
John H. Dietershagen, C.P.A.
Jerry E. Mickelson, C.P.A.
Thomas K. Van Derzee, C.P.A.
Debbie Conley Jordan, C.P.A.
Patrick S. Jordan, C.P.A.
Duane R. Shoen, C.P.A.
Lesley L. Horner, C.P.A.
D. Leslie Spurgin, C.P.A.



Ciaschi • Dietershagen • Little • Mickelson & Company, LLP

Certified Public Accountants and Consultants

Frederick J. Ciaschi, C.P.A.

James McFadden, Treasurer
and Lori Morgan, LCSW-R, Director of Community Services
County of Tioga
Owego, New York

In connection with your request for us to review the internal control procedures over the County's Office of Mental Hygiene (the Department), we performed the following procedures:

- Policies and Procedures - Reviewed the policies and procedures in place over the Department.
- We performed a proof-of-cash test for the Department's bank account. The proof-of-cash test consisted of scheduling deposits and disbursements from bank statements and comparing total additions and disbursements per the bank to the Director of Administrative Services' records.
- Cash Receipts Test
 - We selected 31 receipts from the Payments Report; 11 self-pay and 20 insurance payments, and examined supporting documents.
 - For the insurance payments, we traced the selected client's name to the remittance advice and compared the remittance advice to the handwritten receipt; we then traced the check to the revenue sheets. The total deposit was then traced from the revenue sheets to the deposit ledger, the bank statement and the revenue report created by the Director of Administrative Services.
 - For the self-pays we obtained the receipt generated from the financial software and traced the payment to the revenue sheets, then the total deposit from the revenue sheets to the deposit ledger, the bank statement and the revenue report created by the Director of Administrative Services.
- Cash Disbursements Test
 - From the Revenue Report we determined the amount of the check to be written to the Treasurer's Office and traced that amount to the bank statement.

Based on our review of procedures related to the Department's cash collections, we noted the following:

Revenue Sheet Reconciliation

Condition:

Cashiers record all receipts on revenue sheets daily; however, the revenue sheets list the total funds collected, making it difficult to trace individual receipts to the revenue sheets.

CORTLAND

39 Church Street
Cortland, New York 13045
607-753-7439
fax 607-753-7874

ITHACA

401 East State Street ~ Suite 500
Ithaca, New York 14850
607-272-4444
fax 607-273-8372
www.cdIm.com

WATKINS GLEN

2 North Franklin Street, Suite 330
Watkins Glen, New York 14891
607-535-4443
fax 607-535-6220

Recommendation:

We recommend revenue sheets be restructured to allow a detailed listing of each payment made, as well as the total. Upon inquiry of the Director of Administrative Services, we learned the revenue sheets have since been restructured to facilitate tracing of individual transactions.

Staffing Levels

Condition:

The number of administrative staff is limited and the number of cross trained staff is minimal. When there are absences, especially extended leaves, the increased workload on the remaining staff has led to delays in billing secondary payors and following up on denials. Such delays could result in cash flow problems and possible loss of revenue.

Recommendation:

In order to maximize coverage, we recommend the Department analyze staffing levels/assignments, given existing economic constraints. Upon inquiry of the Director of Administrative Services, we have since learned the Department is in the process of hiring a billing specialist to help alleviate this issue.

We were not engaged to, and did not; conduct an audit of the Department's internal control system. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We would like to take this opportunity to express our appreciation to the County of Tioga and the Office of Mental Hygiene's management and staff for their time and cooperation in aiding us in our audit work. It has been a pleasure to provide auditing and related services to you. We look forward to assisting you with other matters in the future.

Cinchi, Dietrich, Little, Mickelson & Co., LLP

September 11, 2015
Ithaca, New York