

# **Dutchess County, New York**

**EIN# 14-6002566**

**Reports on Federal Awards**

**Office of Management and Budget**

**Circular A-133**

**December 31, 2011**

**Dutchess County, New York**  
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**December 31, 2011**

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**Report of Independent Auditors on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of the Financial Statements  
Performed in Accordance with *Government Auditing Standards***

To the Honorable Members of the  
County Legislature and the County Executive  
Dutchess County, New York:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dutchess County, New York (the "County") as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 26, 2012. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Dutchess Community College, the Dutchess Resource Recovery Agency, the Dutchess County Water and Wastewater Authority and the Dutchess County Industrial Development Agency, which in aggregate represented 99 percent of assets, 93 percent of net assets and 99 percent of revenues, respectively, of the aggregate discretely presented component units, as described in our report on the County's financial statements. As described in Note 2 to those financial statements, the financial statements of the Dutchess Community College have been adjusted for the presentation of long-term liabilities and net assets included in those financial statements. This report does not include the results of the other auditors, testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.



A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the County's audit committee, management, the legislature, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*PricewaterhouseCoopers LLP*

September 26, 2012



**Report of Independent Auditors on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over  
Compliance in Accordance with OMB Circular A-133**

To the Honorable Members of the  
County Legislature and the County Executive  
Dutchess County, New York:

Compliance

We have audited the compliance of Dutchess County, New York (the "County") with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010, except as described in the second paragraph of this report. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the Dutchess Community College ("DCC") which received Federal Awards which are not included in the Schedule of Expenditures of Federal Awards for the year ended December 31, 2011. Our audit, described below, did not include DCC because DCC engaged other auditors to perform a separate audit in accordance with OMB Circular A-133. In addition our audit described below did not include the Dutchess County Resource Recovery Agency, Dutchess County Water and Wastewater Authority, the Dutchess County Industrial Development Agency, and the Dutchess County Local Development Corporation because they have each engaged other auditors to perform separate audits in accordance with Government Auditing Standards.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.



In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as items 11-01.

#### Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.



Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dutchess County, New York (the "County") as of and for the year ended December 31, 2011, and have issued our report thereon dated September 26, 2012. Our report included a reference to other auditors. Other auditors audited the financial statements of the Dutchess Community College, the Dutchess Resource Recovery Agency, the Dutchess County Water and Wastewater Authority, and the Dutchess County Industrial Development Agency, which in aggregate represented 99 percent of assets, 93 percent of net assets and 99 percent of revenues, respectively, of the aggregate discretely presented component units, as described in our report on the County's financial statements. As described in Note 2 to those financial statements, the financial statements of the Dutchess Community College have been adjusted for the presentation of long-term liabilities and net assets included in those financial statements.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2011 is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the County's audit committee, management, the legislature, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*PricewaterhouseCoopers LLP*

September 26, 2011

# Dutchess County, New York

## Schedule of Expenditures of Federal Awards

### Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	CFDA Number	Cluster Code	Federal Expenditures
U.S. Department of Health and Human Services				
HIV Emergency Relief Project Grants		93.914		\$ 321,564
HIV Care Formula Grant		93.917		421,684
Medical Reserve Corps Small Grant Program		93.008		6,779
Subtotal DHHS Direct Programs				<u>750,027</u>
Pass-Through Programs From NY State Office for the Aging:				
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services		93.043		15,012
Centers for Medicare and Medicaid Services (CMS) - Research, Demonstrations, and Evaluations		93.779		33,090
National Family Caregiver Support - Title III, Part E		93.052		118,195
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers		93.044	(2)	279,313
Special Programs for the Aging - Title III, Part C - Nutrition Services		93.045	(2)	389,850
Special Programs for the Aging - Community Living - Title IV and Title II - Discretionary Projects		93.048		22,606
Nutrition Services Incentive Program		93.053	(2)	50,339
Medicare Enrollment Assistance Program		93.071		19,475
Subtotal Pass-Through Programs From NY State Office for the Aging				<u>927,880</u>
Pass-Through Programs From:				
NY State Office of Children and Family Services				
Foster Care - Title IV-E		93.658		3,765,278
ARRA Adoption Assistance		93.659		82,520
Chafee Foster Care Independent Program		93.674		134,125
Subtotal Pass-Through Programs From NY State Office of Children and Family Services				<u>3,981,923</u>
NY State Office of Temporary and Disability Assistance				
Child Support Enforcement		93.563		1,756,178
Low-Income Home Energy Assistance		93.568		357,639
Social Services Block Grant		93.667		1,535,084
Temporary Assistance for Needy Families		93.558	(4)	14,266,745
ARRA Temporary Assistance for Needy Families Emergency Fund		93.714	(4)	263,464
Subtotal Pass-Through Programs From NY State Office of Temporary and Disability Assistance				<u>18,179,110</u>
Pass-Through Programs From NY State Division of Alcoholism and Alcohol Abuse:				
Block Grants for Prevention and Treatment of Substance Abuse	B1NYSAPT	93.959		206,247
Subtotal Pass-Through Programs From NY State Division of Alcoholism and Alcohol Abuse				<u>206,247</u>
Pass-Through Programs From NY State Office of Mental Health:				
Medical Assistance Program	PSSHSP	93.778		9,038,374
Subtotal Pass-Through Programs From NY State Office of Mental Health				<u>9,038,374</u>
Pass-Through Programs From NY State Board of Elections				
Voting Access for Individuals with Disabilities	T002780	93.617		3,327
Subtotal Pass-Through Programs From NY State Board of Elections				<u>3,327</u>
Pass-Through Programs From NY State Department of Health:				
Public Health Emergency Preparedness	001600-06	93.069		212,841
Preventative Health and Health Services Block Grant	T025612	93.991		1,977
Maternal and Child Health Services Block Grant to the States	CO20604	93.994		33,062
Maternal and Child Health Services Block Grants (Childhood Lead Poisoning Prevention)	CO21548	93.994		31,773
Immunization Grants	CO18660/CO23243	93.268	(9)	53,335
ARRA Immunization Grants	T025272	93.712	(9)	23,043
Subtotal Pass-Through Programs From NY State Department of Health				<u>356,031</u>
Subtotal Pass-Through Programs				<u>33,442,919</u>
Total U.S. Department of Health and Human Services				<u>\$ 33,442,919</u>

# Dutchess County, New York

## Schedule of Expenditures of Federal Awards

### Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	CFDA Number	Cluster Code	Federal Expenditures
U.S. Department of Transportation				
Airport Improvement Program		20.106		\$ 2,435,806
Federal Transit Capital Investment Grants		20.500	(6)	2,316,699
ARRA Federal Transit Capital Investment Grants		20.500	(6)	115,478
New Freedom Program		20.521		127,853
Interagency Hazardous Materials Public Sector Training & Planning Grants		20.703		4,586
Formula Grants for Other than Urbanized Areas	C003697	20.509		<u>68,199</u>
Subtotal U.S. Department of Transportation Direct Programs				<u>5,068,621</u>
Pass-Through Programs From NY State Department of Transportation:				
Metropolitan Transportation Planning	NY-80-X16-, X17	20.505		114,176
Highway Planning & Construction	L450-1014-043	20.205	(7)	494,200
	8754.02	20.205	(7)	491,241
	8755.38	20.205	(7)	129
	8755.42	20.205	(7)	105
	8755.44	20.205	(7)	358
	8755.45	20.205	(7)	6,923
	8755.91	20.205	(7)	108
	8756.01	20.205	(7)	3,747
	8757.25	20.205	(7)	11,235
	8757.26	20.205	(7)	273
	8757.27	20.205	(7)	490
	8757.37	20.205	(7)	21,739
	8755.41	20.205	(7)	9,168
	8758.71	20.205	(7)	265
	8760.25	20.205	(7)	2,134,141
	n/a	20.205	(7)	148,000
ARRA Highway Planning and Construction	Various	20.205	(7)	483,204
State and Community Highway Safety	08-0692-9/09-PL	20.600	(1)	57,082
	08-0705-9/09-PL	20.600	(1)	109,245
Occupant Protection Incentive Grants	08-0653-9/09-PL	20.602	(1)	18,831
Safety Incentive Grants for Use of Seatbelts	08-0693-9/09-PL	20.604	(1)	<u>79,388</u>
Subtotal Pass-Through Program From NY State Department of Transportation				<u>4,184,048</u>
Total U.S. Department of Transportation				<u>\$ 9,252,669</u>

# Dutchess County, New York

## Schedule of Expenditures of Federal Awards

### Year Ended December 31, 2011

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-through Entity Identifying Number	CFDA Number	Cluster Code	Federal Expenditures
U.S. Department of Labor				
Pass-Through Program From NY State Department of Labor:				
Trade Adjustment Assistance	80060	17.245		\$ 493,212
Workforce Investment Act - Adult Program	80060	17.258	(3)	414,649
Workforce Investment Act - Youth Activities	80060	17.259	(3)	881,750
Workforce Investment Act - Dislocated Workers	80060	17.278		502,677
ARRA Workforce Investment Act - Adult Program	80060	17.258	(3)	49,260
ARRA Workforce Investment Act - Youth Activities	80060	17.259	(3)	5,460
ARRA Workforce Investment Act - Dislocated Workers	80060	17.260	(3)	146,144
ARRA Employee Benefits Security Administration- COBRA Premium Assistance		17.151		12,023
Total U.S. Department of Labor				<u>2,505,175</u>
U.S. Department of Agriculture				
Pass-Through Program From Office of Temporary and Disability Assistance				
State Administrative Matching Grants for the Supplemental Nutrition Program	n/a	10.561	(10)	1,811,771
Supplemental Nutrition				
Total U.S. Department of Agriculture		10.551	(10)	<u>41,438</u>
				<u>1,853,209</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grants (Entitlement Grants)		14.218	(5)	1,241,990
Shelter Plus Care		14.238		430,135
Home Investment Partnerships Program		14.239		902,379
ARRA Community Development Block Grant		14.253	(5)	15,046
ARRA Homeless Prevention and Rapid Re-Housing Program		14.257		42,184
Total U.S. Department of Housing and Urban Development				<u>2,631,734</u>
National Science Foundation				
Ecology of Infectious Disease - Anaplasma Grant		47.047		11,442
Total National Science Foundation				<u>11,442</u>
U.S. Department of Justice				
State Criminal Alien Assistance Program	2008-AP-BX-1499	16.606		14,076
Subtotal U.S. Department of Justice Direct Programs				<u>14,076</u>
Pass-Through Program From NY State Division of Criminal Justice Services:				
Violence Against Women Formula Grants	VM05548941	16.588		78,467
Edward Byrne Memorial Justice Assistance Grant Program	BJ05908930	16.738		5,000
Subtotal Pass-Through Program				<u>83,467</u>
Total U.S. Department of Justice				<u>97,543</u>
U.S. Department of Energy				
ARRA Energy Efficiency and Conservation Block Grant Program		81.128		1,255,215
Total U.S. Department of Energy				<u>1,255,215</u>
U.S. Department of Education				
Pass-Through Program From NY State Department of Health				
Special Education - Grants for Infants and Families	C021790	84.181	(8)	289,280
ARRA Early Intervention Admin	C025320	84.393	(8)	77,326
Total U.S. Department of Education				<u>366,606</u>
U.S. Department of Homeland Security				
Pass-Through Program From NY State Office of Homeland Security				
Law Enforcement Terrorism Prevention Program (LETPP)		97.073		67,215
Homeland Security Preparedness Technical Assistance Program		97.067		791,102
Homeland Security Preparedness Technical Assistance Program	C834994	97.067		79,931
Subtotal Pass-Through Program From NY State Office of Homeland Security				<u>938,248</u>
Pass-Through Program From NY State Emergency Management Office:				
Emergency Management Performance Grants		97.042		70,303
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	1692-DR-NY	97.036		671,395
Pre-Disaster Mitigation		97.047		55,643
Subtotal Pass-Through Program From NY State Emergency Management Office				<u>797,341</u>
Total U.S. Department of Homeland Security				<u>1,735,589</u>
<b>Total Expenditures of Federal Awards</b>				<b>\$ 53,152,101</b>
<b>Cluster Total:</b>				
(1) Highway Safety Cluster - 20.600, 20.602, 20.604				\$ 264,546
(2) Aging Cluster - 93.044, 93.045, 93.053				\$ 719,502
(3) Workforce Investment Act Cluster - 17.258, 17.259, 17.260				\$ 1,497,263
(4) TANF Cluster - 93.558, 93.714				\$ 14,530,209
(5) CDBG Entitlement Grants Cluster - 14.218, 14.253				\$ 1,257,036
(6) Federal Transit Cluster - 20.500				\$ 2,432,177
(7) Highway Planning and Construction Cluster - 20.205				\$ 3,805,326
(8) Early Intervention Services (IDEA) Cluster - 84.181, 84.393				\$ 366,606
(9) Immunization Cluster - 93.268, 93.712				\$ 76,378
(10) Supplemental Nutrition Assistance Program (SNAP) -10.551, 10.561				\$ 1,853,209

**Dutchess County, New York**  
**Notes to Schedule of Expenditures of Federal Awards**  
**December 31, 2011**

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**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the primary government of Dutchess County, New York (“the County”), an entity as defined in the basic financial statements and therefore does not include Dutchess Community College (“DCC”), Dutchess County Resource Recovery Agency, Dutchess County Water and Wastewater Authority, Dutchess County Industrial Development Agency, and Dutchess County Soil and Water Conservation District (the “Component Units”). The information in this schedule was prepared on the accrual basis of accounting and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and NonProfit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Pass-through entity identifying numbers were included on the schedule where available.

**2. Subrecipients**

Of the expenditures of federal awards presented in the Schedule, the County provided the following to subrecipients

<b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Amount Provided to Subrecipients</b>
Temporary Assistance for Needy Families	93.558	\$ 1,388,321
Low Income Home Energy Assistance	93.568	366,949
Child Care Block Grant	93.575	246,537
HIV Emergency Relief	93.914	618,451
State Administrative Matching Grants for Food Stamps	10.561	244,084
Block Grants for Prevention and Treatment of Substance Abuse	93.959	140,778
Medical Assistance Program	93.778	552,124
Community Development Block Grant (Entitlement Grants)	14.218	1,241,990
CDBG ARRA Stimulus	14.253	15,046
Homeless Prevention and Rapid Rehousing Program (Recovery Act Funded)	14.257	42,184
Shelter Plus Care	14.238	430,135
Home Investment Partnership Program	14.239	902,379
State and Community Highway Safety	20.600	109,244
Safety Incentive Grants for Use of Seatbelts	20.604	79,388
Federal Transit	20.500	29,327
Total		<u>\$ 6,406,938</u>

**Dutchess County, New York**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2011**

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**I Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

Material weaknesses identified No

Significant deficiencies identified that are not considered to be material weaknesses None noted

Noncompliance material to financial statements No

*Federal Awards:*

Internal control over major programs:

Material weaknesses identified No

Significant deficiencies identified that are not considered to be material weaknesses No

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings required to be reported in accordance with Section 510(a) of Circular A-133 Yes

<b>Identification of Major Programs, Program or Cluster Title</b>	<b>Amount</b>	<b>CFDA Numbers</b>
Medical Assistance Program	9,038,374	93.778
Federal Transit Cluster	2,432,177	20.500 & 20.507
SNAP (Food Stamp) Cluster (Includes ARRA)	1,853,209	10.551 & 10.561
Highway Planning & Construction Program	3,805,326	20.205
Temporary Aid to Needy Families	14,793,673	93.558
Child Support Enforcement Admin Cluster	1,756,178	93.563
Airport Improvement Program	2,435,806	20.106
CDBG - Entitlement Grants Cluster Assessment	1,257,036	14.218 & 14.253
Social Services Block Grant, Admin	1,535,036	93.667
 Dollar threshold used to distinguish between Type A and Type B programs	 \$	 1,594,163
 Auditee qualified as a low risk auditee?		 No

**Dutchess County, New York**  
**Schedule of Findings and Questioned Costs**  
**December 31, 2011**

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**II. Findings Related to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Auditing Standards.**

None noted.

**III. Federal Award Findings and Questioned Costs**

**11-01 Eligibility**

Medical Assistance Program, 93.778 Award Year 2011

**Criteria:**

Recertification of eligibility reports should be retained within the case file to meet the eligibility requirements for recertification for Medical Assistance. Per 42 CFR Section 435.916

**Condition:**

Of the 40 participants tested for eligibility, one certification report was not included in the file.

**Cause:**

When the eligible participant changed nursing homes, the file was inadvertently closed. When the file was reopened, the participant was not required to complete the certification form for 2011.

**Effect:**

It is possible that participants receiving benefits may not be eligible or may receive a larger benefit than he\she is eligible for.

**Questioned Costs:**

There are no questioned costs associated with the finding.

**Recommendation:**

We recommend that all case files be reviewed and that a checklist be developed to ensure that all required information is obtained prior to an individual being deemed eligible for medical assistance.

# Dutchess County, New York

## Summary Schedule of Prior Audit Finding

### December 31, 2011

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#### Status of Prior Year Findings

#### **10-01 Out-of-Period Error Related to Non-Federal Expenditures (Significant Deficiency)**

In 2010, management identified accounting errors in posting liquidations of accounts payable to the County's general ledger during 2007, 2008 and 2009. Management determined these errors resulted from an issue within the County's financial management system that was implemented during 2006. Whereas, departments input liquidation adjustments into the system application, they were not properly updated to the general ledger. As a result, the County did not record a total of \$4,991,252 of liquidation adjustments (comprising of \$2,132,723, \$2,710,314 and \$148,215 in 2007, 2008 and 2009). This error resulted in a revision to the beginning net assets and fund balance in the 2010 financial statements.

We recommend that management continue to review all liquidations to ensure that they are appropriately posted to the general ledger in the appropriate period.

#### **2011 Updated**

The prior year corrective action plan was implemented and this finding did not recur in the current year. Management implemented a monthly process to identify and correct partial liquidations.

#### **10-02 Eligibility**

Temporary Assistance for Needy Families ("TANF"), 93.558 and 93.714 Award Year 2010.

#### **Criteria:**

Qualified aliens are the only non-citizens who may receive a TANF public benefit.

#### **Condition:**

Of the forty participants tested for eligibility, one individual did not have proof of residency and four individuals did not have proof of citizenship in their files.

#### **Cause:**

When the individuals applied for TANF, the case worker did not obtain the required proof for citizenship or residency to include in the file.

#### **Effect:**

It is possible that the individuals are not US citizens or New York State residents and are receiving TANF when they are not eligible.

#### **Questioned Costs:**

The questioned costs associated with these individuals who did not have the required proof of citizenship or residency in their TANF files was \$2,016.

#### **Recommendation:**

We recommend that the case files be reviewed and that a checklist be used to ensure that all required information is obtained prior to an individual being deemed eligible for TANF. It is also recommended that the County investigate and determine if the applicants were eligible for TANF, and if they were not, then the questioned costs associated with these individuals be returned to TANF.

#### **2011 Update**

The prior year corrective action plan was implemented and this program was tested in the current year with no findings.

**Dutchess County, New York**  
**Summary Schedule of Prior Audit Finding**  
**December 31, 2011**

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**10-03 Eligibility**

Low Income Home Energy Assistance (“HEAP”), 93.568 Award Year 2010

**Criteria:**

Original signed applications should be retained within case files to ensure applicants meet the specific eligibility criteria for HEAP benefits.

**Condition:**

Of the forty participants tested for eligibility, three individuals did not have signed applications for the HEAP program in their files.

**Cause:**

When the individuals applied for HEAP, the case worker either did not obtain or retain the required application form to include in the file.

**Effect:**

It is possible that the individuals who are receiving benefits may not be eligible or may receive a larger benefit than the individual is not eligible for.

**Questioned costs:**

The questioned costs associated with the three individuals who did not have the required applications included within their files were \$2,420.

**Recommendation:**

We recommend that the case files be reviewed and that a checklist be used to ensure that all required information is obtained prior to an individual being deemed eligible for HEAP. It is also recommended that the County investigate and determine if the applicants were eligible for HEAP, and if they were not, then the questioned costs associated with these individuals should be returned to HEAP.

**2011 Update**

The prior year corrective action plan was implemented

**Dutchess County, New York  
Management's Views and Corrective Action Plan  
December 31, 2011**

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MARCUS J. MOLINARO  
COUNTY EXECUTIVE



PAMELA BARRACK  
COMMISSIONER

**COUNTY OF DUTCHESS**  
DEPARTMENT OF FINANCE

September 26, 2012

RE: Management's Views and Corrective Action Plan for Dutchess County  
OMB Circular A-133 Compliance for the Year Ended December 31, 2011

I. Findings

11-01 Medical Assistance Program, 93.778 Award Year

II. Management's Response and Corrective Action Plan

11-01 – Management's Response.

Management has reviewed the current process and implemented procedures to ensure compliance with Medical Assistance Program eligibility.

III. Responsible Individual

Pamela Barrack, Commissioner of Finance