

**AUDIT REPORT**

**Astor  
Services for Children and Families**

**July 1, 2010 – June 30, 2012**

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## Comptroller's Summary

### Background

Astor Services for Children and Families (Astor) is a not-for-profit child care agency serving emotionally disturbed and mentally ill children, adolescents and their families throughout New York State. Early Childhood Development programs, Community Based Mental Health programs, Residential Treatment programs, educational and clinical services are some of the services provided to these individuals in Dutchess County. Additional information is on their website: [www.Astorservices.org](http://www.Astorservices.org).

### Audit Scope, Objective and Methodology

An audit was conducted of Astor for the period July 1, 2010 through June 30, 2012. Dutchess County contracts provided a total of \$3,861,884 in funding for calendar year 2010 and \$3,459,095 for 2011. Astor's independently audited financial statements reported revenues of \$46,915,543 for year ended June 30, 2010 and \$48,640,506 for year ended June 30, 2011; of this Medicaid revenue amounted to \$16,835,944 for 2010 and \$17,971,571 for 2011. Astor estimates approximately \$9.2 million is received from Dutchess County in Medicaid funding for 2010 and 2011; this is based on budgets. Generally, Medicaid funding is comprised of 50% federal, 25% county and 25% state tax dollars. Addendum I details funding by contract and source.

The contracts were under the auspices of the Dutchess County Departments of Mental Hygiene, Social Services, Office of Probation and Community Corrections and Health – Pre-School Special Education. Exhibit 1 is a listing of contracts, programs and funding.

### Summary of Findings

- The records reviewed for revenue, expenses and payroll were generally in good order and readily available.
- Funds due back to Dutchess County are \$14,776 per DSS contract #10-0302 for the period January 1, 2010 to December 31, 2010.
- The agency does not collect IRS Form W9 from all vendors.
- A bank account at an offsite location had the same individual write and sign checks which occasionally included the individual herself.

### Detailed Findings

#### Accounting Activities

The agency's activities for daily operations were reviewed. This included accounting procedures, separation of duties, banking, cash handling, tax reporting and claim management.

#### General Accounting and Separation of Duties

The Chief Fiscal Officer and Controller are responsible for the agency's general oversight of financial operations. Program Directors provide additional oversight. A Certified Public Accountant provided an independent audit.

#### Banking and Cash Handling

Deposits and bank reconciliations, relative to Dutchess County funding, were reviewed. Monies received from Dutchess County were deposited timely. Bank reconciliations and agency procedures for check signing were reviewed. Bank account reconciliations were up to date. The agency adhered to their check signing policy.

**Finding:**

Board members do not review bank account activity or reconciliations.

**Recommendation:**

The board should periodically and randomly review bank account activity as an additional internal control over cash. A signature of the review should be evidenced.

**Personnel Services**

Dutchess County contracts paid \$2,795,775 for salaries in 2010 and \$2,854,004 in 2011. Astor's IRS Form 941 reported Medicaid salaries of \$28,282,252 in 2010 and \$28,140,611 in 2011. Astor uses the KRONOS payroll system. Astor gave employees a one-time salary payment of \$525 on 6/30/2012, this amount was not added to employee's base salary. The salary allocation plan was reviewed and a sample tested; a sample of employee certifications was also tested. No discrepancies were noted.

**Wrap Around Funding**

In 2010 \$32,100 and \$36,106 in 2011 was claimed to the Dutchess County Mental Hygiene (DMH) programs for wrap around funding. Wrap around flexible funding dollars can be used for participants in an emergency/demand basis. Funds were used for emergency rent, utility payments, transportation, work clothes, entertainment, etc. The wrap around money is managed at a site in Poughkeepsie while the bank account 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. Written policies for the approval and distribution of wrap around funds are maintained.

**Finding:**

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.

**Recommendation:**

No individual should be allowed to write and sign checks to their self.

**IRS Form Misc1099**

A sample of vendors from whom services were purchased was reviewed for the issuance of IRS Form Misc 1099. There were no discrepancies.

**Finding:**

Astor does not collect IRS Form W9 from all vendors.

**Recommendation:**

All vendors should be required to provide an IRS Form W9 which requires the vendor to correctly indicate their tax status.

**Contract Review by Department**

**Department of Social Services**

**Contract #10-0302-** provided 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. The term of the contract was January 1, 2010 to December 31, 2010 and January 1, 2011 to December 31, 2011.

The contract provided for a per diem rate of \$110 per family per day for each day an eligible crisis services family is open to services and \$50 per family per day for each day an eligible intensive case management family is open to services. The entire amount of the contract \$179,779 for each of contract years 2010 and 2011 was claimed and paid.

Astor reported a total of 2,142 days in 2010 and 3,397 days in 2011.

**Finding:**

Per the following contract provision – "If payments exceed the actual expenditures during the term of the agreement, the amount that exceeds the expenditures will be refunded". In 2010 Astor reported a surplus of \$14,776.

**Recommendation:**

The 2010 surplus of \$14,776 should be returned to the Dutchess County Department of Social Services.

Contract #06-0190- and Contract #11-0226- provided funding for an Enhanced Coordinated Children's Services Initiative, a multi-agency project designed to create a comprehensive system of care for the early childhood population and youth who are at risk for out of home placement due to emotional or behavioral concerns. The term of contract #06-0190 was January 1, 2010 to December 31, 2010 and January 1, 2011 to December 31, 2011 for contract #11-0226.

	<u>#06-0190</u> Budget 2010	<u>#06-0190</u> Claim 2010	<u>#11-0226</u> Budget 2011	<u>#11-0226</u> Claim 2011
Personnel	\$111,983	\$111,982	\$99,235	\$99,235
Fringe Benefits	27,147	27,147	28,778	28,778
Other Non Personal Expenses	30,541	30,541	31,658	30,972
Collaboration	<u>0</u>	<u>0</u>	<u>10,000</u>	<u>2,081</u>
<b>Total</b>	<b><u>\$169,671</u></b>	<b><u>\$169,670</u></b>	<b><u>\$169,671</u></b>	<b><u>\$161,066</u></b>

Astor reported a total of 5,252 visits in 2010 and 7,418 visits in 2011. These visits are also reported in the Mental Hygiene Program- Coordinated Children's Services Initiative under Contract #07-0279 for 2010 and #11-0252 for 2011.

Contract #10-0083- provided secure detention coordination services for youth remanded to care. The term of the contract was January 1, 2010 to December 31, 2010.

	<b>Budget</b> 2010	<b>Claim</b> 2010
Personnel	\$49,544	\$43,508
Fringe Benefits	12,796	12,529
Other Non Personal Expenses	<u>11,218</u>	<u>10,542</u>
<b>Total</b>	<b><u>\$73,558</u></b>	<b><u>\$66,579</u></b>

Astor reported a total of 39 youth served in 2010.

**Contract #05-0482 & # 10-0103** was written for the period January 1, 2010 – December 31, 2010 and for the period January 1, 2011 – December 31, 2011, respectively. Dutchess County terminated this contract July 1, 2011. Astor has closed the Non Secure Detention Program. The purpose of these contracts was to provide non-secured detention of juveniles awaiting Family Court adjudication, disposition and placement. The County was responsible for the cost of up to 10 beds, filled and vacant. Claims were based on a New York State per diem rate of \$314.00 per day in 2010 and 2011. In 2010, a total of \$948,908 was paid and \$453,102 was paid through June 2011. Per Astor, from July 2009 to June 30, 2010 payment was received for 557 unused days and from July 2010 to June 30, 2011 payment was received for 487 unused days.

**Office of Probation and Community Corrections**

**Contract #07-0079** provided funding to form a Collaborative Solutions Team with the Probation Department to provide intervention with high-risk youth entering the juvenile justice system. Contract budget and claim payments are listed below. The term of the contract was January 1, 2010 to December 31, 2010 and January 1, 2011 to December 31, 2011.

	2010 Budget	2010 Claim	2011 Budget	2011 Claim
Salaries	\$64,668	\$65,039	\$63,816	\$56,868
Fringe Benefits	17,784	17,784	18,509	17,736
Other Expenses	<u>9,873</u>	<u>9,502</u>	<u>0</u>	<u>6,958</u>
<b>Total</b>	<b><u>\$92,325</u></b>	<b><u>\$92,325</u></b>	<b><u>\$82,325</u></b>	<b><u>\$81,562</u></b>

**Contract #08-0300** provided a Licensed Clinical Social Worker to work with Probation Officers for vocational education referrals and summer employment programs for high risk youth. The term of the contract was January 1, 2010 to December 31, 2010 and January 1, 2011 to December 31, 2011.

	2010 Budget	2010 Claim	2011 Budget	2011 Claim
Salaries	\$45,853	\$45,853	\$53,045	\$35,108
FB	12,610	12,610	15,383	11,266
Other Exp	<u>19,726</u>	<u>19,726</u>	<u>9,761</u>	<u>14,027</u>
<b>Total</b>	<b><u>\$78,189</u></b>	<b><u>\$78,189</u></b>	<b><u>\$78,189</u></b>	<b><u>\$60,401</u></b>

Astor reported a total of 203 visits in 2010 and 320 in 2011.

**Dutchess County Health Department- Pre-School Programs**

**Contract #09-0412** –provided for pre-school special education for youth 3-5 years of age. Integrated Classes, Special Behavioral Classes and Day Treatment are part of the mandated programs Astor provided for the County. Rates are set by the New York State Education Department.

The term of the contract was July 1, 2010 – June 30, 2011 and July 1, 2011 to June 30, 2012. Claimed amounts follow:

	2010	2011
Tuition	\$1,444,995	\$1,442,051
Evaluations	51,570	51,211
Related Services	<u>3,550</u>	<u>8,391</u>
<b>Total Claimed</b>	<b><u>\$1,500,115</u></b>	<b><u>\$1,501,653</u></b>

Below is a listing of the number of children served and the total care days. Summer school consists of 30 days during the months of July and August; the school year consists of 180 days during the months of September to June.

Description	Program	2010	2010 -2011	2011	2011 -2012
		Summer	School Year	Summer	School Year
Number of Children	Pre School Special Class	64.33	64.25	68.00	66.80
Care Days	Pre School Special Class	1,930	11,566	2,040	12,021
Number of Children	Pre School Integrated Special Class	8.53	17.44	6.33	17.31
Care Days	Pre School Integrated Special Class	256	3,136	6	3,116
	Evaluations		98		119

**Department of Mental Hygiene**  
**Contract #07-0279- A1 (2010) and Contract #11-0252 (2011)**

Funding is provided through the New York State Office of Mental Health (OMH). Exhibit 2 lists program descriptions, amounts and statistics. The contract amount for 2010 was \$802,013 and \$902,445 for 2011. The Department of Mental Hygiene has reconciled 2010 and 2011 and a final reconciling payment of \$52,081.32 has been processed. DMH actual funding for 2010 was \$638,570 and \$854,771 for 2011. Expenses for contract years 2010 and 2011 are listed below:

EXPENSES	2010 AMOUNT	2011 AMOUNT
Personal Services	\$2,443,745	\$2,598,140
Vacation Leave Accruals	9,279	6,895
Fringe Benefits	713,400	832,024
OTPS	599,646	602,778
Equipment PP	60,235	60,511
Property PP	161,928	183,283
Agency Admin	336,017	349,097
<b>Total Expenses</b>	<b><u>\$4,324,250</u></b>	<b><u>\$4,632,728</u></b>
REVENUES		
Participant Fees	\$133,021	\$150,906
Medicaid	2,144,362	2,210,967
Other third Parties	645,348	606,337
State Grants	245,161	225,971
Net Deficit Adjusted	638,570	854,771
Other	770,470	881,673
<b>Total Gross Rev</b>	<b><u>\$4,576,932</u></b>	<b><u>\$4,930,625</u></b>

Some revenue reported in the line "Other" is not required to be used to offset the operating costs of the programs in which they are reported; this accounts for revenue exceeding expenses.

**Contract #07-0605 and Contract #11-0290** - 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 term of the contracts was January 1, 2010 to December 31, 2010 for #07-0605 and January 1, 2011 to June 30, 2012 for #11-0290.

Contract # Year	07-0605 2010 Budget	07-0605 2010 Claim	11-0290 2011- June 2012 Budget	11-0290 December 2011 Expenses
Salary	\$76,263	\$86,019	\$86,191	\$64,653
Fringe Benefits	20,972	24,647	27,773	23,265
Contractual Consultant	51,000	44,333	44,968	44,968
Travel	6,030	160	1,226	720
Supplies	2,549	360	2,695	
Other Exp	<u>40,256</u>	<u>32,229</u>	<u>34,217</u>	<u>33,155</u>
<b>Total Claim</b>	<b><u>\$197,070</u></b>	<b><u>\$187,748</u></b>	<b><u>\$197,070</u></b>	<b><u>\$166,761</u></b>

In 2010, a total of \$186,321 was paid.

A payment of \$30,309 was made in July 2012 per contract for the period January – June 2012 for contract #11-0290. Astor reported 193 visits in 2010 and 288 visits in 2011.

Addendum 1

			Dutchess County	New York State	Federal	Total	Total
			2010	2010	2010	2010	2011
	2010	2011	2011	2011	2011		
<b>Health Dept- Trans &amp; Ed</b>							
Contract 09-0412 July 2010 - July 2011	\$1,500,115		\$607,547	\$892,568		\$1,500,115	
Contract 09-0412 July 2011 - June 2012		\$1,501,653	\$608,169	\$893,484			\$1,501,653
<b>Department of Social Services</b>							
Contract #10-0302	\$179,779				\$179,779	\$179,779	
Contract #10-0302		\$179,779			\$179,779		\$179,779
Contract #10-0083	\$66,579				\$66,579	\$66,579	
Contract #06-0190	\$169,671				\$169,671	\$169,671	
Contract #11-0226		\$161,066			\$161,066		\$161,066
Contract #05-0482	\$948,908				\$948,908	\$948,908	
Contract #10-0103		\$453,102			\$453,102		\$453,102
<b>Probation Department</b>							
Contract #08-0300	\$78,189			\$78,189		\$78,189	
Contract #08-0300		\$60,401		\$60,401			\$60,401
Contract #07-0079	\$92,325				\$92,325	\$92,325	
Contract #07-0079		\$81,562			\$81,562		\$81,562
<b>Mental Hygiene</b>							
Contract #07-0279	\$638,570			\$638,570		\$638,570	
Contract #11-0252		\$854,771		\$854,771			\$854,771
Contract #07-0605	\$187,748			\$187,748		\$187,748	
Contract #11-0290		\$166,761		\$166,761			\$166,761
<b>Total</b>	<b>\$3,861,884</b>	<b>\$3,459,095</b>	<b>\$1,215,716</b>	<b>\$3,772,492</b>	<b>\$2,332,771</b>	<b>\$3,861,884</b>	<b>\$3,459,095</b>

++++Funding was identified by County departments and contract information

## Exhibit 1 Contracts, Programs and Funding

		2010	2011
<b>Health Dept- Trans &amp; Ed</b>			
Contract 09-0412 July 2010-June 2011 July 2011-June 2012	Preschool Education to children with disabilities	\$1,500,115	\$1,501,653
<b>Department of Social Services</b>			
Contract #10-0302	Provide intensive home-based family preservation services	\$179,779	\$179,779
Contract #10-0083	Provide the coordination of placement of youth in detention facilities	\$66,579	
Contract #06-0190	Coordinate an enhanced Children's Services Initiative Program	\$169,671	
Contract #11-0226			\$161,066
Contract # 05-0482	Non Secure Detention Program for Youth	\$948,908	
Contract # 10-0103	Non Secure Detention Program for Youth		\$453,102
<b>Probation Department</b>			
Contract #08-0300	Provide personnel to work with Probation for education and summer employment programs	\$78,189	\$60,401
Contract #07-0079	Assessment, consultation and intervention services to youth and their families	\$92,325	\$81,562
<b>Mental Hygiene</b>			
Contract #07-0279	Alcohol and Substance Abuse Services	\$638,570	
Contract #11-0252			\$854,771
Contract #07-0605	Mental health and substance abuse assessments for juveniles	\$187,748	
Contract #11-0290		\$0	\$166,761
<b>Total</b>		<b>\$3,861,884</b>	<b>\$3,459,095</b>

## Exhibit 2 Mental Hygiene Program Descriptions and Statistics

Contract #07-0279- A1 (2010) and Contract #11-0252 (2011)

PROGRAM CODE AND DESCRIPTION	Funding	Funding	Statistics	Statistics
	2010	2011	(Visits)	(Visits)
	2010	2011	2010	2011
Outreach – programs for individuals potentially in need of mental health services.	\$8,237	\$8,170	280	240
Child and Family Clinic Plus - program to identify children and adolescents with emotional disturbances, and intervene at the earliest possible opportunity.	\$53,224	\$52,784	828	1,225
Last resort funds for recipients emergency and non emergency needs	\$1,636	\$1,391	12	28
Assisted Competitive Employment provides individuals with job related skills training.	\$17,480	\$39,322	770	1,629
Single Point Of Access - community based mental health systems to serve individuals most in need of services.	\$63,864	\$61,754	0	0
Advocacy/Support Services Training in any aspect of mental health services.	\$2,889	\$62,220	0	281
Intensive Case Management Activities – in addition to case management which is aimed at linking the client to the service system and at coordinating the various services in order	\$(13,364)	\$24,352	300	320
ICM Service Dollars - to provide funds for recipients' immediate and/or emergency needs.	\$27,636	\$29,151	130	78
Clinic Treatment - to provide the following services: assessment and treatment planning, verbal therapy, symptom management, health screening and referral, medication therapy, medication education, clinical support services and discharge planning.	\$238,693	\$236,718	11,736	10,669
Non-Medicaid Care Coordination Activities aimed at linking the consumer to the service system and at coordinating the various services in order to achieve a successful outcome.	\$94,004	\$93,425	2,387	1,945
Coordinated Children's Services Initiative - an interagency initiative that supports localities in creating a system of care to provide structure and flexibility to ensure that children who are at risk of residential placement remain at home with their families and in their communities.	\$20,351	\$27,158	5,252	7,418
Home-Based Crisis Intervention - a clinically oriented program with support services by a MSW or Psychiatric Consultant which assists families with children in crisis by providing an alternative to hospitalization.	\$94,584	\$182,051	5,723	7,886
Supportive Case Management (SCM) - this is in addition to case management activities. Services may include linking, monitoring and case-specific advocacy.	\$24,872	\$36,275	85	196
SCM Service Dollars. The purpose of the service dollar is to provide funds for recipients immediate and/or emergency needs	\$4,464	\$ 0	37	51
Total	\$638,570	\$854,771		