

Audit Report

The Child Abuse Prevention Center, Inc.
January 1, 2009 – December 31, 2010

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Comptroller's Summary

Background

The Child Abuse Prevention Center, Inc. (CAPC) is a not-for-profit corporation, whose mission is to prevent child abuse. The Center partners with Dutchess County Departments, local schools and law enforcement agencies, to protect children, advocate on their behalf, and educate the community on how to prevent abuse.

Additional information is available on their website:

<http://www.preventchildabusedutchess.org/>

Audit Scope, Objective and Methodology

The audited period was January 1, 2009 – December 31, 2010. The following Dutchess County departments had contracts with CAPC during the audited time period.

Department	Description	Amount 2010	Amount 2009
Social Services	Parent Empowerment & Community Education	\$247,147	\$218,355
Social Services	Operate The Child Advocacy Center	149,812	141,312
Social Services	Teen Life Connections		32,615
Planning	For Child Advocacy Center	22,000	22,000
Youth Bureau	Child Advocacy Center & Personal Safety Program	29,173	33,340
Youth Bureau	Teen Life Connections		20,488
	TOTAL	<u>\$448,132</u>	<u>\$468,110</u>

The Agency's audited financial statements reported operating expenses totaling \$808,881 in 2010 and \$826,229 in 2009.

The audit included a review of the agency's control environment, claims submitted to Dutchess County, expenses, fiscal reports and accounting records.

Summary of Findings

- Accounting records for the agency were in good order. However, the agency should update the accounting procedure manual, adopt an annual budget in the board minutes and formally attest to review of accounting records.

Detailed Findings

Contract Funding

Dutchess County contracts were paid in full and in agreement with the approved budget. See Addendum I for the detail of county funding by contract.

Revenue

Payments from Dutchess County were verified to the bank deposits and general ledger revenue accounts.

Expenses

To verify expenses we prepared a worksheet aggregating all claims made to the county. This was compared to the "Statement of Functional Expenses" in the agency's audited financial statements. We found no discrepancies.

Salaries & Fringe Benefits

Employee salaries claimed were verified to IRS W2s; there were no discrepancies. Allocations of salaries were reviewed; program employee salaries were charged directly to the program worked in. Per the agency, administrative employee salaries were allocated based on a percentage that was occasionally adjusted due to program work needs.

Total fringe benefit costs claimed were compared to amounts reported in the trial balance. There were no discrepancies.

Internal Controls

The agency has an accounting procedures manual and a personnel policies manual.

Finding:

- Some procedures were not updated. Handwritten notes were affixed to the accounting procedures. Debit card procedures were not written.

Recommendation:

- Procedures should be updated to reflect current processes.

Cash Handling and Banking

Duty segregation, cash handling and banking processes were reviewed. The Office Manager, the Head Bookkeeper and the Executive Director performed separate duties to ensure checks and balances. In addition, the Board Treasurer reviewed financial information and consulted with the Head Bookkeeper and Executive Director.

Finding:

- Bank reconciliations were not initialed attesting review. However, there were emails from the Board Treasurer to the Executive Director that indicated review of financial records.

Recommendation:

- The Board Treasurer should initial office documents reviewed.

Payroll Processing

The agency has a Personnel Policies Manual. The Executive Director is hired by the Board and is responsible for hiring all personnel and changes in employee salaries with Board approval. The Executive Director has the responsibility for providing information to the payroll processing provider on new hires and salary adjustments for employees. The Office Manager maintains employee records. The Head Bookkeeper faxes payroll information to the provider from a memo that is approved by the Executive Director, the Office Manager maintains a copy of the memo. Payroll is delivered to the agency and the Head Bookkeeper reviews, reconciles and enters the information into the accounting system. Time sheets are maintained, as well as, use of benefit time.

Finding:

- Board minutes approving the budget were not available, employee salaries amount to approximately 58 percent of the total budget

Recommendation:

- An approved budget is an important financial and management tool for financial control. If funding is not confirmed, an interim contingent budget should be approved.

IRS Form 1099-Miscellaneous Income

The IRS requires Form 1099-Miscellaneous Income Statements be issued to individuals/businesses that receive payment of \$600 or more in a calendar year for services provided. Selected payments to vendors were reviewed.

Finding:

- For the calendar year 2010, the agency did not issue a 1099 to one vendor who provided consulting services and received payments in excess of \$600. A W9 was not available.

Recommendation:

- Per IRS regulations, all vendors must be issued a 1099-Miscellaneous Income Statement. A W9 should be obtained from all vendors and contractors.

Purchasing and Payment Processing

All expenses are approved by the Executive Director after confirming budget availability with the Head Bookkeeper. The Office Manager makes the purchases and reviews all invoices. The Head Bookkeeper processes checks. Checks are physically signed by the Executive Director and returned to the Office Manager for distribution. Checks over \$10,000 require two signatures. A debit card is used for online purchases, special client needs, hotels, airfare, and registration fees. The card is kept secure and access is limited. The Head Bookkeeper monitors daily the bank account for debit card purchases.

Addendum I – Detail of County Funding by Contract

Program/Expense	2010				
	Social Services	Social Services	Planning	Youth Bureau	Total
	Parent Empowerment & Community Education	Child Advocacy Center	Child Advocacy Center	Child Advocacy Center & Personal Safety Program	Total
Salary	\$185,700	\$79,420	\$14,204	\$20,329	\$299,653
Fringe Benefits	37,657	17,158	2,766	2,370	59,951
Maintenance & Operation			5,030	6,474	11,504
Program Travel	1,490	0			1,490
Program Materials	4,600	9,659			14,259
Staff Training		15,523			15,523
Insurance		1,152			1,152
Occupancy	15,000	13,166			28,166
Other Operational Expenses	2,700	13,733			16,433
Total Contract Expenses	\$247,147	\$149,812	\$22,000	\$29,173	\$448,132

Program/Expense	2009						
	Social Services	Social Services	Social Services	Planning	Youth Bureau	Youth Bureau	Total
	Parent Empowerment & Community Education	Child Advocacy Center	Teen Life Connections	Child Advocacy Center	Child Advocacy Center & Personal Safety Program	Teen Life Connections	Total
Salary	\$177,020	\$71,000	\$27,500	\$16,000	\$22,993	\$18,109	\$332,622
Fringe Benefits	32,810	15,000	5,115	3,000	3,542	2,379	61,846
Maintenance & Operations					5,327		5,327
Contracts		8,400					8,400
Program Travel	1,000	7,500					8,500
Program Materials	0	0					0
Insurance		0					0
Occupancy	6,725	0					6,725
Other Operational Expenses	800	39,412		3,000			43,212
Total Contract Expenses	\$218,355	\$141,312	\$32,615	\$22,000	\$31,862	\$20,488	\$466,632