

Audit Report

The Astor Services for Children and Families

Comptroller's Summary

It is critical, not just to Astor, but to all contract agencies for which Dutchess County is a net deficit provider to maximize revenues from alternate sources. This will alleviate the growing strain on the fiscal health of the County. Astor receives over \$2 million County dollars through direct funding and Medicaid. Seeking additional third party funding is both beneficial and in accord with contractual obligations.

Organization/Background

The Astor Services for Children and Families is a child care agency providing residential and community-based services for children and adolescents who are experiencing difficulty at home, in school or in the community. Dutchess County contracted for residential, community and home based services. In addition the county purchased Preschool Special Education services pursuant to Section 4410 of the Education Law to young children with disabilities. Additional information is on their website: www.Astorservices.org.

Audit Scope and Objective

An audit was performed for the period January 1, 2008 through June 30, 2009. During the audited time period, \$5,873,002.85 was provided through Dutchess County contracts. From these contracts approximately \$1,731,227.42 was provided from Dutchess County funds; \$2,989,814.14 from New York State and \$1,151,961.29 in Federal pass-through funding. In addition, Astor reported \$1,932,459.00 in Medicaid funding on County funded programs. Generally Medicaid funding is comprised of 50% Federal, 25% County and 25% State tax dollars. Contracts were administered by the following Departments: Social Services, Office of Probation and Community Corrections, Youth Bureau, Health – Pre-School Special Education and Mental Hygiene. Addendum I details funding by contract and source.

The audit scope included a review of:

- Accounting processes and internal controls
- 2008 contracts and claims
- 2007 - 2009 NYS Consolidated Fiscal Reports (CFR) for Mental Hygiene and the Health Department Pre-School Programs

Summary of Findings

- Claiming procedures and records for county funded programs were in good order.
- Banking procedures should be improved; specifically management review of bank reconciliations and stale dated check handling.
- Specific contract findings:
 - Additional revenue for contract #06-0604 should be pursued.
 - Repayment to the Dutchess County Health Department in the amount of \$7,053.08 is due for contract #04-0457.

- A total of \$243,913.00 is due from DCDMH to Astor based on the NYS 2007 and 2008 Mental Hygiene close-outs.

Detail Findings

Control Activities

Payroll

Astor's payroll is automated. The agency's 2008 W-3 salaries were reported as \$25,040,296.40. Astor's program salary allocation schedule, employee W-2's, payroll tax forms- Federal 941 and NYS-45 were reviewed. No discrepancies were found. Employees use swipe cards to record their time worked. Managers manually adjust time in, time out when needed. The system has levels of approvals before actual time is paid.

Finding:

- One employee's time was continuously paid from manual entries. It was stated his swipe card did not work. *During the audit this employee was issued a new swipe card.*

Recommendation:

- Additional oversight should be exercised to ensure payroll discrepancies are promptly rectified.

Bank Statements and Reconciliations

Bank statements were reviewed for the agency's operating, payroll and wrap around/petty cash checking accounts. These statements were reconciled to date.

Findings:

- There was no indication of management oversight over bank accounts and reconciliations.
- Bank reconciliations carried stale dated checks from 2006.

Recommendations:

- Bank reconciliations should be periodically reviewed and initialed attesting to the review.
- The processes for handling stale dated checks should be followed.

Accounts Receivable

Astor's 2010 aging schedule of accounts receivable was reviewed with a concentration on DSS Medicaid, Health Department Pre-School funding and Mental Hygiene's outstanding accounts receivable. These schedules were compared to Astor's processes of collection and write-offs. The majority of accounts receivable were comprised of 2009/2010 receivables. The oldest receivable from 2007/2008 was clearly documented by the employee and no discrepancies were found.

Wrap Around Funding

There was approximately \$82,551.00 claimed to the Mental Hygiene and DSS programs for Wrap around flexible funding dollars which can be used for participants in an emergency/demand basis. Funds were used for emergency rent, utility payments, transportation, work clothes, entertainment, etc. Astor's policies were reviewed in addition to the supporting payment documentation and approvals. The wrap around money is managed at a site in Poughkeepsie while the bank reconciliation is completed at the administration office in Rhinebeck. This

account also contains the agency's petty cash funds. Debit cards and checks are used to disburse funds.

Findings:

- Guidelines for the wrap around program were available; however, the policies did not indicate detailed procedures for fund requests, approvals and check writing practices. *During the audit, processes were written.*
- The same individual who writes and signs checks for all sites also wrote and signed checks to herself. This practice does not allow for a proper separation of duties and oversight.

Recommendations:

- Written policies for the approval and distribution of wrap around funds should continue to be maintained.
- For proper separation of duties, no individual should be allowed to write and sign checks to themselves.

Claims and Contract review

Addendum II includes a summary of each contract Astor had with Dutchess County for the audit period. The following contracts had specific findings:

Department of Social Services

Contract #06-0604

Finding:

- Families of youth receiving Social Services benefits such as Social Security Insurance (SSI) may contribute to Astor a Nominal Amount Monetary Income (NAMI) fee. Astor reported they did not consistently collect these NAMI's. According to Astor, this revenue can range from \$5,000 to \$6,000 a year. In 2008, Astor collected \$1,500.00.

Recommendation:

- Astor should strive to capture all revenue it is entitled to.

Contract #05-0482-A-5

Observation:

- This contract's revenue exceeded expenses by \$63,115.00. Per diem rates are set by NYS. DSS should analyze the need for the required 10 beds to determine the necessity of payment for excess beds.

Dutchess County Health Department- Transportation and Education
Pre-School Programs

Contract #04-0457

Finding:

- During the audit, the Health Department received a rate adjustment for the school year 2008/2009 which resulted in \$7,053.08 due back to Dutchess County.

Recommendation:

- A check for \$7,053.08 should be submitted to the Health Department.

Department of Mental Hygiene

Contract #07-0279- A1

Findings:

Based on the most recent NYS and Federal funding letters dated 5/4/09:

- Astor is due \$142,292.00 for 2008 which is predominately NYS pass through funding. Prior to payment, the contract needs to be amended from \$944,449.00 to \$969,547.00 to reflect the additional state aid.
- Astor is due \$101,621.00 for 2007 based on DCDMH's tentative close-out.

Recommendations:

- Funding close-outs for 2007 and 2008 should be processed.

Astor reported 20,258 sessions delivered from the counseling centers. The average cost per session was \$60.15.

Addendum I

Department	Contract #	Dutchess County	New York State	Federal	Total Paid
Dept of Social Services	#05-0256			\$179,779.00	\$179,779.00
Dept of Social Services	#05-0513	\$36,779.00	\$36,779.00		\$73,558.00
Dept of Social Services	#05-0482	578,508.00	578,508.00		\$1,157,016.00
Dept of Social Services	#06-0604	303,117.99	303,117.99	606,235.99	\$1,212,471.97
Dept of Social Services	#06-0445			75,000.00	\$75,000.00
Dept of Social Services	#06-0190			177,249.00	\$177,249.00
Dept of Social Services	#08-0252			69,671.00	\$69,671.00
Office of Probation and Community Corrections	#07-0079	21,631.25	21,631.25	43,262.50	\$86,525.00
Office of Probation and Community Corrections	#08-0300		107,893.00		\$107,893.00
Dutchess County Youth Bureau	#96-0097	551.18	381.90	763.80	\$1,696.88
Dutchess County Youth Bureau	#08-0087		9,990.00		\$9,990.00
Dutchess County Youth Bureau	#08-0125	1,000.00			\$1,000.00
Dutchess County Health Dept- Pre School	#04-0457	628,758.00	923,730.00		\$1,552,488.00
Department of Mental Hygiene	#07-0605		199,118.00		\$199,118.00
Department of Mental Hygiene	#07-0279	160,882.00	808,665.00		\$969,547.00
Total Funded		<u>\$1,731,227.42</u>	<u>\$2,989,814.14</u>	<u>\$1,151,961.29</u>	<u>\$5,873,002.85</u>

Addendum II

Additional Contract Review

Department of Social Services

Contract #05-0256- This contract was written for the period January 1, 2008 to December 31, 2008 in the amount of \$179,779.00. The purpose of this contract was to provide intensive home based family preservation services to families who are at risk of placing children in foster care. Family training, therapy and behavior modification was provided. A total of \$179,779.00 was claimed and paid as follows:

Revenue	Budget	Actual
Government Contract	\$179,779.00	\$179,779.00
Donated Services		627.00
Total Revenue	\$179,779.00	\$180,406.00
Expenses		
Salary/Fringe	\$146,842.00	\$139,477.00
Donated Services		627.00
Depreciation		1,560.00
Admin Expense		14,151.00
Other	32,937.00	26,504.00
Total Expense	\$179,779.00	\$182,319.00

Astor reported 10 families were served for a total of 483 visits. Each visit cost an average of \$377.47.

Contract #05-0513 - This contract was written for the period January 1, 2008 – December 31, 2008 in the amount of \$73,558.00. The purpose of this contract is to provide a placement coordinator to secure beds in detention facilities for youth remanded to care. A total of \$73,558.00 was claimed and paid as follows.

Revenue	Budget	Actual
Government Contract	\$73,558.00	\$73,559.00
Donated Services		255.00
Total Revenue	\$73,558.00	\$73,814.00
Expenses		
Salary/Fringe	\$61,114.00	59,372.00
Donated Services		255.00
Admin Expense		5,735.00
Other	12,444.00	9,034.00
Total Expense	\$73,558.00	\$74,396.00

Astor reported 24 youth were served. The average cost per youth was \$3,099.83.

Contract #05-0482-A-5 – This contract was written for the period January 1, 2008 – December 31, 2008 in the amount of \$1,157,016.00. The purpose of this contract was to provide non-secured detention of juveniles awaiting Family Court adjudication, disposition and placement. The County is responsible for the cost of up to 10 beds, filled and vacant. Claims were based on a New York State per diem rate of \$291.00 per day in 2008. A sample of claims was reviewed and no discrepancies were found. Astor maintains three non-secured detention centers, one in Poughkeepsie and two in Middletown, NY. Below is the reported revenue and expense of the entire program for twelve months ending June 30, 2009. A total of \$1,157,016.00 was claimed and paid on this contract.

Revenue	Actual
Government Contracts	\$2,697,421.00
Misc Income	1,900.00
Donated Services	8,994.00
Tuition	29,662.00
Food Program	34,873.00
Total Revenue	\$2,772,850.00
Expense	
Salary/fringe	\$2,072,593.00
Donated Services	8,994.00
Depreciation	11,181.00
Admin Expense	203,926.00
Other	413,041.00
Total Expense	\$2,709,735.00
Revenue over Expense	\$63,115.00

See Addendum III for statistics reported by DSS

Contract #06-0190-A-3 - This contract was for the period January 1, 2008 – December 31, 2008 in the amount of \$177,249.00. The purpose of this contract was to conduct an aftercare program for youth and their families when youth are returned home from residential placement. A total of \$177,249.00 was claimed and paid as follows:

Revenue	Budget	Actual
Government Contracts	\$197,214.00	*\$197,323.00
Donated Services		640.00
Misc Income		15.00
Total Revenue	\$197,214.00	\$197,978.00
Expenses		
Salary	\$130,221.00	\$131,615.00
Donated Services		640.00
Depreciation		1,824.00
Admin Expense		14,406.00
Other	66,993.00	49,840.00
Total Expenses	\$197,214.00	\$198,325.00

* County and NYS Office of Mental Health

Astor reported 154 youth and families served. The average cost per youth/family was \$1,287.82.

Contract #06-0604 – This contract was written for the period July 1, 2007 – June 30, 2008 and July 1, 2008 – June 30, 2009 in the amounts of \$1,300,000.00 and \$1,500,000.00 respectively. The purpose of this contract was to provide temporary residential placement and treatment for youth only when separation of the child and family is considered essential. This contract is paid based on medical per diem rates set by NYS Department of Mental Health. In 2008, the residential rate was \$435.85/day. Funds were provided for the following:

Program		Amount
Residential treatment facility	24 hour care to provide fully-integrated mental health treatment services to seriously emotionally disturbed youth between the ages of five & 12 years of age.	\$617,906.38
Residential treatment center	24 hour care and treatment. Provides the residential & recreational component to support the educational & medical needs of youth between the ages of five & 12 years of age.	
Astor learning center	Psycho, Social, specialized education and child care	\$266,500.14
Family based treatment program	Provide Mental Health treatment in a family based environment	\$328,065.45
Therapeutic foster boarding home program	Provide Mental Health treatment in foster care home environment	
Total		<u>\$1,212,471.97</u>

In 2008 a total of \$1,212,471.97 was claimed and paid for Dutchess County youth and is reflected in the chart below as Medicaid revenue. The revenue and expenses reported below includes youth from other counties in the residence. The total maximum number of youth at the residence is 75.

Revenue	
Medicaid	\$3,080,401.00
Food (FDA)	23,999.00
Donated Service	19,637.00
Private Fees	3,500.00
Astor Foundation	18,934.00
Total Revenue	<u>\$3,146,471.00</u>
Expenses	
Salary/fringe	\$2,068,206.00
Donated Services	19,637.00
Depreciation	22,037.00
Admin Expense	247,317.00
Other	809,156.00
Total Expenses	<u>\$3,166,353.00</u>

The 2008 Medicaid rate for the residential treatment facility was \$460.16 per day for an average of \$167,958.00 annually per youth.

Contract #08-0252 - This contract was written for the period January 1, 2008-December 31, 2008 in the amount of \$69,671.00. The purpose of this contract was to provide treatment services for victims and offenders of sexually abused children and also for juveniles who have committed sexual offenses. A total of \$69,671.00 was claimed as follows:

Revenue	Actual
Government Contracts	\$68,978.00
Rental Income	1,696.00
Catholic Charities	15,000.00
Grant Income	36,495.00
Other Income	152.00
Total Revenue	\$122,321.00

Astor reported 223 youth served. A total of \$69,671.00 was paid on this contract: \$68,978.00 paid in 2008 and \$693.00 paid in 2009. This program is included in the Mental Hygiene CFR under the Dutchess Clinics program as applied income.

Contract #06-0445 - This contract was written for the period January 1, 2008 – December 31, 2008 in the amount of \$75,000.00. The purpose of this contract was to conduct an Early Childhood Coordinated Services Initiative program. This program is designed to coordinate services for children (newborn – 5 years old) who are at risk for foster care placement as a result of abuse and maltreatment. A total of \$75,000.00 was claimed and paid as follows:

Revenue	Budget	Actual
Government Contract	\$75,000.00	\$75,000.00
Donated Services		505.00
Misc. Income		45,000.00
United Way		12,686.00
Total Revenue	\$75,000.00	\$133,191.00
Expenses		
Salary and Fringe	\$61,824.00	\$111,597.00
Donated Services		505.00
Depreciation		228.00
Admin Expense		11,411.00
Other	13,176.00	24,978.00
Total Expense	\$75,000.00	\$148,719.00

DSS reported 55 families with 111 children served. The average cost per child was \$1,339.81.

Office of Probation and Community Corrections

Contract #07-0079 – This contract was written for the period January 1, 2008 – December 31, 2008 in the amount of \$89,636.00. The purpose of this contract is to form a Collaborative Solutions Team with the Probation Department to provide intervention with high-risk youth entering the juvenile justice system. A total of \$86,525.00 was claimed and paid on this contract as follows:

Revenue	Budget	Actual
Government Contract	\$89,636.00	\$86,525.00
Donated Services		311.00
Total Revenue	\$89,636.00	\$86,836.00
Expenses		
Salary and Fringe	\$83,191.00	\$78,303.00
Donated Service		311.00
Admin Expense		6,996.00
Other	6,445.00	2,836.00
Total Expense	\$89,636.00	\$88,446.00

A total of 538 youth were reported served at an average cost of \$164.40 per youth.

Contract #08-0300 – This contract was written for the period January 1, 2008 – December 31, 2008 in the amount of \$129,500.00. The purpose of this contract was to provide a Licensed Clinical Social Worker to work with Probation Officers for vocational education referrals and summer employment programs for high risk youth. A total of \$107,893.00 was claimed and paid as follows:

Revenue	Budget	Actual
Government Contract	\$129,500.00	*\$106,233.00
Medicaid		136,893.00
DSS Fees		69,750.00
Private Fees		11,112.00
Donated Services		1,129.00
Total Revenue	\$129,500.00	\$325,117.00
Expenses		
Salary and Fringe	\$56,000.00	\$254,521.00
Equipment/Supplies	2,840.00	2,933.00
Functional Family Therapy Training	50,000.00	22,335.00
Wrap Around	17,400.00	0
Donated Services		1,129.00
Depreciation		2,412.00
Admin Expense		25,407.00
Other	3,260.00	16,269.00
Total Expense	\$129,500.00	\$325,006.00

*\$106,233.00 was paid in 2008 and \$1,660.00 was paid in 2009

Astor reported 20 Dutchess County youth served. The average cost per youth was \$5,394.65.

Department of Mental Hygiene

Contract #07-0279- A1 This contract was written for the period January 1, 2008 – December 31, 2008 in the amount of \$944,449.00. Funding is provided through the New York State Office of Mental Health (OMH) and the New York State Office of Alcoholism and Substance Abuse Services (OASAS). The CFR report was compared to Astor’s general ledger.

Programs provided for the following:

- Dutchess Clinics (3)
- Case Management Mobile Crisis
- Pre-Admission Screening
- Vocational Case Management
- Adolescent Day Treatment
- Home Base Crisis Intervention
- Single Point of Accessibility

Astor reported a total of \$1,263,426.00 in net deficit funding required for the above programs. *Net deficit funding for this contract refers to NYS and County funding as shown below.*

	Approved Funding 5/4/09 2008	Funding based on CFR 2008	Approved Funding 2007	Funding based on CFR 2007
OMH	\$747,651.00	\$727,605.00	\$705,973.00	\$632,586.00
OASAS	83,007.00	81,060.00	80,606.00	80,606.00
County funding	<u>160,882.00</u>	<u>160,882.00</u>	<u>159,468.00</u>	<u>147,328.00</u>
	<u>\$991,540.00</u>	<u>\$969,547.00</u>	<u>\$946,047.00</u>	<u>\$860,520.00</u>
Contract amount paid to date		<u>(\$827,255.00)</u>		<u>(\$758,899.00)</u>
Due to(from) Astor		<u>\$142,292.00</u>		<u>\$101,621.00</u>

2007 tentative close-out is un-audited and provided by the Department of Mental Hygiene.

Contract #07-0605- This contract was written for the period January 1, 2008 – December 31, 2008 in the amount of \$211,500.00. The purpose of this contract was to help fund a Juvenile Justice Diversion Project. This project consisted of placing staff at the Probation offices in Poughkeepsie and Beacon in order to provide mental health and substance abuse services to youth at risk of placement. The goal was to serve 60 youth and families. A total of \$199,118.00 was claimed and paid on this contract.

Revenue	Budget	Actual
Government Contract	\$211,500.00	\$199,118.00
Local Match	43,503.00	
Medicaid		19,700.00
Insurance Fees		11,122.00
Private Fees		210.00
Other		3,360.00
Donated Services		816.00
Total Revenue	\$255,003.00	\$234,326.00
Expenses		
Salary and Fringe	\$161,504.00	\$153,930.00
Donated Services		816.00
Depreciation		537.00
Admin Expense		18,351.00
Other	93,499.00	62,590.00
Total Expense	\$255,003.00	\$236,224.00

Astor reported 61 youth served for an average cost of \$3,872.52 per youth served.

**Dutchess County Health Department- Transportation and Education
Pre-School Programs**

The consolidated fiscal report (CFR) is the NYS claiming document required to report the Astor Pre-School Program's revenue and expense.

Contract #04-0457 - This contract was written for the period July 1, 2008 – June 30, 2009 in the amount of \$1,800,000.00. The purpose was to provide pre-school special education for youth age 3-5. Integrated Classes, Special Behavioral Classes and Day Treatment are part of the mandated programs Astor provided for the County.

Below are the revenues and expenses as reported by Astor on the CFR. The Pre-School Programs are paid through the Dutchess County Health Department. The CFR dated December 3, 2009 was compared to Astor's general ledgers. The contract payments are reflected in the 4410 Pre School amount of \$1,499,813.00 below. Additional payments of \$52,675.00 for a total of \$1,552,488.00 have been paid against this contract and are reported in the 2009-2010 CFR prior year revenue.

Revenue	
Tuition/Sate SED	\$1,977,116.00
4408 Revenue School districts	320,436.00
4410 Pre School	1,499,813.00
Food Program	32,957.00
Grant Income	33,344.00
Prior Year	(9,858.00)

Total Revenue	<u>\$3,853,808.00</u>
Expenses	
Salaries/Fringe	\$3,060,416.00
Donated Services	13,157.00
Depreciation	22,395.00
Other	572,263.00
Admin Allocation	<u>299,635.00</u>
Total Expenses	<u>\$3,967,866.00</u>

The pre school program is funded 59.5% New York State and 40.5% Dutchess County. Out of the \$1,552,488.00 actually paid, Dutchess County provided \$628,758.00 in funding. Statistics provided by the Health Department of children served for 2008/2009 were as follows:

119 children were evaluated
10 children received home related services
82 children received center based services

According to the Health Department, evaluations cost an average of \$450.00 each. Home services range from \$6,000.00 - \$20,000.00 per child; and center based tuitions range up to \$30,000 per child.

Dutchess County Youth Bureau

Contract #96-0097- This contract was written for the period July 1, 2007 – August 31, 2008. The Youth Bureau sub-leased space from Astor at the Dover School in the amount of \$212.11 per month. In September 2008, the youth worker relocated to another building in Millbrook and the contract ended. A total of \$1,696.88 was paid. This program was funded by Social Services in the amount of \$1,527.60 and the balance of \$169.28 was County funded.

Contract #08-0087- This contract was written for the period January 1, 2008 - December 31, 2008 in the amount of \$9,990.00. The purpose of this contract was to provide mental health and substance abuse treatment services to the youth at the River Haven Residence, the Independent Living Program and the Transitional Living Program. The total amount of the contract was paid. This contract was 100% funded through the New York State Office of Children and Family Services. Astor reported 91 youth served.

Contract #08-0125- This contract was written for the period March 1, 2008 – December 31, 2008 in the amount of \$1,000.00. The purpose of this contract is to provide young people with workforce skills including application completion, proper attire, interview skill training, etc. A total of \$446.62 was claimed and paid on this contract. This contract was 100% County funded.

Addendum III

DSS contract 05-0482
2007/2008 reported statistics

Astor Home for Children - Non-Secure Detention

	2007	2008	Jan 2009 -July 2009 7 months
Unused Bed Days	348	670	243
Cost for Unused Beds	\$94,963	\$194,970.00	\$74,115
Total Monthly Bed Days Used	3,652	3,311	2,186
Cost for Used Beds	\$996,558	\$963,501	\$666,730
Hanford Street	838	871	782
Lent Street	1,930	1,635	745
Orchard Street	884	805	659
Total Youth	97	110	71
Total Cost for NSD Beds Used & Unused	\$1,091,521.00	\$1,158,471.00	\$740,845.00

** the cost for beds increased between 07 & 08 & 09 from \$272.88 to \$291.00 to \$305.00 per bed*