

AUDIT REPORT

Project MORE, Inc.

January 1, 2013 – December 31, 2014

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Comptroller's Summary

Background/Organization

Project MORE, Inc. is a not for profit corporation located in New Haven, Connecticut. The Dutchess County Department of Probation and Community Corrections contracted with Project MORE, Inc. to provide a transitional housing program. The program offers incarcerated individuals from the Dutchess County Jail alternative housing while awaiting recommendation to a treatment facility by the Dutchess County Department of Mental Hygiene. Clients are referred by the Dutchess County Jail.

Approximately half of the clients at this program are involved in day treatment programs. Most participate in Dutchess County's Intensive Treatment Alternatives Program (ITAP). Project MORE provides all of the transportation to and from the treatment programs. Clients are kept on a set schedule of meal times, groups, recreation, wake-up and lights out.

Audit Scope, Objective and Methodology

An audit was conducted for the period of January 1, 2013 – December 31, 2014. The Probation Department had contracts during the audit period, totaling \$1,213,803 for 2013 and \$1,213,803 for 2014.

The contract is generally funded with 100% county tax dollars. The Transitional Housing Program is expense driven. Claims are submitted to Probation for reimbursement based on an agreed upon budget. A total of 38 co-ed beds are provided for utilization by offenders.

Our review included:

- Agency processes for the payment of expenses claimed to the county
- Selected expenses: salary, vehicle expenses, inventory purchases
- Agency inventory listings
- Program outcome statistics

Project MORE's administrative and fiscal offices are located in New Haven, Connecticut. As a result, our review of the agency's internal controls and original documentation was limited.

Summary of Findings

Claiming processes should be strengthened. A total of \$5,065.12 in expenditures was erroneously charged to Dutchess County. This represented \$2,595.24 in 2013 and a total of \$2,469.88 in 2014. The total of \$5,065.12 was refunded to the county during the course of this audit. Financial records and agency processes were generally found to be in good order. Inventory processes could be strengthened.

Detailed Findings

Contract Funding

Contract# 10-0374 A7—was written in the amount of \$1,213,803 for the period of January 1, 2013 – December 31, 2013. The total amount was claimed and paid. Disallowances totaling \$2,595.24 were identified during our audit review. Funds were repaid. **Contract# 10-0374 A8** was written in the amount of \$1,213,803 for the period of January 1, 2014 – December 31, 2014. A total of \$1,213,803 was claimed. The final claim for December 2014 was processed by Probation and the disallowances totaling \$2,469.88 identified during the course of our audit for 2014 were reduced from the final claim. Disallowances identified during the course of our audit follow:

	2013	2014
Telephone	\$ 519.72	\$564.07
Vehicle/Maintenance Costs	1,679.64	1,281.60
Office Supplies	0	247.45
Administrative Fee	<u>395.88</u>	<u>376.76</u>
Total Disallowances	\$2,595.24	\$2,469.88

Attached as Exhibit I is the detail by line item including the budget, claimed amounts and the differences between the budget and claimed amounts for each year.

Observations:

- *In previous audits it was noted formal contract budget modifications were not consistently submitted for approval to reflect changes for expenditure categories. This occurred in 2013 as well.*

Finding

- *In 2014, budget modifications were submitted and approved for changes to some expenditure categories. This occurred in September 2014 and April 2015.*

Recommendation

- Budget modifications should be submitted timely.

Review of Selected Expenditures

Personnel

Salaries claimed were compared to employee W-2s. No exceptions were noted.

Equipment

A total of \$5,971.51 was claimed in 2013 and \$5,856.00 was claimed in 2014 for equipment. A physical inventory of selected equipment including computers and appliances was conducted.

Finding

- The inventory list provided by the agency for review did not have all items listed. Some recent years purchases were not included.

Recommendation

- The inventory listing should be updated as changes occur.

Supplies/Telephone

A selection of purchases for program, facility and related supplies were reviewed. Receipts were traced to claims. The agency's written purchasing policies and procedures were provided.

Finding

- Telephone costs incurred for the Director were charged at 100% to Dutchess County; however salary for the Director was charged at 57.20%. The Director agreed that telephone charges should have been prorated at 57.20%. A total of \$519.72 was requested and returned in 2013. In 2014, \$564.07 was identified overpaid for telephone charges and requested to be adjusted from the final 2014 claim.
- In 2014, costs for office supplies that went to another local program were erroneously charged to Dutchess County totaling \$247.45. These funds were reduced from the final 2014 payment.

Recommendation

- Claims should be reviewed prior to submission for the appropriate allocations of expenditures.

Vehicle/Maintenance Costs

The agency has a total of three vehicles that are used in Dutchess County to transport clients to services including doctor appointments, court appearances, DCFS (Dutchess County Department of Community and Family Services *formerly Dutchess County Department of Social Services*), court dates, educational programs and outside treatment programs. The agency's written policies regarding resident transportation were provided.

Findings

- In 2013, maintenance costs for a vehicle not used for Dutchess County were charged to Dutchess County. A total amount of \$ 1,679.64 was charged for a 2008 Dodge Caravan with a license plate number that was not associated with the program. We were informed charges to this vehicle belonged to the PVRSC program and claims paid by Dutchess County were repaid.
- In 2014, gas charges were duplicated in March and September for all 3 vehicles. The correct statements for these months were requested and submitted and the total gas charges for the year were adjusted. The overpayment of \$1,266.61 was refunded back to Dutchess County.
- In 2014, a charge of \$14.99 at Mavis Tire was not for a vehicle used by the Community Housing Program. This charge was also refunded back to Dutchess County.

Recommendations

- Maintenance costs on the non Dutchess County Vehicle were returned based on our finding and recommendation.
- Project MORE should ensure each vehicle's maintenance record corresponds to the correct vehicle number. The agency responded that Management will meet with the service provider to ensure each vehicle's maintenance record corresponds to the correct vehicle.

Administrative Fee

The contract for each year provided for an administrative fee of 18% on expenses incurred. The budgeted amount was \$185,156.53 for each year.

Finding

- The disallowed expenses for 2013 were \$2,199.36 prior to the administrative fee and \$2,093.12 for 2014. The administrative fee disallowance based on these figures is \$395.88 for 2013 and \$376.76 for 2014.

Recommendation

- The overpayment of the administrative fees was returned based on our finding and recommendation.

Program Outcomes

During 2013, Project MORE's Transitional Housing served a total of 203 clients. The number of clients reported successfully discharged into Treatment Programs was 143 with 32 remaining in the program at the close of the year. Additional statistics reported included 16 individuals were remanded and 12 individuals absconded in 2013.

During 2014, Project MORE's Transitional Housing Program served a total of 184 clients. 143 clients were successfully discharged into Treatment Programs and 15 remained in the program at the close of the year. Additional statistics showed 8 clients were remanded and 18 absconded in 2014.

EXHIBIT I

PROJECT MORE 2013

	BUDGET	CLAIMED	(Over)/Under Budget
Personnel	\$553,147.00	\$559,343.30	(\$6,196.30)
Fringe Benefits	<u>204,664.39</u>	<u>206,957.02</u>	<u>(2,292.63)</u>
Total Personnel	\$757,811.39	\$766,300.32	(\$8,488.93)
Travel	\$2,600.00	\$4,142.75	(\$1,542.75)
Equipment	11,500.00	5,971.51	5,528.49
Supplies	121,706.00	136,091.14	(14,385.14)
Contractual	5,900.00	6,955.20	(1,055.20)
Facilities	95,400.00	92,303.20	3,096.80
Other	<u>33,730.02</u>	<u>34,210.95</u>	<u>(480.93)</u>
Sub Total	\$270,836.02	\$279,674.75	(\$8,838.73)
Indirect Costs	\$185,156.53	\$167,828.04	\$17,328.49
Total Costs	\$1,213,803.94	\$1,213,803.11	\$0.83

PROJECT MORE 2014

	BUDGET	CLAIMED	(Over)/Under Budget
Personnel	\$562,268.37	\$562,268.37	0.00
Fringe Benefits	<u>208,039.30</u>	<u>208,039.30</u>	<u>0.00</u>
Total Personnel	\$770,307.67	\$770,307.67	0.00
Travel	\$7,604.24	\$7,604.24	0.00
Equipment	7,200.00	5,856.00	1,344.00
Supplies	121,706.00	147,685.12	(25,979.12)
Contractual	6,255.17	6,255.17	0.00
Facilities	81,360.64	81,360.34	0.30
Other	<u>34,213.69</u>	<u>34,776.96</u>	<u>(563.27)</u>
Sub Total	\$258,339.74	\$283,537.83	(\$25,198.09)
Indirect Costs	\$185,156.53	\$189,692.19	(\$4,535.66)
Total Costs	\$1,213,803.94	\$1,243,537.69	(\$29,733.75)