



BEACON
COMMUNITY
CENTER

November 25, 2008

Ms. Diane Jablonski
Office of the Comptroller
Dutchess County
22 Market St.
Poughkeepsie, NY 12601

Ref: Beacon Community Center 2008 Audit

Dear Ms. Jablonski:

Thank you for meeting with us on November 12 to discuss the findings of the audit performed by your staff. Below are our responses to the findings of that audit.

Findings and Responses

Findings: Under accounting processes and internal controls, the findings were that accounting processes were not supported by proper separation of duties and management oversight was limited.

Response: At its November 12, 2008, meeting, the Board of Directors took two actions to begin to remedy these findings. The first action was to approve new accounting policies, which were implemented immediately. These policies address the concerns mentioned in the audit, such as separation of duties and improved internal controls. New accounting procedures will be forthcoming, based on these policies.

The second action the Board took was to approve the formation of a Programs Committee, which will provide Board oversight of all programs. This committee will review all programs to make sure the Center is in compliance with the terms and conditions of each funded contract, and that deliverables and outcomes are tracked and clearly documented.

Findings: Under contract claims and expense review, the findings were that documentation was inadequate for Contract #07-0143 and that \$9,125 was disallowed.

Response: Additional documentation will be provided for the \$1,948.71 that had been disallowed.

The establishment of the Program Committee discussed above will provide better oversight and should avoid the problems that resulted in the disallowance of \$6,800.

Findings: Under cash handling and banking, the findings were that the Executive Director signed two checks in violation of the Center's by-laws, bank reconciliations were not signed by the Treasurer, checks did not have a watermark, and voided checks had the signature portion intact.

Response: The audit recommendations will be implemented. One bank account has already been closed. The new Executive Director has been informed of both the provisions of the by-laws and the accounting policies mentioned above (the Executive Director who violated the by-laws is no longer with the Center). Bank reconciliations are now initialed by the Treasurer after review.

The Center's accountant now reports to the Treasurer, not the Executive Director, and has been instructed to immediately report to the Board any violations of the by-laws or accounting policies or any questionable activities on the part of any employee so that the issue can be dealt with in a timely manner. Moreover, there will be enhanced Board oversight of financial transactions.

Findings: Tax and report filings are not always filed in a timely manner, and form 1099 not issued to all vendors.

Response: Due to changes in personnel, some filings were late. The audit recommendations will be implemented and have been included in the accounting policies mentioned above.

Conclusion

In conclusion, the Board is confident that with the changes mentioned above and the new Executive Director in place, the Beacon Community Center's policies, procedures, internal controls, and Board oversight will in compliance with Dutchess County's expectations and the Attorney General's guidelines.

Sincerely,



Rev. Ernest L. Boston, President
Beacon Community Center

cc: Tony Beck
Gwen Davis