,129
7. Boys Town of LA* (2 facilities)	\$135.54/day	5	742,759
8. Community Receiving Home (Renaissance)	\$127.29/day	18	1,674,882
9. Harmony Center - Harmony III Group Home*	\$126.13/day	9	1,243,011
10. Educational and Treatment Council	\$120.65/day	6	792,671
11. Johnny Robinson's Boys Home	\$115.65/day	36	4,348,077
12. Allen's Consultation, Inc.*	\$112.65/day	8	658,777
<b>Total</b>		<b>272</b>	<b>\$42,886,974</b>
* Magellan Health Services started managing these contracts on January 1, 2013. <b>Source:</b> Prepared by legislative auditor's staff using OJJ non-secure residential provider contracts.			

**Recommendation 1:** OJJ should establish a formula to establish rates for non-secure residential facilities as required by R.S. 15:1084 or amend the current law to exclude OJJ from these requirements.

**Summary of Management's Response:** OJJ agrees that R.S. 15:1084 should be amended. OJJ further states that to its knowledge there are no national standards associated with rates or formulas for cost of services for adjudicated youth. The differences between level of service, universal ability of services, rural vs. urban settings, and various other socio-economic factors play into the difficulty in establishing a standard formula. See Appendix A for OJJ's full response.

## **OJJ does not conduct financial monitoring to ensure contract providers operate within their budgets and spend their per diems on required services for youth.**

OJJ currently requires contract providers to prepare a budget that outlines their proposed costs for providing non-secure residential services. However, OJJ does not conduct financial monitoring of these providers to ensure they operate within their budgets and spend their per diems on required services. From September 2011 until October 2013, OJJ paid over \$18.8 million in non-secure residential contracts. Exhibit 3 shows the amount OJJ has paid to each contract provider from the start of their contract through October 2013.

<b>Exhibit 3</b> <b>Payments to Non-Secure Residential Providers</b> <b>As of October 2013</b>		
<b>Non-Secure Residential Contract</b>	<b>Contract Start Date*</b>	<b>Total Amount Paid</b>
Christian Acres Youth Center, Inc.	1/1/2012	\$4,838,068
Rutherford House	1/1/2012	4,503,584
Ware Youth Center - Substance Abuse	9/1/2012	2,234,500
AMI Kids	10/1/2011	1,887,013
Johnny Robinson's Boys Home	1/1/2012	1,593,310
Community Receiving Home (Renaissance)	1/1/2012	1,110,391
Boys and Girls Villages	9/1/2011	952,148**
Magellan Health Services	3/1/2012	885,254
Harmony Center - Camelia Group Home	1/1/2012	279,788**
Boys Town of LA	10/1/2011	224,183**
Harmony Center - Harmony III Group Home	1/1/2012	170,402**
Educational and Treatment Council	8/1/2012	140,195
Allen's Consultation, Inc.	1/1/2012	35,372**
<b>Total</b>		<b>\$18,854,209</b>
*The last contract ends on July 31, 2015. **These expenses are through December 31, 2012. As of January 1, 2013, OJJ paid Magellan Health Services directly for the providers noted above. <b>Note:</b> The calculations in this exhibit are based on rounded numbers. <b>Source:</b> Prepared by legislative auditor's staff using information from Business Objects and OJJ.		

During the 2010 audit, we recommended that OJJ develop a financial monitoring process that verifies whether contract providers are operating in accordance with their budgets and spending their per diems appropriately. OJJ disagreed with this recommendation stating it did not have the capability and capacity to conduct financial audits of contractors. However, OJJ could monitor whether providers are spending their per diems appropriately by using a risk-based approach to select and review a sample of receipts or other supporting documentation when conducting monthly compliance monitoring visits. Florida, which is a best practice state for monitoring juvenile justice contracts, conducts financial monitoring of its contract services

by reviewing financial information to ensure that contractors are spending funds on allowable costs. Without conducting any type of financial monitoring, OJJ cannot ensure that providers are operating within their budgets and spending their per diems on required services.

**Recommendation 2:** OJJ should develop a risk based approach for monitoring whether contract providers are operating in accordance with their budgets and spending their per diems on required services.

**Summary of Management's Response:** OJJ agrees with this recommendation. See Appendix A for OJJ's full response.

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**While OJJ has developed standardized monitoring tools, these tools do not address all contract requirements.**

OJJ's monitoring of contract providers is conducted at the regional level by program specialists. During the 2010 audit we recommended that OJJ revise its semiannual monitoring checklist to include all contract requirements. To address this recommendation, OJJ implemented the Correctional Program Checklist, an evidence-based tool used to monitor the quality of treatment programs, and the monthly monitoring checklist to ensure providers are meeting all contract requirements. However, the semiannual or monthly monitoring checklists still do not address all contract requirements. We found that the following requirements were not included in either checklists:

- Youth Orientation within 24 hours of arrival
- Curriculum-Based Family Skill Training
- Substance Abuse Treatments
- Education Assessments
- Social Activities
- Community Service and Restorative Justice Projects
- Satisfaction Surveys
- GED/ACT Preparation
- Individual Intervention Plan update
- Multidisciplinary Team Meetings every 90 days
- Behavior Management
- Psychiatric Consultation



Because OJJ's monitoring tools do not include all contract requirements, management cannot ensure that program specialists are comprehensively monitoring providers to ensure they are fulfilling all contract requirements.

**Recommendation 3:** OJJ should ensure monitoring tools address all contract requirements.

**Summary of Management's Response:** OJJ agrees with this recommendation. See Appendix A for OJJ's full response.

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### **OJJ has not established a comprehensive system to track monitoring results.**

While OJJ tracks the results of its Correctional Program Checklist, it has not established a system to track the results of its monthly and semiannual monitoring visits of contract providers. For example, OJJ does not record any results from its monthly monitoring visits. In addition, while program specialists enter the results of their semiannual monitoring visits into an internal database, this data is not easy to retrieve or analyze. As a result, OJJ cannot track the deficiencies of providers over time and cannot ensure it is consistently imposing sanctions on contract providers for failing to adhere to all provisions in the contract.<sup>2</sup>

**Recommendation 4:** OJJ should develop a system to track monitoring results and use this data to manage the overall monitoring process.

**Summary of Management's Response:** OJJ agrees with this recommendation. See Appendix A for OJJ's full response.

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### **While OJJ collects outcome data from non-secure residential contract providers, OJJ does not ensure this data is complete and does not use this data to measure the quality and effectiveness of its contracted services.**

OJJ requires all contract providers to submit annual outcome reports showing their progress toward meeting specific performance measures. These measures are important in assessing the quality of services contractors provide such as the number of youth demonstrating progress toward goals outlined in their treatment plans and the number of families demonstrating improved parenting skills through participation in family skills training.

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<sup>2</sup> Sanctions include monetary penalties, reduction in number of youth program slots, and termination of contract.

We reviewed the 12 non-secure residential annual reports from 2013 and found they were all incomplete. Because OJJ does not systematically review and verify the reports for completeness and accuracy, none of the providers were required to resubmit their reports with complete information. Exhibit 4 shows the number and percentage of outcome measures each contract provider failed to report. As this exhibit shows, all providers failed to report on over 50% of their required outcomes with two providers failing to report on 96% of them.

<b>Exhibit 4</b> <b>Number of Outcome Measures Providers Failed to Report</b> <b>Fiscal Year 2013</b>		
<b>Providers</b>	<b>Number of Measures Providers Failed to Report (out of 24 Required Measures)</b>	<b>%</b>
Boys Town of LA	23	96%
AMI Kids	23	96%
Community Receiving Home (Renaissance)	22	92%
Rutherford House	21	88%
Harmony Center - Harmony III Group Home	19	79%
Harmony Center - Camelia Group Home	19	79%
Johnny Robinson's Boys Home	19	79%
Christian Acres Youth Center, Inc.	17	71%
Educational and Treatment Council*	7	70%
Allen's Consultation, Inc.	15	63%
Boys and Girls Villages	15	63%
Ware Youth Center*	6	55%
*Educational & Treatment Council, a transitional living provider, had 10 required measures and Ware Youth Center, a residential provider, had 11 required measures, as opposed to the 24 required measures for other non-secure residential providers. <b>Source:</b> Prepared by legislative auditor's staff using provider annual reports.		

However, even if the providers submitted complete annual reports, OJJ does not use these reports or other outcome information to evaluate the quality and effectiveness of the services provided to OJJ youth. For example, one provider reported in fiscal year 2012 that 14% of its youth had not reentered the juvenile justice system 18 months after being released. However, in fiscal year 2013, the same provider reported that 41% of its youth had not reentered the juvenile justice system 18 months after being released. If OJJ used these reports, it could identify the program changes this provider made to decrease the percentage of youth reentering the juvenile justice system. OJJ could then share this information with current contract providers and look for this program when evaluating the RFPs of providers wanting to contract with OJJ to provide non-secure residential services.

**Recommendation 5:** OJJ should monitor the annual outcome reports submitted from all providers and use this information to evaluate the quality and effectiveness of the services they provide.

**Summary of Management's Response:** OJJ agrees with this recommendation. See Appendix A for OJJ's full response.

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**OJJ has not developed a plan to monitor OJJ contracts that are managed by Magellan Health Services.**

Starting March 1, 2012, OJJ entered into a two-year, \$12 million contract with Magellan Health Services<sup>3</sup> (Magellan) to manage five of the 12 non-secure residential contracts.<sup>4</sup> OJJ's contract with Magellan states that OJJ must develop a monitoring plan specific to the monitoring needs and performance measures of the five contracts. However, OJJ has not yet developed a monitoring plan. The contract also requires Magellan to submit a written report detailing its progress to OJJ every six months. This report is to include Magellan's use of contract funds and progress toward meeting specific goals. As of December 2013, OJJ stated it has not received a written report from Magellan showing use of contract funds and progress toward meeting specific goals of the contracts.

**Recommendation 6:** OJJ should develop a monitoring plan detailing the monitoring needs and performance measures of the five non-secure residential contracts Magellan is managing.

**Recommendation 7:** OJJ should follow up with Magellan regarding the report it is required to submit detailing its progress toward meeting specific goals every six months as required by the contract.

**Summary of Management's Response:** OJJ agrees with both of these recommendations. See Appendix A for OJJ's full response.

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<sup>3</sup> OJJ contracts with Magellan to manage behavioral health services for OJJ referred youth through the initiatives entitled the Louisiana Behavioral Health Partnership and the Coordinated System of Care.

<sup>4</sup> According to OJJ, these contracts were not transferred to Magellan Health Services until January 1, 2013.

## **APPENDIX A: MANAGEMENT'S RESPONSE**



BOBBY JINDAL, Governor

MARY L. LIVERS, Ph.D., MSW, Deputy Secretary

## Office of Juvenile Justice

December 20, 2013

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

I am writing in response to the draft report of the follow-up performance audit of the Office of Juvenile Justice conducted by your office in 2013. The agency's response is attached, along with the Checklist for Audit Recommendations provided by your agency.

The agency values the feedback and recommendations provided by your audit staff. We also appreciate the acknowledgement of improvements made since the time of the original audit in 2010. We concur with all of the findings cited in the report and have provided comments.

An exit conference is not necessary for this follow-up audit. We do want to express our thanks to your staff, as always, for their professionalism and cooperation with the agency during their time spent with our office.

We will consider all factors outlined in the recommendations provided by your office as we continue to make improvements in the contract process within the Office of Juvenile Justice.

Sincerely,

A handwritten signature in cursive script, reading "Mary Livers", is positioned above the typed name.

Mary L. Livers, Ph.D., MSW  
Deputy Secretary

MLL:et

c: Nicole B. Edmonson, CIA, CGAP, MPA

attachments



Youth Services  
Office of Juvenile Justice  
Response to 2013 Follow-up Performance Audit

**Recommendation 1: OJJ should establish a formula to establish rates for non-secure residential facilities as required by R.S. 15:1084 or amend the current law to exclude OJJ from these requirements.**

Agree. As stated in our response to the original audit in 2010, this law was enacted in the 1970s and has not been ascribed to for some time. To our knowledge, there are no national standards associated with rates or formulas for cost of services for adjudicated youth. The differences between level of service, universal availability of services, rural vs. urban settings, and various other socio-economic factors play into the difficulty in establishing a standard formula. OJJ agrees that R.S. 15:1084 should be amended.

**Recommendation 2: OJJ should develop a risk-based approach for monitoring whether contract providers are operating in accordance with their budgets and spending their per diems on required services.**

Agree. OJJ has discussed this need with the Department of Public Safety's Internal Audit Division, who has begun examining our contract process. They have agreed to go out and examine the budgets of contract providers, compare with expenditures, and create a plan of action for OJJ to begin financial monitoring. It is our plan to incorporate this process into the quarterly visits to providers, once finalized.

**Recommendation 3: OJJ should ensure monitoring tools address all contract requirements.**

Agree. OJJ has developed monitoring tools to include all services outlined in the contract. There are two tools - a case file audit tool and a contract monitoring tool. These are in draft form and will be finalized after the first of the year.

**Recommendation 4: OJJ should develop a system to track monitoring results and use this data to manage the overall monitoring process.**

Agree. After the tools referenced under Recommendation #3 are finalized and approved, OJJ will develop a method to collect, compile and analyze monthly contract compliance monitoring data. This process will take some time, as collaboration with the Department of Public Safety's Information Technology Section will be necessary to assist in the creation of a method/database to compile data.

**Recommendation 5:** OJJ should monitor the annual outcome reports submitted from all providers and use this information to evaluate the quality and effectiveness of the services they provide.

Agree. The agency has discussed this process and will establish policy and procedure to outline a uniform way of conducting this monitoring. Additionally, a quality assurance component will be included, which will require verifying a sampling of outcome data reported by providers.

**Recommendation 6:** OJJ should develop a monitoring plan detailing the monitoring needs and performance measures of the five non-secure residential contracts Magellan is managing.

Agree. This issue has been discussed and OJJ plans to incorporate this process into the monthly monitoring visits of providers that Program Specialists currently conduct.

**Recommendation 7:** OJJ should follow-up with Magellan regarding the report it is required to submit detailing its progress toward meeting specific goals every six months as required by the contract.

Agree. OJJ staff is at the table with Magellan in various meetings regarding data and quality assurance needs. This message will continue to be communicated.

## APPENDIX B: SCOPE AND METHODOLOGY

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. We conducted this audit as a follow-up to the performance audit on the Office of Juvenile Justice (OJJ) we issued in December 2010. Our audit focused on the recommendations relating to OJJ's monitoring of non-secure residential contracts and covered the time period from fiscal year 2012 through December 31, 2013. The audit objective was to determine if OJJ has improved its monitoring of non-secure residential contract providers since our 2010 performance audit.

We conducted this performance audit in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. To answer our objective, we reviewed internal controls relevant to OJJ's monitoring of non-secure residential providers and performed the following audit steps:

- Researched state law related to the formulas used to establish monthly rates for non-secure residential facilities.
- Interviewed relevant OJJ staff to discuss the agency's process for determining contract per diems and how it ensures that contract providers operate within their budgets and spend their per diems on required services for youth.
- Obtained and reviewed OJJ's non-secure residential contracts from the agency's Lotus Notes database and outlined the contract per diems to show the range of the per diems.
- Obtained and reviewed July 2012 invoices from the Department of Public Safety to determine if OJJ contract providers submitted their invoices timely.
- Obtained and reviewed OJJ's Standard Operating Procedures and Correctional Program Checklist policy.
- Obtained and reviewed OJJ's monitoring tools (e.g., monthly, quarterly, semiannual, and Correctional Program Checklist) to determine if they include all contractual and operating requirements.
- Interviewed OJJ staff to determine how they monitor the contract providers and whether OJJ keeps track of monitoring visits.
- Attended two residential monitoring site visits to AMI Kids, Inc. and Renaissance to observe how OJJ conducts monitoring visits.



- Reviewed OJJ's standard operating procedures and provider contracts to determine if they include enforcement procedures for contract providers.
- Obtained and reviewed samples of OJJ corrective action plans to contract providers.
- Obtained OJJ's fiscal year 2013 annual reports to determine if OJJ required contract providers to submit these reports and if the reports were complete.

## APPENDIX C: OJJ IMPLEMENTATION STATUS OF 2010 AUDIT RECOMMENDATIONS STATUS AS OF DECEMBER 31, 2013

2010 Finding	2010 Recommendation	Implementation Status
OJJ cannot ensure that rates for non-secure residential facilities are reasonable because it has not established a formula as required by state law.	1. OJJ should establish a formula to establish rates for non-secure residential facilities as required by R.S. 15:1084. ( <i>Recommendation #2</i> )	<b>Not Implemented.</b> OJJ has not developed a formula to establish rates for non-secure residential facilities. They solicit bids and rates through the State RFP process.
OJJ has not developed an effective financial monitoring process to ensure contract providers are operating within their budgets.	2. OJJ should develop a financial monitoring process that verifies whether contract providers are operating in accordance with their budgets and spending state funds appropriately. ( <i>Recommendation #3</i> )	<b>Not Implemented.</b> OJJ has not developed a financial monitoring process to verify whether contract providers are operating in accordance with their budgets. Although OJJ staff review invoice amounts to ensure contract providers are not paid in excess of the contracted per diems, they do not determine whether or not these requested amounts are actually spent appropriately.
OJJ does not ensure that invoices from contract providers are submitted timely and in accordance with contract requirements.	3. OJJ should enforce the terms of the contract and require providers to submit invoices by the 10th of the month. ( <i>Recommendation #4</i> )	<b>Fully Implemented.</b> We reviewed OJJ's invoices received from non-secure residential providers for one month and found that only one invoice was submitted after the contracted deadline.
OJJ has not developed detailed procedures or comprehensive and consistent tools for all of its monitoring activities.	4. OJJ should develop detailed written procedures for all of its monitoring activities to help ensure that monitoring staff conduct monitoring consistently. ( <i>Recommendation #14</i> )	<b>Fully Implemented.</b> OJJ currently has detailed procedures for staff to follow during Correctional Program Checklist (CPC) visits and has developed a monthly checklist as a tool for its monthly monitoring visits.
	5. OJJ should develop a standardized monitoring tool for monthly monitoring of contract providers. ( <i>Recommendation #17</i> )	<b>Fully Implemented.</b> OJJ has developed a standardized monitoring tool for monthly monitoring of contract providers. The checklist addresses areas such as parent involvement, assessments, treatment plans, and group therapy in the case files.

2010 Finding	2010 Recommendation	Implementation Status
OJJ has not developed detailed procedures or comprehensive and consistent tools for all of its monitoring activities. (Cont.)	6. OJJ should revise its semiannual monitoring tool for contract providers and ensure that it includes and addresses all provider and contractual requirements. ( <i>Recommendation #18</i> )	<b>Partially Implemented.</b> To address this recommendation, OJJ implemented the monthly monitoring checklist. However, the semiannual or monthly checklists still do not address all contract requirements. OJJ's providers must adhere to requirements from their contracts and the Standard Operating Procedure (SOP) manual. These tools do not verify that required contracted services, such as monthly family skills training and substance abuse treatment, are actually offered to youth.
OJJ's current monitoring of contract providers focuses mainly on compliance instead of the provision of quality and effective services.	7. OJJ should revise its contract monitoring process to include observations of actual services. ( <i>Recommendation #19</i> )	<b>Fully Implemented.</b> As part of OJJ's implementation of the CPC, OJJ staff actually observes services that are provided to youth.
	8. OJJ should continue its plan to use the Correctional Program Checklist to evaluate the quality and effectiveness of services. ( <i>Recommendation #20</i> )	<b>Fully Implemented.</b> OJJ has fully implemented the CPC. According to the OJJ's policy, CPC staff shall evaluate programs every other year or more frequently as necessary.
	9. OJJ should regularly monitor outcome and other data submitted from all services and use this to evaluate the performance of these services. ( <i>Recommendation #21</i> )	<b>Not implemented.</b> While OJJ does receive annual outcome reports from providers, they do not use these reports to monitor the performance of contracted services.
OJJ has not established a system to adequately record and analyze the results of its monitoring of contract service providers.	10. OJJ should develop a system to record all its monitoring activities and use this data to manage the overall monitoring process. ( <i>Recommendation #22</i> )	<b>Partially Implemented.</b> With the implementation of the CPC, OJJ has developed a system to record the results of monitoring visits. However, the CPC database is unable to run analysis reports due to system issues, so staff has to input the numbers from the database into a manual Excel spreadsheet for tracking. In addition, OJJ has not developed a system to record monthly monitoring visits conducted by program specialists.

2010 Finding	2010 Recommendation	Implementation Status
OJJ's enforcement over contract providers is not sufficient to deter noncompliance.	11. OJJ should develop comprehensive enforcement procedures, including definitions and examples of noncompliance and when specific penalties should be applied. ( <i>Recommendation #23</i> )	<b>Fully Implemented.</b> OJJ has outlined specific procedures to address noncompliance and escalated sanctions in the Request for Proposals (RFP), Standard Operating Procedures (SOPs), and provider contracts. According to OJJ staff, sanctions are handled on a case-by-case basis, at the discretion of the Deputy Secretary.
	12. OJJ should develop a template for corrective action plans. ( <i>Recommendation #24</i> )	<b>Fully Implemented.</b> OJJ currently uses a standard format for its monitoring reports, which includes a correction action plan (if needed), to providers.
OJJ has not developed individualized outcome measures or benchmarks for its contract providers.	13. OJJ should develop relevant and individualized outcome measures for its contract providers. ( <i>Recommendation #31</i> )	<b>Fully Implemented.</b> OJJ's current provider contracts each have developed relevant and individualized outcome measures. Although some outcome measures that providers are required to report are similar, other outcome measures are more specific to the different program types such as substance abuse.
OJJ has not ensured that contract providers submit required outcome data.	14. OJJ should ensure that contract providers submit annual outcome reports in accordance with their contracts and use this data to manage and evaluate providers. ( <i>Recommendation #32</i> )	<b>Partially Implemented.</b> While OJJ requires contract providers to submit annual outcome reports, OJJ does not ensure these reports are complete and accurate.
<b>Source:</b> Prepared by legislative auditor's staff using information obtained from OJJ.		