



September 28, 2011

Ms. Angela Sullivan  
Executive Director  
Alcohol and Drug Council of Tompkins County, Inc  
201 East Green Street, Suite 500  
Ithaca, New York 14850

Re: Alcohol and Drug Council of Tompkins County, Inc.  
Draft Report AL-11001

Dear Ms. Sullivan:

The following is a draft report on our review of the financial operations of Alcohol and Drug Council of Tompkins County, Inc. (ADC), relative to its services funded by the NYS Office of Alcoholism and Substance Abuse Services (OASAS). This review was performed pursuant to OASAS' authority as set forth in Article 32, Section 32.15 of the NYS Mental Hygiene Law.

#### **Background**

ADC is a multi-funded, not-for-profit corporation whose Mission Statement reads: "Our mission is to assist and support each individual on the path to a satisfying and successful life."

During the period reviewed, ADC provided Chemical Dependence Outpatient and Prevention services under its funding agreement with Tompkins County Mental Health Services (TCMHS).

Services are provided at ADC's facility located at 201 East Green Street, Suite 500, Ithaca.

#### **Scope of Review**

Beginning January 10, 2011 and continuing through January 21, 2011, the Division of Quality Assurance and Performance Improvement – Bureau of Talent Management and Fiscal Evaluation conducted an on-site review of ADC's financial operations for the operating period January 1, 2010 to December 31, 2010. During this period, ADC operated under a funding agreement with TCMHS, the Local Governmental Unit (LGU) under Approved State Aid Funding Authorization with OASAS.

The main objectives of our review were to ensure that your program's financial operations adhere to OASAS' guidelines and requirements, and provide recommendations for improvement in fiscal operations. To accomplish these objectives, we interviewed key fiscal and administrative staff and reviewed the program's accounting system, including books and records of revenues and expenditures, policies and procedures, as well as ADC's internal control structure.

## **Results of Review**

### **Maintenance of Written Fiscal Policies and Procedures**

There are no findings/recommendations in this area.

### **Maintenance of Financial Books and Records of Account**

There are no findings/recommendations in this area.

### **Budgeting and Reporting Practices**

There are no findings/recommendations in this area.

### **Expenditure Transactions**

#### **Finding:**

Our sample review of other than personal service cost transactions, revealed that purchase orders were not prepared or maintained for five transactions that required their use per ADC's written purchasing policies and procedures.

#### **Recommendation #1:**

*In order to better control and document contract expenditures and to improve internal controls over purchasing, purchase order forms should be utilized as prescribed by the agency's written purchasing policies and procedures.*

### **Third Party Revenues**

There are no findings/recommendations in this area.

### **Equipment Inventory and Controls**

#### **Finding:**

Our sample review of equipment items revealed that nine items recorded on the Equipment Register could not be located. It was then identified that these items had been disposed of and recorded on an Equipment Disposition Listing. However, the items were not removed from the current Equipment Register being maintained.

#### **Recommendation #2:**

*Provider officials must maintain adequate control over all OASAS-funded and donated equipment items, and should properly amend their Equipment Register by removing those items disposed of that are recorded on the Equipment Disposition Listing.*

## **Comments of Officials**

The preliminary findings contained in this report were discussed with ADC officials during the course of our review and at the exit conference held on January 21, 2011. In general, ADC officials agreed with the preliminary findings and recommendations for corrective action.

**Provider Action Required**

We would appreciate receiving a written response from ADC addressing each of the two findings and related recommendations contained in this report. In the response, please identify the corrective action taken/intended relative to each of the findings/recommendations, including the date that corrective action was/will be completed and the name and title of the specific staff person responsible for the action. Any evidentiary documentation demonstrating corrective action relative to the findings/recommendations should also be submitted with your written response.

Your response to this report and any evidentiary documentation received within 30 days from the date of this letter will be included as an appendix to our final report. Please forward your response via e-mail to me at [RickOlm@oasas.ny.gov](mailto:RickOlm@oasas.ny.gov) or mail to the address noted on page one of this report. A copy of your response should also be submitted to the OASAS Field Office and the TCMHS representative.

Thank you for the courtesies extended to our staff during this review. If you have any questions, please contact me at (518) 485-2282.

Sincerely,



Richard E. Olm  
Upstate Fiscal Audit & Review Unit Supervisor

cc: Charles W. Monson  
Douglas Rosenberry  
Gerard Roe  
Kathy Murphy  
Donna Pagano-Stott  
P. David Sawicki  
Christian Williams, Director of Finance and Corporate Compliance  
Allan VanDeMark, President of the Board of Directors  
Robert DeLuca, CSW, Commissioner, TCMHS  
Files (Albany/NYC)