

LBA Financial Audit Report Summary:

Department of Health and Human Services, Office of Family Services,
Division of Behavioral Health, Glencliff Home for the Elderly Audit Report
For the Nine Months Ended March 31, 1997

The New Hampshire Home For The Elderly was created in 1970 by the passage of RSA 138-A. The name was changed to the Glencliff Home For The Elderly (Home) in 1977. The Home is located at the site of the former State Sanatorium, a facility which treated tuberculosis patients. The tuberculosis patients were transferred to alternate facilities upon the creation of the New Hampshire Home For The Elderly. The Home currently provides nursing home services to a geriatric resident population with psychiatric and/or developmental disability involvements. The capacity of the Home during the audit period was 130 residents. During the nine month audit period the resident census averaged 102.

The Home, located in Benton, NH, approximately 70 miles north of Concord, is an organization within the New Hampshire Department of Health and Human Services (HHS), Office of Family Services, Division of Behavioral Health. The Home operates under the direction of the superintendent, an unclassified employee. The commissioner of HHS nominates the superintendent for appointment by the governor and council to a four-year term. During the audit period, in addition to the superintendent, the Home employed approximately 180 classified employees.

The Home is funded primarily by appropriations from the General and Capital Projects Funds. In addition to the financial activity of the Home accounted for in the State's General and Capital Funds, the Home maintains several trust and agency funds.

Our report included ten observations regarding weaknesses in the internal control structure. Five of these observations related to general state operations, four related to the operations of the Home's trust and agency funds, and one had components of both general state and trust and agency fund operations. The report also included three state compliance observations, two related to general state operations and one having components of both general state and trust and agency fund operations. Also included in the report were three management issues, two related to general state operations and one having components of both general state and trust and agency fund operations.

Some of the more significant observations included:

- controls over revenue processing,

- accounting for consumable inventory,
- controls over the patient deposit agency account, and
- valuation of land and buildings.

We recommended that the Home:

- modify its revenue processing procedures to include both the recording and endorsing of checks immediately upon receipt,
- develop and implement a centralized inventory system, limit access to its inventory, and record all inventory transactions in its inventory records,
- enhance its controls over the patient deposit account including having an independent individual periodically review the reported activity in the residents' accounts, and
- work with its Department and with the Department of Administrative Services to develop an estimation method to enable the Home to report its land and buildings at an appropriate estimated historical cost value.