

AUDIT REPORT

DUTCHESS COUNTY  
BOARD OF COOPERATIVE EDUCATIONAL SERVICES

January 1, 2012 – December 31, 2012

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**Background**

The Board of Cooperative Educational Services (BOCES) is a public organization established by New York State Legislature in 1948. Programs and services provided include special education, vocational education, academic and alternative programs, summer school, staff development, computer services, educational communication and cooperative purchasing. BOCES also provides job related services to Temporary Assistance for Needy Families (TANF) and public assistance recipients.

**Audit Scope, Objective and Methodology**

The audited period was January 1, 2012 – December 31, 2012. Funds were provided by the following:

	Amount	Funding %
Department of Community & Family Services (formerly Social Services)	\$623,792	100% Federal
Department of Health	25,274	100% NY State
Department of Community & Family Services – Division of Youth Services (formerly Youth Bureau)	1,105	100% County
Workforce Investment Board	124,316	100% Federal
Total	\$774,487	

The audit included review of:

- The agency’s detail ledger, cost allocations, salaries and original supporting documentation.
- Internal controls regarding cash receipts, banking and processing of invoices.
- Contract compliance.

**Summary of Findings**

Records were readily available and in good order.

**Detailed Findings**

**Internal Controls**

BOCES contracts with an Internal Auditor and the Board’s Audit Committee selects an area for review annually. The financial statements are audited by an External Auditor.

BOCES has an outside Claims Auditor that reviews all claims and signs off twice a month on warrants that are approved by the board. All purchases are also approved and a report is sent to the board for inclusion in the board minutes.

**Revenue and Banking**

Revenue received from Dutchess County was traced to the general ledger and specific cost centers. Monies received were deposited in a timely manner and traced to bank deposit confirmations. The receipt and deposit of funds, the recording of revenue and the bank reconciliation function is performed by different individuals. Bank reconciliations are presented at board meetings for approval. No discrepancies were noted.

**Expenses**

**Payment of Invoices**

The payment process was reviewed for a sample of invoices. Selected invoices claimed to Dutchess County were traced from the general ledger to the original invoices. No discrepancies were noted.

Purchase orders require department head approval. The Purchasing Agent approves and issues the purchase order after verification and approval from Accounts Payable. The Claims Auditor approves the warrant and Board approval is required before a check is issued. Quotes must be obtained for purchases costing over \$5,000.

Salaries allocated to a program are based on the contract. Employees sign a payroll certification monthly to verify time worked in a program. Allocated salaries were compared in aggregate to Employee W2s. No discrepancies were noted.

**Contract Review**

**Department of Social Services (DSS)**

**Contract # DSS 12-0160** funded \$330,706 for the period January 1, 2012 to December 31, 2012 to assist individuals on public assistance obtain employment. The programs funded were as follows:

Vocational Education	\$118,449
Workplace Skills	70,000
Intensive Case Counseling,	87,887
Work Experience Program Mentoring (WEP)	40,841
Information Dissemination	13,529
Total	\$330,706

The Vocational Education Program had 114 students enrolled, 81 students completed their course and 39 obtained employment per the agency’s outcome report. Claims for this program were based on a “fee for service”; a total amount of \$118,449 was expended on tuition, examination fees, books, supplies and transportation.

	Tuition Per Person	Persons Served	Total Tuition	*Books/ Tools/ Exam Fees	Transportation	Total
HVAC	\$3,500	4	\$14,000	\$2,200		\$16,200
Phlebotomy	1,550	25	38,750	2,415		41,165
Home Health Aide	850	2	1,700	104		1,804
Certified Nursing Assistant	1,325	36	47,700	4,740	6,300	58,740
Return Cert. Nursing Asst	250	2	500	40		540
Total		69	\$102,650	\$9,499	\$6,300	\$118,449

*Rate per person	HVAC	Home Health Aide	Certified Nursing Assistant	Phlebotomy
Books		\$52	\$55	
Tools	\$550			
Exam Fees			\$115	\$105

The Workplace Skills Program per agency statistics had 177 individuals referred to them, of these 57 were enrolled and 47 of them graduated, 19 obtained employment. Reimbursement was based on a rate of \$10,000 for a 50 hour program. Classroom size ranged from 6 to 13 enrollments. This program helps prepare individuals who are experiencing barriers towards employment. It is a certification program, required by DSS, to maintain eligibility for public assistance. The total amount expended was \$70,000.

The Intensive Case Counseling and the Work Experience Programs provided intake, assessment of the individuals work skills, identified employment barriers and established eligibility for the work skills program and enrollment in vocational education programs, as well as, assistance with finding employment.

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	Intensive Case Counseling	Work Experience Mentoring
Salaries	\$49,540	\$21,108
Fringe Benefits	24,632	9,267
Adult Education Indirect Costs 15%	13,715	10,466
Total	<u>\$87,887</u>	<u>\$40,841</u>

The Information Dissemination Program expended \$13,529 on funding the Department's Annual Report.

Design	\$6,000
Printing	5,159
Other Expenses	341
Administration	<u>2,029</u>
Total	<u>\$13,529</u>

**Contract - DSS #11-0096 Community Solutions Transportation** funded \$295,000 for the period January 1, 2012 to December 31, 2012. This program was designed to help TANF eligible individuals and families obtain/retain employment by helping them with work-related transportation. An amount of \$284,111 was claimed and paid as of the audit date. The services available to each recipient follow:

Vehicle ownership	\$4,500
Department of Motor Vehicle expenses	\$200
Vehicle repair	\$1,500
Insurance down payment	\$500

In addition, assistance with driver permits, license renewal, driver education and instruction on car maintenance was provided.

In 2012, the program provided services to 110 recipients. A total of 19 cars, 13 car repairs, 19 car registrations, 19 insurance down payments, 33 driver trainings, 29 road test assistance, 19 learners permits and 13 basic car maintenance courses were provided; program participants achieved 9 job placements and 19 jobs were retained as a result of providing the above transportation services. Expenditures for this contract follow:

Personal Services	\$74,611
Fringe Benefits	27,289
Agency Equipment	19,028
Vehicles for Clients	84,000
Other Client Services	24,433
Auto Insurance for Clients	10,500
Administration	44,250
Total	<u>\$284,111</u>

**Dutchess County Workforce Investment Board (WIB)**

Funds are provided by NYS through the Workforce Investment Act of 1998. In 2012, a total of \$124,316 was paid to BOCES for employment training services. BOCES is on the State list of Eligible Training Providers.

Funding and student eligibility were reviewed. WIB with the Dutchess One Stop Career Center and NYS Department of Labor determine student eligibility. WIB approves funding requests submitted by the One Stop. All applicants are required to first register at the One Stop and follow selected processes which include developing an individual strategy plan, researching schools and obtaining admission into a training program.

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Once admitted to a program (and state funding is available), the individual is informed by the One Stop that funding is available for the selected training and the required responsibilities. BOCES, the training facility is also informed by the One Stop of their responsibilities and the amount of funding available for the individual.

BOCES submits invoices to the One Stop who authorizes and certifies the invoice and forwards it to the WIB who reviews and submits the invoice to the County for payment. WIB is responsible for review of invoices and monitoring the availability of each individual's funds.

Reimbursement was based on a fee for service. Career education classes offered included: LPN, CNA, HHA, HVAC and Phlebotomy Tech. Classes are offered at various sites in Dutchess County and are available during the day and evening. Per the claims submitted for payment, the following was expended:

Training	Expended	# Served
Licensed Practical Nurse	\$31,191	12
Certified Nursing Assistant	41,325	31
Home Health Aide	850	1
Phlebotomy	3,415	2
HVAC	28,000	8
Tools	5,200	8
Books	6,177	41
Transportation	4,200	14
Fees	3,958	34
Total	\$124,316	

**Health Department**

**Contract – HD #11-0581-A1 and A-2** were for the periods October 1, 2011 to March 31, 2012 for \$11,808 and April 1, 2012 to March 31, 2013 for \$32,890. Funds were provided to operate a Safe Work Practices Training program to promote the development and increase availability of skilled and/or a certified workforce for lead remediation activities.

For the time period April 1, 2012 – March 31, 2013, window and door replacement training was added to the contract; The Health Department reimbursed \$164 per person for the lead training and \$165 for the window and door replacement training. The entire contract for \$11,808 was claimed and reimbursed; a total of 72 students received training. As of the audit date, a total of \$13,466 of the \$32,890 was claimed on the 2012-2013 contract for 82 trainings.

**Division for Youth Services**

**Contract – YB #12-0270** provided food catering services to the Youth Forum Conference on October 23, 2012 at the rate of \$9.50 for breakfast and lunch for an estimated 157 participants. Total claimed and paid amounted to \$1,105.

**Direct Payments**

For the audited period, the Department of Social Services directly referred some clients for services and paid BOCES a total of \$8,975.