Audit Report

Dutchess County Council on Alcoholism & Chemical Dependency, Inc.
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Comptroller’s Summary

Background

The Dutchess County Council on Alcoholism & Chemical Dependency, Inc. (Council) provides alcoholism and chemical dependence information and referral services to individuals and families to lower the incidences of alcohol and drug abuse. The Council also engages in school counseling programs to reach young people.

The Council receives funding from the Dutchess County Department of Mental Hygiene, Stop DWI, Health Department, Youth Bureau, and various school districts in Dutchess County.

Audit Scope, Objective and Methodology

The audited period was January 1, 2005 – December 31, 2005. The total expense for all Council’s programs was $910,874.00 of which $490,050.00 was provided by Dutchess County contracts. Funds were provided by Dutchess County from the following departments:

- Mental Hygiene for intervention programs at schools ($343,758.00),
- Stop-DWI for an alcohol/highway safety coordinator ($19,792.00) and a drinking prevention program in colleges ($6,000.00),
- Health Department funds were passed through to the United Way to Council for tobacco free programs ($120,000.00),
- Youth Bureau for youth recognition awards ($500.00).

The audit included review of:

- contract compliance
- the agency’s Consolidated Fiscal Report (CFR) for DMH- OASAS funding;
- the agency’s detail ledger, cost allocations, salaries and original supporting documentation;
- internal controls regarding the handling of bank statements, petty cash, credit cards, and inventory

Summary of Findings

Council must submit an amended CFR to the Department of Mental Hygiene to correctly report expenses and revenues for the School Based Prevention Program. A total of $2,542.00 is due to Council upon execution of a contract amendment with the Department of Mental Hygiene.
Detailed Findings

Contract Review

The majority of funding provided to Council was for the School Based Prevention Program. Council provided student assistant counselors in participating middle and high schools to implement prevention education and counseling services for alcohol, tobacco and other chemical dependency issues to students, school personnel and parents. Programs included *Strengthening Families* for families involved in the criminal justice system and *Victim Impact* presentations to parents and students who are seeking high school parking permits. This program received funding from the Dutchess County Department of Mental Hygiene contract #04-0053 in the amount of $343,758.00 and the Stop-DWI contract #02-0266 for $19,792.00.

**Department of Mental Hygiene**

*Contract #04-0053* was for the period January 1, 2005 – December 31, 2005 to provide deficit funding for the School Based Prevention Program totaling $343,758.00. DMH and NYS require revenues and expenses to be reported on a consolidated fiscal report (CFR) for claiming. A verification of the program’s expenses and revenues reported on the CFR and the agency’s financial records was conducted.

**Finding:** Expenses and revenues for this program were not reported in their entirety in the correct column of the CFR. Council reported $192,083.00 in revenue under the OASAS funding for the School Based Prevention Program for the following school districts: Arlington, Dover, Hyde Park, Millbrook (partial), Rhinebeck and Wappingers. Council incorrectly reported $47,144.00 in “other programs” on the CFR for part of Millbrook’s payment and the entire Red Hook school district payment.

**Recommendation:** Council should submit a revised CFR to the DC Department of Mental Hygiene to report all school based expenses and revenues.

The following details the agency’s expenses and revenues as reported for this program and the adjusted audit figures:

<table>
<thead>
<tr>
<th>School Based Prevention Program</th>
<th>Reported by Council</th>
<th>Adjustment based on Audit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>$391,964.00</td>
<td>$426,320.00</td>
</tr>
<tr>
<td>Fringe Benefits</td>
<td>79,981.00</td>
<td>87,110.00</td>
</tr>
<tr>
<td>Other</td>
<td>46,142.00</td>
<td>46,817.00</td>
</tr>
<tr>
<td>Property Administration</td>
<td>18,632.00</td>
<td>18,632.00</td>
</tr>
<tr>
<td>Administration</td>
<td>25,530.00</td>
<td>30,524.00</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td><strong>$562,249.00</strong></td>
<td><strong>$609,403.00</strong></td>
</tr>
</tbody>
</table>
### Revenues

<table>
<thead>
<tr>
<th></th>
<th>DC Stop DWI</th>
<th>School Districts</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>DC Stop DWI</td>
<td>$19,792.00</td>
<td>192,083.00</td>
<td>4,074.00</td>
</tr>
<tr>
<td>School</td>
<td>$19,792.00</td>
<td>239,227.00</td>
<td></td>
</tr>
<tr>
<td>Districts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>$215,949.00</strong></td>
<td><strong>$263,093.00</strong></td>
<td></td>
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### Net Deficit Funding

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<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td><strong>Net Deficit Funding</strong></td>
<td>($346,300.00)</td>
</tr>
</tbody>
</table>

Details of the net deficit funding are:

- **State Aid Revenue**: $182,945.00
- **Federal Aid Revenue**: 141,346.00
- **County Share**: 19,467.00
- **Total**: $343,758.00

The full amount of the contract was claimed and paid. *Individual expense and revenue review follow the contract review section.*

**Finding:** In 2005, Council moved their offices. According to DC DMH, NYS OASAS approved an additional $2,542.00 to partially fund the expenditure of $6,190.00. However, at the time of the audit, the County contract was not amended to reflect the additional funding.

**Recommendation:** The contract with Mental Hygiene must be amended in order to pay the additional $2,542.00 to Council.

### Stop DWI

**Contract #02-0266** was written for the period January 1, 2005 – December 31, 2005 in the amount of $21,500.00. Per the contract description, a full time alcohol and highway safety educator was provided for educational presentations in schools and community groups and to coordinate a SADD conference.

The contract provided funding for the educator’s salary of $20,500.00 and the SADD conference in the amount of $1,000.00. A total of $19,792.00 was claimed and paid on this contract: $18,792.00 for salary and $1,000.00 for the SADD conference.

The SADD conference expense was reviewed. In addition, a listing of educational presentations and newsletters were reviewed for the audit. No discrepancies were noted. Revenue was correctly reported on the CFR for the School Based Prevention Program.

**Contract #04-0092** This contract was for the period January 1, 2005 – December 31, 2005 in the amount of $6,000.00 to implement a program to prevent high risk drinking at
Dutchess County colleges. A college consortium of all five-area colleges was formed where college representatives shared their action plans for prevention of high-risk behavior. Council coordinates a minimum of six college consortium meetings and educational events annually.

A total of $6,005.00 was claimed: $3,570.00 for salary, $955.00 for a conference speaker and $1,480.00 for materials. The contract maximum of $6,000.00 was paid to Council. No discrepancies were found.

**Health Department/United Way**

*Contract #03-0419* The Dutchess County Health Department contracted with the United Way who subcontracted with Council to provide Tobacco Free Youth Initiative Programs. The programs included *Teens Against Tobacco Use and Life Skills Training Programs.* These programs targeted youth 8 – 13 years old in elementary and middle schools.

The contract was written for the period January 1, 2005 – December 31, 2005 for the amount of $120,000.00. The full amount of the contract was claimed and paid as follows:

<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$74,953.51</td>
</tr>
<tr>
<td>Fringe</td>
<td>17,239.31</td>
</tr>
<tr>
<td>Operations</td>
<td>4,691.00</td>
</tr>
<tr>
<td>Materials</td>
<td>11,116.18</td>
</tr>
<tr>
<td>Occupancy</td>
<td>1,799.93</td>
</tr>
<tr>
<td>Admin</td>
<td>10,200.07</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$120,000.00</strong></td>
</tr>
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**Youth Bureau**

*Contract #05-0163* This contract was for the period March 1, 2005 – December 31, 2005 in the amount of $500.00 for the Council to provide *Choices for Change Youth Recognition Awards.*

Four youth were recognized: 2 in the Beacon City Schools and 2 in the Wappingers Central Schools for successfully maintaining a drug-free life while contributing to the community. Council provided a 25% match. No discrepancies were found.

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1 Bard College, The Culinary Institute of America, Dutchess Community College, Marist College and Vassar College

2 Van Wyck Jr. High; Poughkeepsie Middle; Rombout Middle; Wappingers Jr. High; Lagrange Middle; Webutuck Jr. High; Arlington Middle; Millbrook Jr. High; Beacon Jr. High; Evans Elementary; Clinton Elementary; Lagrange Elementary; Spackenkill Elementary; Forrestal Elementary; Alden Place Elementary
Revenues
Payments received from Dutchess County were traced to the cash receipts journal, bank deposit slips, bank statements and detail ledger. Deposits were made in a timely manner.

School District revenue was reviewed. Revenue was received from several participating school districts. Letters of agreement were executed between Council and the school district to provide a Student Assistant Counselor in each school. Each school pays an established fee to Council to help fund the counselor’s salary. Agreements amounting to $239,227.00 in revenue were reviewed.

Expenses
Personnel Services
Council’s personnel service W-2s amounted to $599,625.00. Salaries allocated to Council’s various programs were compared to the agency W-2s. No discrepancies were noted.

Fringe Benefits/Payroll tax
The detail ledger reported a total of $125,130.00 expensed in payroll taxes and fringe benefits. A detail of payments and wire transfers was reviewed. The Council paid these expenses properly.

Consultants
A total of $26,546.62 was reported paid to consultants and $2,175.00 was paid to presenters by Council. A sample of payments and 1099’s was reviewed. 1099’s were issued properly. No discrepancies were found.

Rent
Council’s rental agreement was reviewed. The agreement is in the amount of $33,072.00 per year for the term 3/1/05 – 2/28/10. No discrepancies were found. Rental expense allocated to the School Based Prevention program on the CFR amounted to $18,632.00.

Internal Controls
Processes for the following were reviewed:

Petty Cash- Council maintains a petty cash of $100.00. The petty cash was counted during the audit and no discrepancies were found.

Credit Cards- Council has approximately 8 credit cards; most are for local stores. These cards are set up with Council’s sales tax exempt number. Procedures for use, invoice documentation and the monthly statements were reviewed. These cards are properly locked in a secure place, each card is signed out by the individual and charges are approved prior to expenditure by the Executive Director. Statements reviewed were paid on time and in full on a monthly basis.

3 Arlington; Dover; Hyde Park; Millbrook; Red Hook; Rhinebeck; Wappingers
Inventory – Council maintains a proper inventory listing. All pertinent information is supplied on the inventory listing such as: funding source, location, cost of item. Inventory items are identified with color coded tags indicating funding source. No discrepancies were found.

Bank Statements: Deposits, canceled checks, voided checks and bank reconciliations were reviewed. Monies received from Dutchess County were deposited timely. Voided checks are kept on file and monthly bank reconciliations are completed and reviewed by the Executive Director. Canceled checks are no longer provided by the Council’s banking institution as of 2006. Computerized check stubs are attached to original invoices and compared to the bank statement payment. No discrepancies were noted.

Separation of Duties - Recommendation: Since Council’s fiscal office is comprised of one person, there may be occasions when the fiscal coordinator’s duties are not sufficiently separated for internal control purposes. Council must strive to separate the receipting, depositing, disbursing, and reconciling of funds at all times.

Diane Jablonski, Comptroller

Carol Doyle, Auditor
August 17, 2006

Mrs. Diane Jablonski  
Comptroller  
Office of the Comptroller  
Dutchess County  
22 Market Street  
Poughkeepsie, New York 12601  

Dear Mrs. Jablonski:

Thank you for coming today to our offices to review the audit report with Susan Donovan and me. As you suggested, we would like to recommend a few changes be incorporated into this report.

We are in the process of waiting for the revised contract from the Department of Mental Hygiene to reflect the additional $2,542.00 to be reimbursed to the Council for moving expenses incurred from our moving our offices to our present location. As soon as we receive it, we will sign and forward it on to the appropriate department. We understand that a revised 2005 CFR needs to be completed taking into account this additional funding. This has already been completed and sent to Mr. Gerald Brisley.

Per your instructions, we have revised our 2005 CFR to include all school based income and expenses. These figures in the revised 2005 CFR correspond to the figures contained in the audit report. Attached please find a copy of that report. The original will be submitted to Mr. Gerald Brisley under separate cover.

On the STOP-DWI contract, the audit states that STOP DWI pays for a full-time educator. Please be advised that the STOP-DWI money only pays for a portion of the educator’s salary.

We understand that it is important to separate the duties of our fiscal department. As per your suggestion, we will train a staff member to handle the duties of the fiscal coordinator should she be unavailable. Our finance committee will review bank statements monthly, as well as, open bank statements and reconcile them periodically.
We will continue to work with our accounting firm to put additional internal controls in that department. If you have any additional suggestions, please let us know.

It was a pleasure working with you and your audit team.

Sincerely,

[Signature]

Judith H. James
Executive Director
August 17, 2006

Ms. Judith James, Executive Director
Dutchess County Council on Alcoholism & Chemical Dependency, Inc.
80 Washington Street, Suite 310
Poughkeepsie, NY 12601

Dear Ms. James:

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical Dependency, Inc. for the period January 1, 2005 to December 31, 2005. A copy of our draft report is enclosed for your information and comment.

The audit is scheduled for release August 31, 2006. Responses received prior to that date will be included in the report.

If there are any questions concerning anything contained herein, please feel free to contact this office at any time.

Thank you for the courtesy and cooperation you and your staff extended to the audit team.

Diane Jablonski
Comptroller
August 23, 2006

William R. Steinhaus, County Executive
Dutchess County Executive’s Office
22 Market Street
Poughkeepsie, NY 12601

Dear Mr. Steinhaus:

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical Dependency, Inc. for the time period January 1, 2005 to December 31, 2005. Response comments from Ms. Judith James, Executive Director are attached.

This report is sent to you in compliance with section 20.02 of the county charter. If there are any questions, please feel free to contact this office.

Very truly yours,

[Signature]

Diane Jablonski
Comptroller
Office of the Comptroller
Dutchess County
22 Market Street
POUGHKEEPSIE, N. Y. 12601
(845) 486-2050
FAX (845) 486-2055
E-MAIL: comptroller@co.dutchess.ny.us

Diane Jablonski
Comptroller

Stephanie Bosco-Ruggiero
Deputy Comptroller

August 23, 2006

Dutchess County Legislature
22 Market Street
Poughkeepsie, NY 12601

Ladies and Gentlemen:

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical Dependency, Inc. for the time period January 1, 2005 to December 31, 2005. Response comments from Ms. Judith James, Executive Director are attached.

This report is sent to you in compliance with section 20.02 of the county charter. If there are any questions, please feel free to contact this office.

Very truly yours,

Diane Jablonski
Comptroller
Ms. Valerie Sommerville, Budget Director  
Dutchess County Budget Office  
22 Market Street  
Poughkeepsie, NY 12601

Dear Ms. Sommerville:

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical Dependency, Inc. for the time period January 1, 2005 to December 31, 2005. Response comments from Ms. Judith James, Executive Director are attached.

This report is sent to you in compliance with section 20.02 of the county charter. If there are any questions, please feel free to contact this office.

Very truly yours,

Diane Jablonski  
Comptroller
August 23, 2006

Ms. Pamela Barrack, Commissioner
Dutchess County Department of Finance
22 Market Street
Poughkeepsie, NY 12601

Dear Ms. Barrack:

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical Dependency, Inc. for the time period January 1, 2005 to December 31, 2005. Response comments from Ms. Judith James, Executive Director are attached.

This report is sent to you in compliance with section 20.02 of the county charter. If there are any questions, please feel free to contact this office.

Very truly yours,

Diane Jablonski
Comptroller
Office of the Comptroller  
Dutchess County  
22 Market Street  
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Diane Jablonski  
Comptroller  

Stephanie Bosco-Ruggiero  
Deputy Comptroller  

August 23, 2006  

Dr. Michael Caldwell, MD MPH, Commissioner  
Dutchess County Department of Health  
387 Main Street  
Poughkeepsie, NY 12601  

Dear Dr. Caldwell:  

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical Dependency, Inc. for the time period January 1, 2005 to December 31, 2005. Response comments from Ms. Judith James, Executive Director are attached.  

If there are any questions, please feel free to contact this office.  

Very truly yours,  

Diane Jablonski  
Comptroller
Office of the Comptroller  
Dutchess County  
22 Market Street  
Poughkeepsie, N. Y. 12601  
(845) 486-2050  
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Diane Jablonski  
Comptroller  

Stephanie Bosco-Ruggiero  
Deputy Comptroller  

August 23, 2006  

Dr. Kenneth Glatt, Commissioner  
Dutchess County Department of Mental Hygiene  
230 North Road  
Poughkeepsie, NY  12601  

Dear Dr. Glatt:  

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical Dependency, Inc. for the time period January 1, 2005 to December 31, 2005. Response comments from Ms. Judith James, Executive Director are attached.  

If there are any questions, please feel free to contact this office.  

Very truly yours,  

[Signature]  
Diane Jablonski  
Comptroller
Office of the Comptroller
Dutchess County
22 Market Street
Poughkeepsie, N. Y. 12601
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Diane Jablonski
Comptroller

Stephanie Bosco-Ruggiero
Deputy Comptroller

August 23, 2006

Mr. Roger P. Akeley, Commissioner
Dutchess County Department Planning & Community Development
27 High Street
Poughkeepsie, NY 12601

Dear Mr. Akeley:

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical Dependency, Inc. for the time period January 1, 2005 to December 31, 2005. Response comments from Ms. Judith James, Executive Director are attached.

If there are any questions, please feel free to contact this office.

Very truly yours,

[Signature]
Diane Jablonski
Comptroller
Office of the Comptroller  
Dutchess County  
22 Market Street  
Poughkeepsie, N.Y. 12601  
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Diane Jablonski  
Comptroller

Stephanie Bosco-Ruggiero  
Deputy Comptroller

August 23, 2006

Mr. William Johnson, Administrator  
Dutchess County Stop-DWI  
230 North Road, Room C-8  
Poughkeepsie, NY 12601

Dear Mr. Johnson:

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical Dependency, Inc. for the time period January 1, 2005 to December 31, 2005. Response comments from Ms. Judith James, Executive Director are attached.

If there are any questions, please feel free to contact this office.

Very truly yours,

Diane Jablonski  
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Dutchess County
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Diane Jablonski
Comptroller

Stephanie Bosco-Ruggiero
Deputy Comptroller

August 23, 2006

Ms. Judith James, Executive Director
Dutchess County Council on Alcoholism & Chemical Dependency, Inc.
80 Washington Street, Suite 103
Poughkeepsie, NY 12601

Dear Ms. James:

We conducted an audit of the Dutchess County Council on Alcoholism & Chemical
Dependency, Inc. for the time period January 1, 2005 to December 31, 2005.

This report along with your response has been sent to the County Executive
and the County Legislature.

Thank you for your courtesy and cooperation.

Very truly yours,

Diane Jablonski
Comptroller