

Mediation Center of Dutchess County, Inc.

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Comptroller's Summary ..... 3  
    Background/Organization..... 3  
    Audit Scope, Objective and Methodology ..... 3  
    Summary of Findings ..... 4  
    Detailed Findings..... 4  
    Internal Controls..... 4  
    Contract Review ..... 5  
    Expenses ..... 7  
    Addendum I ..... 8  
    Addendum II..... 9

## Comptroller's Summary

### ***Background/Organization***

The Mediation Center of Dutchess County, Inc. is a not-for-profit corporation which provides services to the residents of Dutchess County. Services include divorce and family mediation, resolutions of small claims and community disputes involving youth and juveniles. Additional information is available on the Mediation Center of Dutchess County, Inc. website; [www.dutchessmediation.org](http://www.dutchessmediation.org)

### ***Audit Scope, Objective and Methodology***

The audit of the Mediation Center of Dutchess County, Inc. (Mediation Center) was for the two year period January 1, 2006 – December 31, 2007. Mediation Center's 2006 independent audit report included \$381,636.00 in expenses. The 2007 report was not complete at the time of this audit.

A total of \$246,137.00 was contracted with Dutchess County for the audit period as follows:

Department	Contract Term	Purpose	2006	2007
Probation #02-0265	1/1/06-12/31/07	PINS Program	\$78,158.00	\$79,726.00
Probation #05-0078	1/1/06-12/31/07	Custody Visitation and Child Support Program	42,348.00	<u>44,905.00</u>
Youth #06-0169	1/1/06-12/31/06	Mediator Summit	<u>1,000.00</u>	
		Total	<u>\$121,506.00</u>	<u>\$124,631.00</u>

The audit included review of:

- contract compliance;
- the agency's detail ledger, cost allocations, salaries and original supporting documentation;
- internal controls;
- verification of selected expenses.

## ***Summary of Findings***

Contract compliance and documentation supporting claims were in good order. Internal controls regarding the segregation of duties and the accounting of petty cash funds should be improved.

## ***Detailed Findings***

### ***Internal Controls***

A good system of internal control procedures will include adequate segregation of duties so that no one person has control over an entire accounting function.

#### Bank Accounts

The 2006 and 2007 county receipts were traced to the bank statements and deposited in a timely manner. Claimed expense checks were reviewed for payee and amounts and compared to the bank statements. No discrepancies were found. The Mediation Center reconciles the bank account monthly. The Mediation Center has one financial person who maintains their books. Monies are received by mail and in person.

#### Findings:

- Checks and cash are given directly to the financial person for processing. However, a transmittal sheet is not attached. A cash receipt is prepared for cash and checks .
- A separation of duties is not maintained. The financial person prepares bank deposits, expense checks, records the entries and prepares the bank reconciliation. In addition, there was no management/board oversight indicating review of the bank reconciliation.

#### Recommendations:

- A record should be maintained for the transmittal of all receipts for processing.
- Management/ Board should implement actions to separate duties and provide oversight to mitigate risk.

#### Petty Cash

The Mediation Center's petty cash handling was reviewed. The agency has a petty cash drawer of \$100.00 which is maintained by an employee at the front desk. When cash is used, the receipt goes to the financial person who periodically replenishes the account. The account is also used to make change for clients. The petty cash was counted during the audit.

#### Findings:

- Cash on hand amounted to \$5.67. The agency's books reported a negative (\$21.99)
- The employee maintaining the account did not have proper accounting of replenishment receipts.

Recommendations:

- The Mediation Center should balance the financial records to the petty cash account.
- All receipts should be given to the financial person and the account reconciled periodically.

***Contract Review***

**Probation Department**

**Contract #02-0265 PINS Program**

This contract was written in the amount of \$78,158.00 for the period January 1, 2006 – December 31, 2006 and \$79,726.00 for the period January 1, 2007 – December 31, 2007. The funding provided for a full time mediator as part of a collaborative solutions team. The team is comprised of professionals from Astor Community Based Behavioral Health Programs, the Dutchess County Department of Mental Hygiene and the Mediation Center. The team worked with the Probation Department on adolescent mental health treatment, substance abuse and family mediation. The contract budgets and the claims paid for each contract year follow:

<b>2006</b>	<b>#02-0265</b>	
	<b>Contract Budget</b>	<b>Claims</b>
Personnel	\$56,313.00	\$55,754.96
Fringe	13,110.00	12,371.04
Maintenance & Operation	8,735.00	9,834.67
Total	\$78,158.00	<u>\$77,960.67</u>

<b>2007</b>	<b>#02-0265</b>	
	<b>Contract Budget</b>	<b>Claims</b>
Personnel	\$56,404.00	\$50,808.35
Fringe	14,258.00	13,282.92
Maintenance & Operation	9,064.00	9,176.16
Total	\$79,726.00	<u>\$73,267.43</u>

A review of the contract budget and claims revealed no discrepancies. In 2006, the Mediation Center reported serving 321 youth and 369 youth in 2007.

**Contract #05-0078 Custody/Visitation and Child Support Program**

This contract was written in the amount of \$42,348.00 for the period January 1, 2006 – December 31, 2006 and \$44,905.00 for the period January 1, 2007 – December 31, 2007. As stated in the contract the funding was “to provide additional services for the Custody/Visitation and Child Support Program in the Dutchess County Family Court, including a Program Director, Program Coordinator, outreach and education...” Attached as Addendum I is the Scope of Services for 2006 and Addendum II is the Scope of Services for 2007.

<b>2006</b>	<b>#05-0078</b>	
	<b>Contract Budget</b>	<b>Claims</b>
Personnel	\$23,472.00	\$23,433.05
Fringe	5,569.00	4,724.32
Maintenance & Operation	13,307.00	14,190.63
Total	\$42,348.00	\$42,348.00

<b>2007</b>	<b>#05-0078</b>	
	<b>Contract Budget</b>	<b>Claims</b>
Personnel	\$24,472.00	\$22,230.00
Fringe	5,569.00	4,281.15
Maintenance & Operation	14,864.00	18,393.85
Total	\$44,905.00	\$44,905.00

A review of the contract budgets and claims revealed no discrepancies. The Mediation Center reported serving 280 families in 2006 and 264 families in 2007.

**Youth Bureau**

**Contract #06-0169 Youth Mediator Summit**

This contract was written in the amount of \$1,000.00 for the period March 1, 2006 – December 31, 2006. Funds provided for middle and high school students to develop and lead the summit titled “Peacemaking in our Schools and World.” The rental of space, lunch and supplies were claimed for the full amount of the contract. A total of 8 schools participated in the event.

## ***Expenses***

### Employee W-2 / Contractor 1099's

Salaries claimed to county contracts were compared to employee W-2s. W-2s were compared to state and federal tax statements, detail ledgers and program allocations. Contractor claims and payments were compared to contractor 1099's and detail ledgers. No discrepancies were noted.

### Employee Travel

Employee travel claimed to the county contracts was reviewed to supporting documentation and canceled bank checks. There were no discrepancies found.

### Inventory

In 2007 the Mediation Center claimed and purchased a laptop computer and printer for the PINS program. A physical inventory was performed on the purchased equipment. The Mediation Center maintains a complete listing of their inventory.

### Fringe Benefits

Fringe benefits reviewed consisted of Health Insurance, Disability Insurance, Pension Plans, COBRA and Worker Compensation. Payments were matched to the detail ledger, canceled checks were matched to the bank statements and no discrepancies were found.

  
Diane Jablonski, Comptroller

  
Carol Doyle, Auditor

## **Mediation Center of Dutchess County, Inc. 2006 Scope of Services**

Services to be provided with Dutchess County grant funds in 2006 include but are not limited to:

Providing a Community Program Manager (one third), Family Program Manager (one quarter) and Volunteer Manager (one quarter) to:

- Maintain and deliver the Domestic Violence and Mediation Safety Project which requires private face-to-face intake with all intimate partners referred to mediation, and consultation weekly with a domestic violence expert/advocate who will provide assessment and safety planning for Mediation Center clients. Development includes the addition of a second domestic violence advocate to provide weekly safety planning services due to the increased need and educating other mediation and domestic violence service providers about the Project;
- Maintain on-site services at Dutchess County Family Court, train and supervise staff and mediators;
- Increase the use of mediation services in the eastern and northern areas of Dutchess County, traditionally underserved areas,
- Maintain adequate training and supervision of volunteer mediators.

EXHIBIT "A-1"

## 2007 Scope of Services

Services to be provided with Dutchess County grant funds in 2007 include but are not limited to:

Providing a Community Program Manager (.20FTE), Family Program Manager (.25 FTE) and Volunteer/Special Projects Manager (.11 FTE) to:

- Maintain and deliver the Domestic Violence and Mediation Safety Project which requires private face-to-face intake with all intimate partners referred to mediation, and consultation weekly with a (1) domestic violence expert and (1) advocate who will provide assessment and safety planning for Mediation Center clients. Maintaining the services of a second domestic violence advocate to provide weekly safety planning services due to the increased need and educating other mediation and domestic violence service providers about the Project;
- Maintain on-site services at Dutchess County Family Court, train and supervise staff and mediators;
- Maintain the use of mediation services in the eastern and northern areas of Dutchess County, traditionally underserved areas;
- Maintain adequate training and supervision of volunteer mediators.

"EX A-2"



turning conflict  
into conversation

March 11, 2008

Ms. Diane Jablonski, Comptroller  
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Dear Ms. Jablonski:

Thank you for meeting with Jennifer Jorgensen and me to discuss the 2006 and 2007 audit report. It was a pleasure to work with you and your staff through this process. We appreciate your suggestions on how we may improve internal controls and in response to the recommendations made in the report, the following procedures have already been implemented:

1. A transmittal log is kept by the office manager who is responsible for opening the mail (date stamping all checks received), as well as for receiving cash payments for services. The office manager will record all cash and checks in the transmittal log, which will be reviewed by the executive director each month and compared to the bank statements.

2. The executive director will review and sign bank statements and reconciliations monthly. A member of the finance committee will review and sign quarterly.

3. The office manager will also keep a transmittal log for the petty cash fund of \$100.00, indicating date, amount, and use of funds, along with receipts. Receipts will be given to the bookkeeper monthly for reconciliation. If the fund dips to \$20.00 prior to the monthly reconciliation, it will be replenished to the full amount of \$100.00.

Again, it was a pleasure to work with your office and we appreciate your suggestions and recommendations. If you have any further comments or questions, please do not hesitate to contact me.

Sincerely,

*Jody B. Miller*  
Jody B. Miller  
Executive Director

Jody B. Miller  
Executive Director



Programs are funded in part  
by the County of Dutchess



United Way of  
Dutchess County

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