



SERVICES FOR CHILDREN & FAMILIES

Use Every Child Deserves a Childhood

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January 25, 2013

Mr. James L Coughlan
Comptroller
County of Dutchess
Office of the Comptroller
22 Market Street
Poughkeepsie, New York 12601

Dear Mr. Coughlan,

We have received and reviewed the audit report that was prepared for our agency for the period July 1, 2010 to June 30, 2012. There are comments that I wish to add in response to the recommendations contained in the report.

Finding: Board members do not review bank account activity or reconciliations- The recommendation is that the Board should periodically and randomly review bank account activity as an additional internal control over cash. A signature of review should be evidenced. Astor's procedure is that the Comptroller reviews and signs all bank reconciliations performed by our Staff Accountant who is independent of cash /check handling. As an additional control; Astor's bank reconciliations are reviewed by our external auditors annually as part of their audit. We believe that our current internal controls are sufficient in this area. Due to the size and complexity of the agency; the Board serves in a general oversight role and is not involved in the day-to day operations of the agency.

Finding: The same individual who writes and signs checks also wrote and signed checks to herself. This practice does not allow for a proper separation of duties and oversight.. The recommendation is that no individual should be allowed to write and sign checks to their self. We agree with this recommendation. Astor has implemented procedures to abolish this practice. No individual will be allowed to sign checks made payable to them self.

Finding: Astor does not collect IRS form W9 from all vendors- The recommendation is that all vendors should be required to provide an IRS Form W9 (which requires the vendor to correctly indicate their tax status). Please note that Astor does obtain form W9 for all vendors that are required to receive a 1099 form.

Finding: Contract #10-0302 Astor generated a surplus of \$14,776 for 2010 Astor agrees with the recommendation and will return the \$14,776 to the Dutchess County Department of Social Services. We did not realize that the program was a deficit funded program .We will request that DSS revise the wording in the contract and will

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maintain better control over expenditures in this program. Please note that Astor does not receive the \$50 per family per day for each day an eligible intensive case management family is open to services as noted on page 5 of the report.

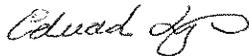
Referring to page 4 under Personnel Services; please note that Astor provided a one time salary payment of \$575 per employee on 6/30/12. This payment did not include employees in our Early Childhood Program. The full payment was made to full time employees who were hired before 7/1/11. The payment was prorated accordingly depending on length of service and employment status.

One last issue is that Astor is having great difficulty is getting reimbursed for its Dutchess County Preschool Special Education invoicing on a timely basis. As of today; Astor still has not been paid for its September 2012 billing. The delays in payment have a very negative effect on our cash flow. We believe that our billing is being submitted in the proper format so we don't understand the reasons for continuous delays in payment.

We want to acknowledge the professionalism and courtesy of your audit team. The audit went very smoothly and was performed in a very competent manner.

If you have any questions or require further information please do not hesitate to contact me.

Sincerely yours,



Edward Lyons
Chief Financial Officer

cc: JoAnn Woisin
cc: James McGuirk