

**JUVENILE CRIME PREVENTION PROGRAMS
(PRIOR TO JANUARY 1, 2012 DEPARTMENT OF JUVENILE JUSTICE AND DELINQUENCY
PREVENTION)**

State Authorization: G.S. Chapter 143B-845 through 852 and G.S. 143B-1104
N.C.A.C. Title 28, Subchapter 2
JCPC Program Agreement
JCPC Annual Plan
N.C. Department of Public Safety

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The auditor should **not** consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor **can** consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate. Auditors may request documentation of monitoring visits by the State Agencies.

I. PROGRAM OBJECTIVES

The primary intent of the enabling legislation for Juvenile Crime Prevention Councils (G.S.143B-845 thru G.S. 143B-852 and G.S. 143B 1104) is to develop community-based alternatives to youth development centers and to provide community-based delinquency, substance abuse, and gang prevention strategies and programs. Additionally, it is the intent of the General Assembly to provide non-institutional dispositional alternatives that will protect the community and juveniles. The program objective is to provide, at the local level, an array of services, funded by state, local and other funds, for court-involved youth and youth deemed to be at-risk of juvenile court involvement. Juvenile Crime Prevention Councils (JCPCs) assess the risk and needs for their county and plan for programming based on those needs. Local public and private nonprofit agencies implement the programs.

II. PROGRAM PROCEDURES

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With legislative changes effective January 1, 2012, the state-administering agency is the Department of Public Safety (DPS), Community Programs, located at 3010 Hammond Business Place, 4212 Mail Service Center, Raleigh, North Carolina 27699-4212. Prior to January 2012, the administering agency was the Department of Juvenile Justice and Delinquency Prevention (DJJDP). The Department of Juvenile Justice and Delinquency Prevention, Department of Corrections and Department of Crime and Public Safety were merged to become the Department of Public Safety with Juvenile Justice now a Division of DPS. The merger was effective as of January 1, 2012. All General Statutes that govern the Juvenile Crime Prevention Council and its responsibilities has been re-codified and now are found in G. S. 143B- 845-852 and G.S. 143B-1104.

The DPS Area Consultants provide financial and technical assistance from DPS to county government. Each County Board of Commissioners appoints a Juvenile Crime Prevention Council, which is comprised of membership based on statutory requirements. The JCPC recommends to the county a funding plan for an array of services to be funded with state funds from DPS, local and other funds. The county funding plan is submitted to the County board of Commissioners for approval, after which it is submitted to the DPS Area Office. The services identified in the county funding plan are programs authorized by JCPC Program Agreements, which are four party agreements between the Program Provider, the JCPC, County Board of Commissioners and DPS. The Program Agreement details the services to be provided and the budget. Upon review by the DPS Area Consultant (located in the area office in their region), program agreements are electronically released for review and signature via DocuSign by all parties. Approved program agreements are electronically signed by the Program Manager, the JCPC Chairperson, the County Finance Officer, and the DPS Authorizing Official. Approved Program Agreements are electronically filed in the Department of Public Safety's web-based data system, NCALLIES (North Carolina: A Local Link to Improve Effective Services) and hard copies of program agreements are filed in the Regional Area Offices. Fully executed program agreements are retained in the NCALLIES system database and can be accessed with an NCID.

The signed Program Agreement certifies that DPS JCPC funds will not be used to duplicate programs or to supplant other program funds whose primary intent is to provide intermediate and community sanctions for adjudicated or diverted delinquents and status offenders. Prevention programs for youth at-risk may also be funded. The Program Agreement also provides for termination in whole or in part by the State in the event that funds allocated to DPS are eliminated or reduced to such an extent that, in the sole determination of the DPS, continuation of the obligations at the levels therein stated may not be maintained. Termination may also occur with cause or with 30 days notice by either party or by mutual agreement of all parties. Also stipulated is the agreement of local government to provide compliance with audit procedures as required by North Carolina General Statutes and United States Law.

Revisions to the four party Program Agreements can be made any time during the funding period with a Program Agreement Revision. The Program Agreement Revision which also is a four party agreement, follows the same procedures for approval as the original Program Agreement. Program Agreement Revisions may incorporate significant changes in the services provided, changes in the expenditures or changes in other revenues in the line item budget. All Program Agreement Revisions require approval from county and state. Significant changes are defined in N.C.A.C. Title 28, Subchapter 2.

The following fiscal reports are completed by all funded programs in NCALLIES:

- 1) Third Quarter Accounting (N.C.A.C., Title 28, Subchapter 2): This report, completed in NCALLIES, provides information regarding the expenditure rate and requests the amount of remaining funds not yet disbursed to the county. The report allows a program to reduce the amount of funding requested from the State to avoid a pay back at the end of the year if expenditures are less than anticipated. It is reviewed by the DPS Area Office prior to the initiation of the electronic

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signature process. The Third Quarter Accounting Report requires an electronic signature by the program manager, the program fiscal officer, the county finance officer/director and the JCPC Chairperson by the established deadline.

2) Final Accounting (N.C.A.C., Title 28, Subchapter 2): This report is completed in NCALLIES and submitted at the end of the Fiscal Year to report total revenues and expenditures for the program operation. This report is reviewed by the DPS Area Office prior to the initiation of the electronic signature process for local signatures. The final accounting report requires an electronic signature by the program manager, the program fiscal officer and the county finance officer/director by the established deadline. Once the report is reviewed and electronically signed by all required parties, the DPS Area Office computes any payback due the state. The area office produces a refund notification / statement of refund due and electronically notifies the program provider, the program fiscal officer, the county finance officer/director and the JCPC Chair.

III. COMPLIANCE REQUIREMENTS

1. Activities Allowed or Unallowed/Allowable Costs

Compliance Requirement - Only services as outlined in the Program Agreement or the current approved Program Agreement Revision which are designed to remediate or prevent problem behavior, are allowable. JCPCs are allowed funding for administrative costs of conducting council business in a certification agreement that is exempt from this requirement.

Audit Objectives - Determine that services funded were allowable services and were provided to youth and their families.

Suggested Audit Procedures - Review the use of funds by the county or local government entities to be only for those programs identified by approved Program Agreements, or the current approved Program Agreement Revision, that specify direct services to youth and their families. JCPC administrative costs are exempt from this requirement.

3. Cash Management

Compliance Requirements – Disbursements from DPS for the programs funded by JCPCs are made on a monthly basis to the County Finance Offices by electronic payment to the respective county account. Monthly transmittals are made in equal payments beginning with the DPS approval month and continuing through the last month of the fiscal year. The County Finance Office disburses the state funds and any budgeted county funds to each program provider unless the County handles the fiscal administration of that program. Any interest earned should be applied back against program requirements.

Audit Objective – Determine that monthly disbursements were in accordance with approved budget for the program identified by approved Program Agreements, or the current approved Program Agreement Revision. Determine if any interest earned was applied back to any program requirements.

Suggested Audit Procedures – Select months to compare monthly receipts and disbursements. For any surplus determine if any interest was earned. If interest was earned determine if it was applied to program requirements.

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5. Eligibility

Compliance Requirements – The majority of youth served annually should be ages 6 through 17 with the exception of residential programs and home-based services, which serve a majority of ages 10 through 17. Programs should serve youth referred from Juvenile Court or Juvenile Court Services as a priority. The funded programs should be programs included as priority programs in the County JCPC Annual Plan.

Audit Objective - Determine if youth served met this requirement.

Suggested Audit Procedures

1. Determine the program type of each program funded from the first page of the Program Agreement or the current approved Program Agreement Revision.
2. Request from each Program Provider or DPS regional office an annual report showing number of youth served and the breakdown by age and referral source. Determine the proportion of youth served that are the appropriate age for the program type. Determine the proportion of youth served that are referred by Juvenile Court or Juvenile Court Services.

6. Equipment and Real Property Management

Compliance Requirement - Equipment purchased with DPS JCPC funds or matching local funds shall be used solely for the purpose stipulated in the Program Agreement for the life of that equipment. Equipment is defined as equipment valued at \$350.00 or more with a life expectancy of more than one (1) year purchased with DPS JCPC funds or local match. An equipment inventory shall be maintained in NCALLIES and updated at least annually as part of the Final Accounting process. Disposal of such equipment when necessary shall be in accordance with the agency's written equipment policy or in accordance with county policy. Should a program be discontinued during the useful life of the equipment, the county shall follow the policy cited in the N.C.A.C. Title 28, Subchapter 2 for transfer of the equipment or the value to another youth serving program within the county upon the approval of DPS.

Audit Objective - Determine that equipment was purchased with funds budgeted for that purpose, that an equipment inventory is maintained for all equipment purchased with DPS JCPC funds or matching local funds and that equipment disposal was handled in accordance with appropriate policy.

Suggested Audit Procedures

1. Review the equipment inventory and the capital expenditures reported on final accounting for consistency in equipment and value.
2. Review all equipment inventories for reasonableness of items and values listed considering the program type and budget.
3. Review dispositions and transfers of equipment in accordance with N.C.A.C., Title 28, Subchapter 2.

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7. Matching, Level of Effort, Earmarking

Matching

Compliance Requirement - County Government, local sources, or the program provider must match with either cash or in-kind contributions at a rate of 10%, 20% or 30% of the JCPC dollars. DPS determines the match rate for each county. (N.C.A.C., Title 28, Subchapter 2) Counties are notified of their required match rate by DPS. Administrative costs included in the JCPC Certification do not require matching funds.

Audit Objective - Determine that the source of cash match is local and that the values of in-kind match are justified by documentation. JCPC Certifications are exempt from this requirement.

Suggested Audit Procedures

1. Review documentation of the source of match designated on the Program Agreement as local to verify that the funds are not state or federal funds.
2. Sample in-kind documentation in order to verify the value reported in the Final Accounting report.

Level of Effort

Compliance Requirement – DPS JCPC funds will not be used to duplicate or supplant other funds.

Audit Objectives - Determine that local funds were not decreased in DPS community programs as compared to the level of local match the prior year and replaced with DPS JCPC funds.

Suggested Audit Procedures - Compare the total local match budgeted and provided for the audit year compared to the total provided match for the prior year. Determine if the reduction in local funds was replaced with DPS JCPC funds.

8. Period of Availability of State Funds

Compliance Requirement – DPS JCPC funds shall be expended or encumbered within the state and county fiscal year July 1 through June 30 for the funding period of the Program Agreement.

Audit Objective - Determine expenditures reported on the Final Accounting Report were made or encumbered during the period July 1 through June 30 for the funding period of the Program Agreement. Verify whether there are documentation/invoices to support the expenditures made.

Suggested Audit Procedures - Review the agency records (i.e. general ledger) for expenditures dates and compatibility with reported expenditures on the Final Accounting Form.

9. Procurement and Suspension and Debarment

Compliance Requirement - County and local non-profit agencies administering programs funded with DPS JCPC funds shall adhere to the county or agency procurement policies of the administering agency provided they conform to applicable state law and regulations and standards.

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Audit Objective - Determine if any procurement of goods or services was made with DPS JCPC funds or required local match funds and if said procurement was made in compliance with procurement policy of the administering agency.

Suggested Audit Procedures - Review the expenditure records to identify any procurement made with DPS JCPC funds or required local match during the period of availability being audited. Review the applicable county or non-profit agency procurement policy. Test a sample of procurements to ascertain that the policies used are the same.

10. Program Income

Compliance Requirement - Local program providers may collect third party payments. All monies collected must be accounted for as revenues to the JCPC program and reported in the Final Accounting report. These projected revenues should be budgeted on the Program Agreement or the current approved Program Agreement Revision. (N.C.A.C. Title 28 Chapter 2). All revenues collected for the services and the expenditures for the funding period represented in the Program Agreement or the current approved Program Agreement Revision must be reported on the Final Accounting report.

Audit Objective - Determine program compilation of third party collections and all revenues received for the expenditures budgeted in the Program Agreement or the current approved Program Agreement Revision and compare to the revenues reported on the Final Accounting Form.

Suggested Audit Procedures - Review Program Agreements or the current approved Program Agreement Revision to determine sources of income and compare to revenue reported on the Final Accounting report.

12. Reporting

Compliance Requirement – Programs complete Third Quarter Accounting Reports in NCALLIES. (N.C.A.C., Title 28, Subchapter 2) This report provides information regarding the expenditure rate and requests the amount of remaining funds not as yet disbursed to the county. This report allows a program to reduce the amount of funding requested from the State to avoid a pay back at the end of the year if expenditures are less than anticipated. It is reviewed by the DPS Area Office prior to the initiation of the electronic signature process. Third Quarter Accounting Report requires an electronic signature by the program manager, the program fiscal officer, the county finance office/director and the JCPC Chairperson by the established deadline. Upon request counties receiving over \$500,000 are required to provide an audit report within nine (9) months of the close of their fiscal year.

Programs complete Final Accounting Reports in NCALLIES. Programs are required to report total revenues and expenditures for the program operation. (N.C.A.C., Title 28, Subchapter 2) This report is reviewed by the DPS Area Office prior to the initiation of the electronic signature process for local signatures. The Final Accounting Report requires an electronic signature by the program manager, the program fiscal office and the county finance officer/director by the established deadline. Once the report is reviewed and electronically signed by all required parties, the DPS Area Office computes any payback due the state. The area office produces a refund notification/statement of refund due and electronically notifies the program provider, the program fiscal officer, the county finance/director and the JCPC Chair.

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Audit Objective – Determine if the Final Accounting Report submitted to DPS accurately reports total actual revenues and expenditures for the funding period covered by the report. Determine if any payback requested by DPS was paid to DPS.

Suggested Audit Procedure – Request copies of the completed and signed reports from DPS. Test a sample of expenditures to ensure appropriateness. If a payback of funds was due to the state, request to see the cancelled check verifying repayment to the State along with supporting documentation received from DPS (Final Accounting). Verify that an audit report was provided to DPS, if required.