

# OFFICE OF THE DUTCHESS COUNTY COMPTROLLER



## AUDIT REPORT

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## OFFICE FOR THE AGING

**ROBIN L. LOIS  
COMPTROLLER**

**JULY 2019**



# Office of the Comptroller

## Dutchess County

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Dear County Officials & Taxpayers,

The Dutchess County Comptroller's Office has completed an audit report of the Office for the Aging (OFA) for the period of January 1, 2017 through December 31, 2018. Changes in accounting and departmental management prompted this audit. Certain vendor payments, solicitation of donations, and concerns received from residents and taxpayers were additional factors for review. This report focuses on the accounting functions and respective accounting processes of the department and its overall management.

Major findings reported in this audit were: late filing and reporting of New York State and Federal claims resulting in delayed collections of revenue; inconsistent accounting practices for special events, including senior picnics; and the improper practice of soliciting contributions and donations. Additional findings can be found in the body of this report.

Our recommendations highlight the need for additional support, supervision, and training of the OFA fiscal operations to help ensure timeliness and accuracy of claim reporting. In addition, accounting processes and procedures for special events and donated funds should be strengthened.

It is the priority of the Comptroller's office to ensure proper processing and accounting of expenses and revenue claiming for all County Departments. Upon discovery of processing and accounting issues we reached out to the Administration to facilitate getting OFA needed assistance. The Administration immediately assessed the situation, reacted to our findings, and put a plan in place to support key employees and improve internal processes.

We believe the collaborative efforts of the Comptroller's office, the Administration, and the Director of the Office for the Aging will enhance the processes and procedures to ensure important services to seniors are not adversely affected.

We thank the Office for the Aging Director Tancredi and his staff for their professionalism and assistance in providing the needed information to conduct this audit. We also thank the Administration - particularly the Department of Finance - for their prompt response in addressing our concerns and dedicating resources to remedy.

Respectfully submitted,



Robin L. Lois

Dutchess County Comptroller

# Table of Contents

<b>Background &amp; Organization</b> .....	<b>3</b>
<b>Audit Scope &amp; Objective</b> .....	<b>3</b>
<b>Methodology</b> .....	<b>3</b>
<b>Organization and Oversight</b> .....	<b>3</b>
<b>Summary of Findings and Recommendations</b>	
<i>Summary of Findings</i> .....	4
<i>Summary of Recommendations</i> .....	5
<b>Revenue &amp; Expenses by Sub-Department</b>	
<b>Sub-Department 50 - Office for the Aging</b>	
<i>Revenue</i> .....	5
<i>Findings &amp; Recommendations</i> .....	6
<i>Expenses</i> .....	7
<i>Findings &amp; Recommendations</i> .....	8
<b>Sub-Department 51 - Senior Citizens Services (Reserve Account - For Gifts and Donations)</b>	
<i>Revenue &amp; Expenses</i> .....	8
<i>Findings</i> .....	9
<i>Recommendations</i> .....	11
<b>Sub-Department 52 - Continuing Care Unit</b>	
<i>Revenue &amp; Expenses</i> .....	12
<i>Findings</i> .....	12
<i>Recommendations</i> .....	13
<b>Capital Projects</b>	
<i>H0516 - 2018 Capital Equipment</i> .....	13
<i>H0521 - 2018 OFA Building Equipment</i> .....	13
<i>Observation &amp; Finding</i> .....	13
<i>Recommendations</i> .....	14
<b>EXHIBIT I - Senior Picnics Table &amp; Chair Rental Chargebacks</b> .....	<b>15</b>
<b>EXHIBIT II - Department Response</b> .....	<b>16</b>

## **BACKGROUND**

The Dutchess County Office for the Aging (OFA) provides community-based services, either directly or through contract with community agencies, to assist the elderly, disabled, and chronically-ill residents of Dutchess County. The office seeks to promote independence, dignity, and an improved quality of life of those age 60 and over, as well as continuing care for people of all ages in need of Long-Term Care and caregiver assistance. Such services include home care, adult day care, financial support assessments, transportation, home delivered meals, senior friendship centers, health insurance assistance, legal services, exercise programs and more. OFA's 2018 total budget was just under \$7 million.

## **AUDIT SCOPE AND OBJECTIVE**

The purpose of this audit is to examine the departmental policies and procedures and the accounting of revenue and expenses for the period 2017-2018. In addition, a review of the capital accounts associated with OFA's recent move to a new facility are included.

## **METHODOLOGY**

The audit included the examination and review of the following:

- Revenue sources including State and Federal grant funds
- Selected expenditures including invoice payments for purpose and timeliness
- The Senior Citizens Services Reserve account including the collection and disbursement of Gifts and Donations
- Capital Account expenditures and funding for OFA's move to a new site in February 2019

## **ORGANIZATION AND OVERSIGHT**

OFA's financial oversight includes an OFA Director, an OFA Business Manager, and ultimately the County administration. The New York State Office for the Aging provides additional direction, oversight and monitoring of the state and federally funded programs. The OFA Department is divided into 3 Sub Departments: Office for the Aging (Sub Department 50), Senior Citizens Services Reserve (Sub Department 51) and Continuing Care Unit (Sub Department 52).

## SUMMARY OF FINDINGS AND RECOMMENDATIONS

*Detail to findings follow in the body of this report.*

### SUMMARY OF FINDINGS

#### Accounting and County Policies

- County policies were not adhered to regarding employee reimbursements, gift card transactions and Purchasing card transactions for non-county invoices.
- Written policies were not in place for the administration of gifts and donations.
- Written policies were not in place for the accounting of special events.
- Some contracts, including lease agreements, were not executed in a timely manner.

#### Revenue (including grant claiming)

- New York State and Federal claim filing/reporting was late and therefore delayed collections of revenue.
- Expenditures claimed are not consistently reconciled quarterly to reports generated from the County's financial management system to help ensure accuracy.
- Revenues budgeted in 2017 and 2018 were not realized.
- Accruals were written off with no explanation or supporting documentation.

#### Expenses

- Invoices were submitted for payment by OFA to the Comptroller's Office for services billed and delivered to another entity.

#### Reserve Funds / Events

- The Senior Citizens Services Reserve account is not being spent down on an annual basis. Funds accumulated with no annual plan for spending on anticipated services for seniors.
- We noted contributions were solicited in a manner inconsistent with long-standing legal opinions from the New York State Comptroller and affirmed by the Dutchess County Attorney.
  - OFA did not have an official written policy on solicitation of funds and donated fees.
- There was a lack of consistency in the accounting for the Reserve Fund account income and expenses by event. This results in a lack of transparency as well as an inaccurate matching of revenues to expenses.

#### Capital Projects

- The funding source for the OFA's Building Equipment has changed but has not been amended through formal legislative approval.

## SUMMARY OF RECOMMENDATIONS

- Additional training, support, and supervision of OFA fiscal operations is needed to help ensure timeliness and accuracy of the maintenance of OFA records.
- Formal processes and procedures for revenue claims should be developed to ensure their prompt and accurate processing and submission. We recommend setting up the project accounting module in the County’s financial management software to streamline and automate the processes.
- Contract expirations should be monitored with calendar reminders to assist in the timely execution of contracts.
- Donated reserve funds should be spent in a timely fashion for the intended benefit of the seniors and not accumulated.
- Gifts and donations should not be directly solicited by the County from private entities as, per New York State Comptroller legal guidance, it is not a proper municipal function.
- Special events should be tracked individually, perhaps through project accounting, to understand where and how much the events costs and how much donations were collected. This will assist in future budgeting.
- Revenue and expenses for events should be accounted for using consistent accounts within the same departments to adhere to the accounting principal of “matching” revenue with expenses.
- There should be an agreed upon policy and formula for billing towns back for the senior picnics. This policy should justify the costs as well as promote consistency and equity in billing amounts to the municipalities.
- Capital Project funding should be correctly reflected in the financial records and updated through legislative resolution as funding changes.

## REVENUE & EXPENSES BY SUB-DEPARTMENT

### Sub-Department 50 – Office for the Aging

OFA provides services either directly or by contracts with community agencies, businesses and professionals. These services include: coordination of services for in home care, transportation, home delivered meals, congregate meals, information and referral assistance, mental and physical health programs, legal services, caregiver workshops and support, minor home modifications, and services to grandparents raising grandchildren.

#### Revenue

<b>Office for the Aging - Sub Department 50</b>			
Account Number	Account Description	2017	2018
12890	Other General - Micro Green Project	\$18,450.00	\$20,600.00
19720	Program for the Aging - Local	793,849.04	815,699.93
23510	Aging Programs, Other Government	2,500.00	2,500.00
26830	Self-Insurance Recoveries	0.00	1,972.00
27010	Refund of Prior Year’s Exp	15.05	0.00
37720	Program for Aging - State	1,446,954.59	1,667,498.55
47720	Program for Aging - Federal	1,307,122.32	1,014,226.74
<b>Totals</b>		<b>\$3,568,891.00</b>	<b>\$3,522,497.22</b>

### *Revenue Findings:*

- Claims were not filed timely.
- When State and Federal revenues were adjusted with a funding reduction, OFA did not have reasons for the adjustments documented.
  - ~ The County accounts for anticipated revenues by recording accruals which may be estimated. When funds are claimed, the revenues may be adjusted accordingly. The final adjustments to funding occur when the monies are received. Claims filed late result in a lack of cash flow.
- Follow up by the department on adjustments made by State or Federal agency to claims was not evident.
- New York State OFA evaluation of Dutchess County OFA findings include:
  - ~ Contracted services were not monitored timely or at all.
  - ~ The required Consolidated Area Agency Reporting System (CAARS) report was not prepared timely.
  - ~ The Health Insurance Information Counseling and Assistance Program (HIICAP) data was not filed timely.
  - ~ The OFA was not responsive to emails or voice messages.
- Revenues totaling \$11,600 were budgeted in 2017 and 2018 for three contracted agencies (ELANT, Prime Health Choice, Fidelis Care NY); However, no income was received. It was noted by OFA these agencies did not agree to contract with OFA in these years. The agencies' revenues were no longer budgeted in 2019.
- Reimbursement collections from municipalities for the Senior Picnics were noted in the Nutrition Donations revenue line in Sub Dept 50 although some corresponding expenses and revenue were recorded in Sub Dept 51.
- Billings to the municipalities for the Senior Picnics were not done through Miscellaneous billing; whereby an invoice could be generated and a corresponding entry for the billing could be made to maintain an electronic accounts receivable record.

### *Revenue Recommendations:*

- Oversight and procedures should be enhanced to ensure all claims are filed timely, adjustments are researched, and revenues are maximized.
- OFA should initiate the use of the "project accounting" module in the county's accounting and financial management system to help streamline the accuracy and timeliness of claim filings. Using project accounting to track all revenue and expenses will help increase efficiency, promote accuracy, and enhance the reporting functionality. Utilizing project accounting has proven successful in other Dutchess County departments as well as OFA offices in other counties.
- Adjustments to claims should be investigated and documented by OFA to identify the reason for an adjustment thereby ensuring transparency and completeness. In instances where additional monies may be claimed, efforts should be made to maximize funding through budget modification.
- All New York State evaluation findings should be corrected promptly to improve operations. OFA needs to effectively communicate and respond to other departments and outside agencies requests for information.
- Budgeted revenues should not be reflected when a revenue source is no longer available.
- All revenue and expenses that are related need to be recorded in the same Sub-Departments (i.e. Senior Picnics).
- Miscellaneous billing should be utilized for the billing of events (including the Senior Picnic) to streamline the process and provide an accurate up-to-date accounting of revenues and receivables.

## Expenses

<b>Office for the Aging - Sub Department 50</b>		
<b>Account Description</b>	<b>2017</b>	<b>2018</b>
Contract Agencies & Programs	1,519,796.82	1,619,367.79
Emergency Services (Medic Alerts)	63,066.00	70,695.75
Employee Mileage & Expenses	10,243.89	7,663.02
Equipment/Rental/Repair	22,536.97	17,400.75
Friendship Center, Admin & Kitchen rent*	52,002.56	142,343.88
Fringe	704,370.50	773,592.55
Utilities/Computer Services/Auto	234,283.77	217,402.72
Salary	1,598,203.74	1,708,183.93
Supplies (Food/Kitchen/Office)	166,337.14	162,576.17
<b>Totals</b>	<b>\$4,370,841.39</b>	<b>\$4,719,226.56</b>

\*Rent amount increased in 2018 because OFA began paying directly. Previously DPW paid the administrative office and kitchen rent directly and billed OFA for a partial amount.

### Observation:

#### OFA Office, Kitchen Space, and Senior Friendship Centers Rentals

As of April 2019, the Office for the Aging rents their new office on Delafield Street in Poughkeepsie which now includes the kitchens for the preparation of meals. This lease agreement was the result of the County's Request for Proposal RFP-DCP-63-17 for consolidated space. On February 8, 2019 OFA began paying rent on their ten-year lease in the amount of \$24,940 per month. In 2017, OFA rented space for two venues in Poughkeepsie: the kitchen located on Main Street and the administrative office located on High Street. In addition to renting office space, OFA rents Senior Friendship Centers in various towns where the elderly socialize and receive congregate meals five days a week.



Office for the Aging's new office location on Delafield Street in Poughkeepsie (Google Maps)

*Expense Findings:*

- Some contracts, including lease renewals, were not executed in a timely manner.
- Volunteer mileage charged to non-employee expenses were reviewed and were not paid promptly. Most of the travel expense claims were paid within one to two months from the dates of service. Some payments were delayed three to six months.
- Some expenses for senior picnics, such as food and paper products, were paid out of Sub-Department 50, while other expenses were paid out of Sub-Department 51.

*Expense Recommendations:*

- Contract administration should include timely preparation, processing, and review by the Dutchess County Attorney's Office and Risk Management.
- Accounts payable procedures should be enhanced to ensure expenses are reviewed and paid timely.
- Volunteer mileage should be paid in a more timely manner.
- Expenses for events should be paid and tracked in one Sub-Department or by using project accounting to ensure transparency and proper matching of revenues with expenses.

*Sub-Department 51 – Senior Citizens Services (Reserve Account – for Gifts and Donations)*

The Reserve is an account of private donations and sponsorships for special services and senior programs including the annual senior picnics. Some donations are restricted to a specific use. All unused funds carry forward in this reserve account to ensure that they are used for the specific purpose of senior services and events.

*Revenue*

Gifts and Donations are received for the various services and events. OFA solicited sponsorships for some events including the Annual Celebration of Aging, Senior Prom, and the Senior Picnics.

<b>Senior Citizens Services Reserve – Sub Department 51</b>			
<b>Account Number</b>	<b>Account Description</b>	<b>2017</b>	<b>2018</b>
27050	Gifts and Donations	\$69,863.24	\$61,303.05
	<b>Totals</b>	<b>\$69,863.24</b>	<b>\$61,303.05</b>

*Expenses*

<b>Senior Citizens Services Reserve - Sub Department 51</b>		
<b>Account Description</b>	<b>2017</b>	<b>2018</b>
Client Services / Educational Programs	\$17,033.54	\$12,266.61
Equipment	1,750.00	5,177.00
Postage & Printing	315.04	71.96
Supplies – Special Events	9,283.03	10,769.23
<b>Totals</b>	<b>\$28,381.61</b>	<b>\$28,284.80</b>

The following is a breakdown of each event's revenue and expenses with detail provided from OFA for Sub Department 51. The total amounts recorded are in agreement with the annual budget performance report.

2017 Gifts and Donations			
	Revenues	Special Event Expenses*	Differences
General Gifts and Donations	\$76.00	\$5,890.00	(5,814.00) **
OFA Picnics	40,369.32	2,005.00	38,364.32
Matter of Balance	5,000.00	2,015.24	2,984.76
Celebration of Aging	4,900.00	1,751.50	3,148.50
Senior Prom	4,160.00	1,077.00	3,083.00
Senior Seminars	680.00	127.15	552.85
Friendship Centers	577.92	-	577.92
Caregivers Conference	9,100.00	9,229.22	(129.22) **
Golden Gathering	5,000.00	6,286.50	(1,286.50) **
<b>Totals</b>	<b>\$69,863.24</b>	<b>\$28,381.61</b>	<b>\$41,481.63</b>

\* Expenses include pens with OFA contact information, medication copays, sponsorship for Caregiver's Conference, Tai Chi volunteer certificates, food for Senior Seminars, tables & chairs for picnic, and postage.

\*\* Carryover funds were used to fund additional costs.

2018 Gifts and Donations			
	Revenues	Special Event Expenses*	Differences
General Gifts and Donations	\$35.00	\$1,289.52	\$(1,254.52) **
OFA Picnics	37,520.00	5,536.65	31,983.35
Matter of Balance	125.00	926.42	(801.42) **
Celebration of Aging	2,750.00	1,954.00	796.00
Senior Prom	3,722.00	1,337.86	2,384.14
Senior Seminars	880.00	396.23	483.77
Friendship Centers	1,321.05	122.22	1,198.83
Caregivers Conference	8,950.00	10,376.40	(1,426.40) **
Golden Gathering	6,000.00	6,345.50	(345.50) **
<b>Totals</b>	<b>\$61,303.05</b>	<b>\$28,284.80</b>	<b>\$33,018.25</b>

\* Expenses include pens with OFA contact information, medication copays, sponsorship for Caregiver's Conference, Tai Chi volunteer certificates, food for Senior Seminars, tables & chairs for picnic, and postage.

\*\* Carryover funds were used to fund additional costs.

#### Findings:

- As of December 31, 2018, OFA reported \$169,420 accumulated in an 'Agency Trust' reserve account. These funds are comprised of the balances of monies remaining in the Sub Department 51 account. Monies have been accumulating for several years resulting in this large balance. The intent of the fund should be to spend all monies annually for the benefit of the senior citizens.
- Many expenses associated with the events supported by donations were not charged/used against the donations or sponsorships collected which contributed to the accumulation of Trust funds. These expenses were charged to operating funds instead of reserve (i.e. food, table & chair rentals).

- Expenses for Senior Picnics shown in the previous chart included costs for the rental of tables and chairs: However, we noted costs for tables and chairs also were directly billed to some municipalities and funds were remitted to pay for this cost. Since the costs were covered by donations above, they should not be billed to municipalities. (See Exhibit I)
- Contributions for senior picnics requested from municipalities were included as revenue in the Sub Department 50 (not Sub Department 51) general ledger line item 19720.15 Nutrition Donations.
- Income and expenses for each event were incomplete and not consistently charged to the same Sub Department budgets. Revenue and expenses were commingled between 50 & 51 therefore revenue could not be matched with expenses.
- There was no policy used by OFA staff to clearly define when to charge the Reserve Sub Department budget 51 which resulted in the inflation of expenses in Sub Department 50 and overages in the Reserve account. There was not a budget or income and expense statement available for each special event.
- Office for the Aging has the authority to accept gifts of money and property. However, there is no authority for OFA, or the County, to solicit gifts and donations. The Dutchess County Comptroller sent communication to the County Attorney's Office in a memo dated February 21, 2019 that according to the legal opinions from the Office of the State Comptroller<sup>1</sup>, such activity is contrary to public policy, not a proper municipal function, and therefore should cease. In a memorandum dated April 24, 2019 the Dutchess County Attorney's Office responded: "The authority of the County to accept donations is well established. However, absent corresponding statutory authority for the County to solicit donations and considering the public policy arguments consistently raised by the NY State Comptroller over the years, we are in agreement with the stated prohibition." Accordingly, the County Attorney shared the opinion memorandum with the County Executive and affected department heads. The determination will be applied prospectively and have no retroactive effect pursuant to the County Attorney's directive.
- OFA received a grant from the McCann Foundation applied for by New York State Senator Susan Serino's office. These funds were to host the Golden Gathering event chaired by Senator Serino. The funds were written to and received by the Dutchess County Office for the Aging. Neither Dutchess County nor OFA sponsorship were publicized in event flyers or publications provided. Bills for the event were incorrectly invoiced and had to be revised prior to payment. While auditing the expenses, the Comptroller's Office reached out to the County Attorney regarding an opinion to pay which was provided. In one case, a county Purchasing Card was used to purchase items online and sent directly to the Senator's District Office in Hyde Park. In the course of reviewing payments for the Golden Gathering in January 2019, this violation of Purchasing Card Policy was reported to the County's Division of Central Services, which administers the Purchasing Card program.
- OFA also receives donations for the Caregiver Conference, an annual event organized by the Dutchess County Caregiver Conference Committee. The Committee is comprised of representatives from several private organizations as well as representatives from OFA. The Committee solicits donations made out to and sent to the County's OFA, which in turn either pays all bills associated with the event directly or reimburses volunteers for such expenses. In our review of expenses, we note that in June 2017 the department allowed Wingate Healthcare, a private entity, to charge \$553.03 to their department Purchasing Card for conference tote bags; the invoice is in Wingate's name, and the items were shipped to Wingate's location in Fishkill. Our review of records related to this charge indicate that Wingate offered to have the invoice and shipping addresses updated to OFA's, a change which was never made.
- Our office noted in November 2018 that the department was reimbursing an employee for expenses associated with the Caregiver Conference in a manner inconsistent with the established employee reimbursement process. In this case, the employee was being reimbursed for, among other items, the purchase of two American Express Gift Cards used as door prizes at the event; the employee had used a personal credit card to purchase these items. Our office questioned the use of funds in such a way and received written opinion from the County Attorney's Office in December that, as these expenses were covered by donations, such use did not violate well-established prohibitions in the New York State Constitution against the gifting of public funds. At the urging of this office, the County has since adopted a policy that prohibits gift cards paid for with County funds from being used as door prizes, and provides strict guidelines for their use generally.

<sup>1</sup> Office of New York State Comptroller legal opinions 74-1102, 77-292, 78-256, 82-336, 83-130, and 83-230.

- Our office also notes that as of this report’s publication the Department has not yet paid the bill to the venue for the Caregiver Conference (Poughkeepsie Landing LLC, d/b/a The Grandview). A contract between the County and the Grandview for this event, held on November 16, 2018, was only executed by the County Executive on April 11, 2019 – nearly six full months after the event took place. Inconsistencies between the invoice provided by the vendor and the terms of the contract have prevented our office from processing a payment request dated June 19, 2019.

*Recommendations:*

- Funds should not be accumulated in the Trust Reserve account but spent annually for the benefit of the senior citizens.
- All events should have a proper budget and an income and expense statement prepared after the event. Revenue and expenses should be budgeted and expensed from the same budget to properly account for events. As such, all revenues and expenses should be accounted for in a consistent manner and account to ensure matching of revenues with their expenses.
- Municipal contributions and billing processes should be reviewed for greater equity.
- Expenses covered by donations should not be billed to other entities and accepted as revenue as this is a duplication of income.
- A county-wide formal written policy should be available defining the types of acceptable donations and fees, including how they can be requested. Additional clarity is necessary for the accounting of restricted and non-restricted donations.
- Gifts and donations should not be directly solicited by the County from private entities as it is not a proper municipal function, per New York State Comptroller legal guidance.
- Events not specific to County functions such as the ‘Golden Gathering’ should not be administered by Dutchess County unless:
  - ~ The contracts are between the County and the venue not the State Senator
  - ~ Bills are invoiced to the County, not the State Senator
  - ~ The promotional materials clearly indicate that the County is a sponsor or co-sponsor of the event

Sub-Department 52 – Continuing Care Unit

OFA is a single point of entry for the long-term care system through Dutchess Continuing Care. Both the Federal and State governments consider OFA the Aging and Disability Resource Center (ADRC) and No Wrong Door (NWD) hub for Dutchess County. The division provides the required case management, which includes intake and referral, eligibility for care and defining service needs, and authorization for Medicaid funded in-home services. The Sub Department includes seven Public Health Nurses and seven Case Managers. This Sub Department is primarily funded by a Dutchess County Department of Community and Family Services (DCFS) contract to provide the stated services.

*Revenue*

<b>Continuing Care Unit - Sub Department 52</b>			
<b>Account Number</b>	<b>Account Description</b>	<b>2017</b>	<b>2018</b>
19720	Program for the Aging - Local	\$1,190,829.49	\$1,295,369.19
26830	Self-Insurance Recoveries	0.00	1,714.26
37720	Program for Aging - State	313,131.62	303,000.00
47720	Program for Aging - Federal	33,183.01	34,000.00
<b>Totals</b>		<b>\$1,537,144.12</b>	<b>\$1,634,083.45</b>

*Expenses*

<b>Continuing Care Unit - Sub Department 52</b>		
<b>Account Description</b>	<b>2017</b>	<b>2018</b>
Contractual	\$1,031.14	\$897.43
Employee Travel & Expenses	726.43	985.15
Fringe	476,467.10	492,949.08
Indirect/Other (including partial rent)	158,375.36	163,637.22
Salary	985,995.66	1,066,290.26
Supplies	5,770.72	3,906.66
<b>Totals</b>	<b>\$1,628,366.41</b>	<b>\$1,728,665.80</b>

*Findings:*

- In 2018, revenue account 19720 – “Program for the Aging – Local” – billings to DCFS for services were not prepared timely and funds were accrued for the entire year December 2018. At year end a total of \$1,295,370 was accrued. A total of \$1,167,725 was received as of April 5, 2019, leaving \$127,644 outstanding. If these prior year accruals are eventually written off, it will be against the current year revenue. The budget provided in the contract was not adhered to resulting in a reduction to the claim amount.
- In 2018, revenue account 37720, a total of \$210,682 was accrued for a state grant as of December 31, 2018. As of July 2019, the claim for the full amount has been entered, however payment from the State has not been received.
- In 2018, revenue account 47720 a total of \$29,878 was accrued in federal grants as of December 31, 2018. As of July 2019, \$25,643 was outstanding.
- State and Federal revenue accruals in the amount of \$7,817 were reduced in 2017 based on actual revenue amounts.

### *Recommendations:*

- Internal procedures should be enhanced to ensure billings are prepared quarterly to maximize cash flow and overall revenues.
- The budget should be adhered to and monitored monthly by OFA staff. If modifications are required, they should be prepared timely. Communication between the respective funding entities should be improved to maximize revenue.
- As recommended for Sub-Department 50, OFA should explore tracking the Continuing Care funding through the project accounting module in the County's financial system.

## **CAPITAL PROJECTS**

### *H0516 - 2018 Capital Equipment*

Approved by the County Legislature in June 2018, Resolution #2018129 authorized the purchase of equipment across several County departments. Funding for these purchases was authorized through serial bonds. A total of \$145,400 in expenditures was approved for a loading dock lift system and a movable wall system to be installed in the new Office for the Aging building. At the time of the authorization the new location, as determined as the result of the County's Request for Proposal RFP-DCP-63-17 for consolidated space, was already under construction.

### *H0521 - 2018 OFA Building Equipment*

In July 2018, the Dutchess County Legislature adopted Resolution #2018187, authorizing \$1,000,000 for the purchase of commercial kitchen equipment, technology equipment, security equipment, and furnishings for the newly constructed and leased space for Office for the Aging. Funding was anticipated from a State and Municipal Facilities Program (SAM) for the purchases. In November 2018, the Dormitory Authority of the State of New York (DASNY), as the funding source, notified the County that the above project was not eligible to receive this funding. One of the SAM funding requirements is that the facility receiving funding be owned or leased from an "eligible entity" – since the County is leasing this building from a private entity, it is not eligible for the funding.

Since this notification, the County has developed a proposal to utilize the SAM funds to pay for capital equipment, previously approved to be funded by serial bonds under Resolution #2018129; this plan was approved by the Legislature in Resolution #2019161. The County anticipates that this proposal will be approved by the funding source.

As of June 30, 2019, a total of \$911,904 was expensed from capital account H0521, and \$12,745 was encumbered for additional work that is under contract to be completed. The capital account has a balance of \$75,351 remaining unencumbered and available.

### *Observation:*

- Revenues authorized for H0521 currently state appropriations are being funded by the SAM grant, even though it has been determined that the funds are no longer going to be received for this project.

### *Finding:*

- The \$1,000,000 revenue appropriated by the Legislature for OFA Equipment in Resolution #2019187 was supposed to be funded by State Aid from DASNY; however, the County has received notification that funds were denied by DASNY for this purpose. At the time of this report no resolution amending the capital project to acknowledge this loss of funding and providing a new source of revenue to balance the account has been offered; the capital project stands at a deficit of \$924,649.

*Recommendation:*

- The County should amend the capital project to reflect the change in funding from State Aid to the appropriate funding source to ensure the transaction is properly documented and transparently presented to the Legislature and the public. This will also ensure an accurate and complete audit trail of the capital project.

## EXHIBIT I - SENIOR PICNICS TABLE & CHAIR RENTAL CHARGEBACKS

Picnic Location	Municipalities Invited	Municipality Billed	2017			2018		
			Table & Chair Rentals Cost	Expense Paid From Donations Account Sub Dept 51	Table & Chair Rentals Charged To Towns	Table & Chair Rentals Cost	Expense Paid From Donations Account Sub Dept 51	Table & Chair Rentals Charged To Towns
East Fishkill Rec Park	Town of East Fishkill	Town of East Fishkill	548.00		548.00	735.00	735.00	735.00
Fran Mark Park (2017) FDR Library (2018)	Towns of Clinton, Hyde Park	Town of Clinton	835.00		233.80	717.50		161.52
		Town of Hyde Park			601.20			796.55
Sarah Taylor Park	Town and Village of Fishkill	Village of Fishkill	990.00	990.00	250.00	783.00	783.00	250.00
		Town of Fishkill						
Pine Plains Lions Pavilion	Towns of Pine Plains, North East, Washington, Stanford	Town of Stanford	595.00	370.00	140.70	595.00		131.80
		Town of North East			147.40			125.85
		Town of Pine Plains			274.70			310.30
		Town of Washington			107.20			102.05
Tivoli Memorial Park	Towns of Rhinebeck, Red Hook, Milan	Town of Rhinebeck	525.00		162.75	765.00		260.10
		Town of Red Hook			336.00			451.35
		Town of Milan			26.25			53.55
Freedom Park	Town of LaGrange and Beekman	Town of Lagrange	555.00		416.25	605.00	605.00	453.75
Robinson Lane Rec Park	Town and Village of Wappingers	Town of Wappingers Falls	265.00		0.00	364.00		0.00
Bowdoin Park	Town of Poughkeepsie	Town of Poughkeepsie	1,100.00		1,100.00	1,240.00	174.00	1,240.00
Boyce Park	Town and Village of Pawling	Town of Pawling	390.00	390.00	222.30	390.00	390.00	273.00
		Town of Dover			0.00			0.00
		Town of Amenia			81.90			58.50
		Town of Union Vale			85.80			58.50
Cady Field Pavilion	Town of Pleasant Valley	Town of Pleasant Valley	150.00		0.00	640.00	187.00	0.00
Memorial Park	City of Beacon	City of Beacon	536.00		536.00	640.00	640.00	640.00
Waryas (2017) Stitzel (2018)	City of Poughkeepsie	City of Poughkeepsie	930.00	1,663.00	930.00	1,663.00	1,663.00	1,090.00
<b>TOTALS:</b>			<b>7,419.00</b>	<b>3,413.00</b>	<b>6,200.25</b>	<b>9,137.50</b>	<b>5,177.00</b>	<b>7,191.82</b>

## EXHIBIT II - DEPARTMENT RESPONSE

MARCUS J. MOLINARO  
COUNTY EXECUTIVE



TODD N. TANCREDI  
DIRECTOR

### COUNTY OF DUTCHESS OFFICE FOR THE AGING

#### MEMORANDUM

TO: Robin Lois  
Dutchess County Comptroller

FROM: Todd N. Tancredi *TNT*  
Dutchess County Office for the Aging Director

DATE: July 19, 2019

SUBJECT: Office for the Aging Audit Response

Thank you for the opportunity to respond to the Office for the Aging Audit, and meeting with our department to discuss the audit findings. Office for the Aging will use this report, working in close partnership with the Department of Finance, as a framework to enhance our processes and procedures as we strive to meet the ever-growing demand for our programs and services.

During the period audited, there was turnover in the Business Manager position, with little overlap and an independent learning curve as well as a vacancy in a key support position in the unit. The unit is now fully staffed, and the Business Manager has had time to learn and better understand her role, duties and responsibilities. She is working with Finance to put procedures in place and make sure claims are reconciled and timely.

The NYS OFA evaluation received in January 2019 noted some issues with responsiveness, reporting, filing, and monitoring. A corrective action plan was filed with the State immediately and the issues cited were the result of an employee's inconsistent attendance and performance. Prior to NYSOFA's annual visit disciplinary action was taken, and the Department is working with Human Resources on this issue.

With regard to revenues, accruals, claiming and reporting, the Department is working with the Finance Department to implement any procedural and policy changes necessary. Finance is also helping the department evaluate the logos project accounting module which may be a good fit for claim filing and donation accounting.

There have been delays in volunteer reimbursement, however, in cases where this was a result of necessary follow up with volunteers because of missing backup, documentation, or receipts, the department will continue this level of due diligence, even if reimbursement results in delays. If all documentation is presented as required, the department will process reimbursements in a timelier manner, especially as the unit is now fully staffed.

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Although not advertised as such in the past, the Golden Gathering senior event has been held for over 20 years through a grant provided by the McCann foundation and is planned by Senator Serino's Office (and Senator Saland's Office previously) in partnership with the Office for the Aging. The Office for the Aging provides administrative support with the Senator's Office providing the planning, coordination and set up work. Going forward, the County will be sure to advertise this event as a County and State partnership as we both play a role in hosting. OFA will also ensure all bills are invoiced to the County and there are agreements between the vendors and the County.

Regarding the legal opinion prohibiting the solicitation of funds, the County Attorney agrees with the opinion and going forward, not-for-profit entities are being established and will be helping seniors and our residents with special needs raise money for community events and services. The County will no longer directly solicit for donations and will instead merely be the recipient of the funds.

Office for the Aging will also work with Finance to develop account tracking tools and procedures to better match donated funds with expenses for the events, services and programs the funds support. The department will examine the use of project accounting or other tracking methods to match revenue with expense in each department code, while being mindful of the reserve and roll over nature of reserved funds booked in account A.6772.51.

Office for the Aging will first identify how much funds are available for each specific purpose in the reserve account and will create a plan that spends money from the reserve to benefit seniors in the areas or for the events intended. We will implement this as part of the 2020 operating budget and will create an internal policy that can be used going forward.

In January 2019, a letter was sent from the Budget Office to the Legislature notifying them of the changes in equipment eligibility with regard to the State and Municipal Program (SAM) grant. Instead of funding OFA furniture and equipment which was originally approved, but then denied, the grant has been re-directed to capital Public Works equipment approved by the Legislature in H0516. As has been communicated with the Comptroller, the County is waiting for final approval from The Dormitory Authority of the State of New York (DASNY) and the beginning of receipt of funds before correcting and changing both capital project H0516 and H0521. The County believes this is more prudent to make sure the funds are received before adjusting the capital accounts accordingly. Once final approval has been given and a contract in place, the administration will submit the necessary legislation to correct both capital projects.

Thank you for your recommendations. As with all audits and evaluations, the Office for the Aging will use these recommendations to enhance its internal policies and procedures. The department will work with the Department of Finance on procedure analysis, project accounting, implementation, and donation accounting and spending policies. We appreciate the opportunity to offer this response on the Office for the Aging Audit.



## **DUTCHESS COUNTY COMPTROLLER**

*ROBIN L. LOIS, COMPTROLLER*

**22 MARKET STREET, 4TH FLOOR  
POUGHKEEPSIE, NEW YORK 12601**

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