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July 27, 2011

James L. Coughlan, Comptroller
Office of the Comptroller, Dutchess County
22 Market Street
Poughkeepsie, NY 12601

Dear Mr. Coughlan:

This letter is in response to the financial audit of Cornell Cooperative Extension Dutchess County (CCEDC) for January 1 – December 31, 2010.

First, I'd like to commend your staff for the thoroughness of their audit and working with us cooperatively. In addition, the meetings with you and your staff were much appreciated, providing feedback and recommendations in a professional manner – recommendations that will contribute to our ongoing goal of improving and strengthening our financial management systems and procedures. Please convey my personal thank-you to each of them.

Our responses to your audit findings and recommendations are as follows:

SUMMARY OF FINDINGS

- ▶ Your feedback re: finding our recordkeeping for 2010 to be in good order as well as noting our implementation of prior recommended procedures is much appreciated.
- ▶ Thank you for your recommendations, which will continue to assist us in strengthening our Internal Cash Controls.

Internal Controls

No recommendations were made.

Accounting Records

Thank you for your feedback in regards to our Finance Coordinator vacancy in 2011. Our organization does recognize the challenges presented when any staff member retires or resigns, especially staff with a specific expertise. It is important to note that our new Finance Coordinator (hired on June 6, 2011) while in the midst of her orientation and training, has been making every effort to expedite necessary financial postings for April June 2011. It is also important to note that during our staff transitions all deposits, payroll, bill payments and vouchers continued to be handled in a timely manner in accordance with our Internal Cash Control policies/procedures.

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Response to financial audit letter

Due to extenuating circumstances (a truck accident near our office that resulted in major cable/technology line damages and our office being without Internet services for over 1 week as of today), and as our accounting system is web-based, a provisional 2nd quarter report was not able to be produced for our July 25, 2011 Board Finance Committee Meeting. During that meeting, the Finance Committee approved a motion to:

1. Design a plan to address any future CCEDC financial staffing vacancies within the Extension System, and to include this plan with our CCEDC Internal Cash Control policies/procedures.
2. Transition to monitoring financial reports on a monthly basis by the fall of 2011.
3. Review the 2nd quarter financials as soon as possible, when the report is able to be generated.

Board Minutes Review

The Board Finance Committee reviewed and discussed your findings and recommendations. Although you note this is not customary, the committee agreed that as had been done previously, that any similar future determination will only be made after much consideration (including your recommendations) and discussion.

DETAILED FINDINGS

COMMUNICATIONS

Thank you for your positive feedback. No recommendations were made.

CONTROL ACTIVITIES

Revenue and Cash Receipting Practices

Per your recommendation, we will plan to review all revenue entries and make any necessary adjustments at year-end.

Banking

Every effort will be made to complete our bank reconciliations and to have them reviewed by our Volunteer Board Treasurer in a timely manner.

Previously we had had additional coverage through our bank for balances exceeding the FDIC insurance limits. However the bank discontinued this as they determined they didn't have to offer additional coverage unless required by municipal law. Although the times when the bank balances exceed the FDIC amount are brief, we do recognize the need to address this recommendation. Our Finance Committee will further discuss and implement steps needed to avoid this situation in the future.

Expenses

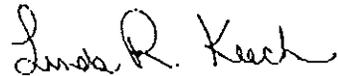
Thank you for your feedback that expenses claimed to Dutchess County were well documented. In addition, that your review of Personnel Services and Benefit Time showed no exceptions and that our new Cell phone expense reimbursement policy was fully implemented.

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On behalf of our CCEDC Board of Directors and staff, your recommendations are much appreciated and will be helpful as we develop additional policies and procedures that will be incorporated into our Internal Cash Controls.

Again, thank-you for your feedback and the opportunity to respond to your audit.

Sincerely,



Linda R. Keck
Executive Director

cc: O. Petroff, L. Cadwallader, E. Dwyer, L. Rich, J. Borchert