

Audit Report

Dutchess County Division of Aging Services

January 1, 2011 – March 31, 2012

Table of Contents

Comptroller's Summary.....	3
Organization	3
Audit Scope.....	3
Summary of Findings	3
State and Federal Revenues	4
Other Revenue Contracts	6

Comptroller's Summary

Organization

The Dutchess County Division of Aging Services/Dutchess NY Connects plans, coordinates and provides community based services to the elderly. Dutchess NY Connects is the long term care service division. Additional information and available services can be found at the County's website: www.dutchessny.gov.

Audit Scope

The audit was performed for the period January 1, 2011 to March 31, 2012 to review the department's processes for claiming and receipting revenue. The total revenues and expenditures for 2011 were as follows:

	Revenues	Expenditures
Office for the Aging	\$2,886,369.55	\$3,716,893.43
Senior Citizen Services Reserve – <i>Funded by Donations</i> ¹	4,128.30	13,136.70
Dutchess NY Connects	<u>1,793,046.31</u>	<u>1,948,157.60</u>
	\$4,683,544.16	\$5,678,187.73

¹ The total donation revenue collected amounted to \$19,128.30. Picnics, Celebration of Aging and Prom monies were withdrawn leaving a total of \$4,128.30 in contributions.

Federal and State Revenues totaled \$2,360,351.79 for 2011.

The review included the following:

- Departmental processes and procedures
- NYS and Federal grant claims and supporting expense documentation
- Financial spreadsheets prepared by the department and county financial records
- Revenue contracts

Note: The Business Manager position was vacated during this audit; however, the Acting Commissioner of Aging, Veterans and Youth Services, the Acting Director of Aging Services and three accounting clerks assisted in obtaining the available information.

Summary of Findings

- State and Federal claims were filed for 2011 and 2012 with the following exceptions: in some cases documentation for line item expenses did not agree with the actual periodic claims resulting in an incomplete audit trail.
- A revenue contract was not formally extended for 2011 and 2012; however, services continued and revenues were collected.

State and Federal Revenues

	Description	*Expense claimed	Funding Amount
NY State Funding			
EISEP- Expanded In-Home Services for the Elderly Program (4/1/11 - 3/31/12)	Personal Care, In home Services, Adult day, case management, emergency response - Aging Serv	\$838,776.01	\$623,122.00
EISEP- Expanded In-Home Services for the Elderly Program (4/1/11 - 3/31/12)	Personal Care, In home Services, Adult day, case management, emergency response-NY Connects	68,500.00	68,500.00
SNAP - Supplemental Nutrition Assistance Program (4/1/11-3/31/12)	Home Delivered Meals & other	264,382.00	264,382.00
CSE - Community Services for the Elderly Program (4/1/11-3/31/12)	Home delivered Meals, Transportation, senior center	378,702.00	295,191.00
CSI- Congregate Services Initiative Program (4/1/11-3/31/12)	Health Promotion	8,096.00	5,591.00
AAA Transportation (4/1/11-3/31/12)	Transportation Program	13,118.00	11,806.00
Point Of Entry (POE) (10/1/10-9/30/11)	Single point where seniors/disabled have access to care - Aging Services	31,973.80	31,973.80
Point Of Entry (POE) (10/1/10-9/30/11)	Single point where seniors/disabled have access to care - NY Connects	32,503.20	32,503.20
HIICAP (State & Federal Funding) (4/1/11-3/31/12)	Health Insurance, Counseling and Assistance program	13,901.00	13,901.00
Federal Funding			
Title IIIB (1/1/11-12/31/11)	Legal assistance, transportation, outreach	\$328,102.61	\$279,313.00
Title IIID (1/1/11-12/31/11)	Disease Prevention/Health program	16,680.01	15,012.00
Title III C-1 (1/1/11 - 12/31/11)	Congregate Meals	199,463.35	179,517.00
Title III C-2 (1/1/11-12/31/11)	Home delivered meals, nutrition counseling/education	233,703.35	210,333.00
Title III E (1/1/11-12/31/11)	Personal care, adult day, case mgmt, emergency response, info	157,594.74	118,196.04
CLP (9/30/10-3/31/12)	Community Living Program	33,914.24	33,914.74
HIICAP (State & Federal Funding) (4/1/11-3/31/12)	Health Insurance, Counseling and Assistance program	23,558.00	23,558.00
NSIP (10/1/10-9/30/11)	Nutrition Services Incentive Program- Meals	94,368.34	94,368.34
WRAP (4/1/11-3/31/12)	Weatherization Referral and packaging program	37,032.67	37,032.67
MIPPA Medicare Improvements for Patients & Providers Act (6/1/10 - 5/31/11)	Prescription drug aid for low income Medicare seniors	6,293.00	6,293.00
MIPPA/ADRC/SHIP (9/30/10-9/29/11)	Prescription drugs, resource center, health insurance program	15,844.00	15,844.00
	Total Expense/ Revenue	\$2,796,506.32	\$2,360,351.79

*Additional local share and program income was received for programs.

Federal Funding	\$1,013,381.79
New York State	1,346,970.00
Total	\$2,360,351.79

Excel software is used to maintain expense allocation spreadsheets to document payroll and operational expenses. The Business Manager prepares the claims and reconciles the claim budgets to maximize funding. In most cases, program expenses can be transferred between State and Federal grants in order to claim the maximum funding.

Observations:

- Aging Services had written policies and procedures for claiming and receipting.
- Grant claims were maximized in full. Receipts were reconciled to the County financial system.
- Aging Services records were found in good order.
- Weatherization Referral and Packaging Program (WRAP) ended March, 2012.
- Congregate Services Initiative Program (CSI) was budgeted for \$15,040 but the state capped the funding in 2011 to \$5,591, reducing the original funding.
- During the audit the Business Manager (claiming position) was vacant. Prior to the vacancy the Business Manager filed the first quarter claim for 2012. NYS notified Aging Services of discrepancies in the budgeted categories of the claim and other revenue reporting and returned the claim for correction. *Aging Services requested a former employee to return temporarily to correct the 2012 first quarter claim.*
- Two grants were not claimed in full:
 - Title III-E Elder day care - The approved budget amounted to \$165,374 with a total of \$157,594.74 expended. According to Aging Services, NYS allows this grant to carry over into the next grant period.
 - CLP - Community Living Program – This program provides special equipment such as lift chairs for the elderly. Funds were not expended due to grant restrictions. The grant was awarded for a total amount of \$66,667 and \$33,915 was expended. This grant was extended to September 29, 2012.

Findings:

- The salary and operational expense spreadsheets did not contain the approved grant budgets which would assist in monitoring expenses day to day rather than quarterly.
- Some expense spreadsheets did not total.
- The first quarter 2012 claim was returned for correction as noted above.
- Supervisory review of supporting documentation, specifically spreadsheets, was not evidenced.
- As noted in the last audit, the county financial system is not utilized to streamline the tracking of expenses allocated. As previously noted, expenses are maintained on Excel spreadsheets.

Recommendations:

- Monitoring and communication between staff should be enhanced. Internal Excel spreadsheets should consist of approved 'budget expense' by program and a 'total expensed' quarterly. Budget discrepancies would be identified and adjusted prior to the end of the grant period.
- All expense spreadsheets should be cross footed and totaled.
- Expenses for 2012 were not originally reconciled: However, this was completed in 2012 by the temporary employee.

- Procedures should include a formalized review by supervisory management and attestation of the review.
- To prevent errors and increase efficiencies in claiming, processes should be reviewed for streamlining. The County's accounting software system should be utilized for contract/project accounting to allow for constant budget monitoring.

Other Revenue Contracts

Elant of Fishkill, Inc.

The purpose of this contract was for Aging Services to provide Home delivered and congregate meals to Elant of Fishkill, Inc. formally Fishkill Health related Center, Inc. at a rate of \$7/\$6 per meal. In 2011, a total of \$130,879 was billed and received.

Findings:

- This contract expired December 31, 2010 and has not been renewed. Elant continues to use this service and Aging Services collects the revenue to date. *We were notified the contract was in the process of being extended.*
- Aging Services did not accrue \$12,074 in 2010; as a result November 2010 revenue received was recorded as 2011 revenue.

Recommendations:

- Aging Services should ensure all contracts are current.
- Revenue should be accrued at year end in order to credit monies to the appropriate year.

DSS contract #10-0409 Home Energy Assistance Program

This contract was written for the period September 1, 2010 – August 31, 2011 in the amount of \$73,293. Aging Services provided outreach, certification and ongoing support of the Home Energy Assistance Program (HEAP) for low income residents. Aging Services billed DSS and the total amount of the contract was paid.

Finding:

- Reimbursement for the period 10/10 – 12/10 in the amount of \$20,609.45 was claimed late and not posted to the revenue account until July 2011.

Recommendation:

- Aging Services should develop a system to track revenue claims to ensure all claims are made timely and receipt of payments are recorded in the year they were incurred.

DSS contract #11-0518 Home Energy Assistance Program

This contract was written for the period August 31, 2011 – August 31, 2012 in the amount of \$81,272. Aging Services provides outreach, certification and ongoing support of the Home Energy Assistance Program (HEAP) for low income residents and bills the Dutchess County Department of Social Services (DSS) for this purpose. In 2011, DSS paid a total of \$34,826.35.

DSS contract #08-0255 Dutchess NY Connects

This contract was written for the period January 1, 2011 to December 31, 2011 in the amount of \$1,939,910. It provided for the operation of Dutchess NY Connects, the long term care service division. Funds provided information, a single point of entry for screening and assistance, nursing and case management services and Medicaid Administration. A total of \$1,853,213.46 was paid on this contract.

Observation:

- During 2011, Aging Services stopped claiming funds for the Single Point of Entry component of the DSS contract. This service is now claimed directly to NYS.

DSS contract #08-0259-Medical Assistance Outreach

This contract was written for the period January 1, 2011 to December 31, 2011 in the amount of \$122,966. It provided for Aging Services to operate a Medical Assistance application Outreach Program on behalf of DSS. The full amount of the contract was claimed and paid.

Aging Services contract #11-0582 MVP Cost Share

This contract was written for the period August 1, 2011 – open. It provided nursing assessments (NY Connects) for personal care services for Medicaid eligible clients at a rate of \$200 per visit. In 2011, a total of \$2,400 was billed and received.