

Audit Report

**Dutchess County Soil and Water Conservation District
Dutchess County Environmental Management Council**

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Comptroller's Summary

Background

An audit was conducted of the Dutchess County Soil and Water Conservation District (SWCD) and the Dutchess County Environmental Management Council (EMC) for the period January 1, 2005 through December 31, 2005. During the audited period, Dutchess County appropriated \$258,687 to the SWCD. In addition, two contracts were awarded to SWCD for EMC: \$182,928 for EMC general operations and \$21,500 for water quality tasks. SWCD maintained the financial records for both agencies. The Dutchess County Department of Planning and Development is responsible for the distribution and oversight of these funds. SWCD and EMC also received grants for specific projects. SWCD uses a cash basis for accounting.

Organization

The SWCD, established in 1945 and authorized by State statute, coordinates state and federal conservation programs on a local level. The SWCD provides education and technical assistance on managing soil, water and related natural resources to municipalities, farmers, business owners and homeowners.

The EMC was formed by the Dutchess County Legislature in 1972 to provide education and research information to County and local governments on matters affecting the environmental quality of Dutchess County. The EMC is involved in water resource management and protection, land use management, geographic information systems development and support, and environmental education.

SWCD is funded through an appropriation in the County Budget. EMC's funding is provided by a contract between Dutchess County and SWCD.

An executed county contract between Dutchess County Planning and the SWCD provided funding to EMC through December 31, 2005. In 2004, a signed Memorandum of Agreement between SWCD and EMC documented the working relationship between the two organizations. A Memorandum of Agreement between SWCD and EMC was not in place for 2005; however, SWCD continued to provide payroll, accounts receivable and accounts payable services for EMC. Effective January 1, 2006, Dutchess County contracted with Cornell Cooperative Extension Dutchess County to provide educational environmental programming to include support of EMC and Conservation Advisory Councils' utilizing GIS and research-based resources.

Audit Scope, Methodology and Objective

The internal accounting controls were examined to determine the accuracy and reliability of accounting records: internal administrative controls were reviewed to ascertain the efficiency of the operation and adherence to managerial policies. Financial records

maintained by SWCD, formal agreements with each entity, claiming documents, board minutes, payroll records, 1099s, bank statements, inventory records were reviewed.

Summary of Significant Findings

- Lack of communication between EMC and SWCD continued as reported in the previous audit report resulting in significant work during the audit to properly allocate expenses and reconcile the ledger and cost centers.
- EMC grant claims, reconciliations and allocations in the detail ledger were not timely, resulting in erroneous claims to the county. A total of \$16,388.05 is due back to the county.
- SWCD does not maintain adequate documentation for ledger adjustments. This finding was reported in the previous audit.
- EMC, through SWCD, contracted with Dutchess County for water quality work, but did not fulfill the obligations of the contract: monies were not claimed.
- A separation of duties regarding cash receipt and disbursement is not properly maintained.
- Personnel service and maintenance fee expenses reviewed were found to be in good order.
- Inventory records were found to be in good order.

Detailed Findings

General Ledger

Revenues and expenses in the detail ledger were reconciled in total to the 2005 SWCD Annual Report of the Treasurer. This report is required by NYS for SWCD and contains consolidated financial information for SWCD and EMC. Audited Revenue and Expense Statements for SWCD and EMC are attached as Exhibits 1 and 2 respectively.

Findings

- EMC did not provide timely and accurate grant allocation information to the SWCD for entry into the detail ledger. Our office received numerous revisions from EMC for the grant allocations for 2005. Our reconciliation shows an over claim of County funds. (See section on County Appropriation and Contract Review). Since the revisions were received in 2006, SWCD ledgers did not reflect the adjustments.
- Adjustments made to the monthly detail ledgers did not have a proper audit trail for each change: The amended ledgers were not printed.
- A final reconciliation between SWCD and EMC has not occurred.

Recommendations

- Grant cost centers should be reconciled and balanced to claims monthly.
- Procedures must be implemented to provide oversight for accurate and complete records. Any journal entry adjusting the detail ledger must have a complete audit trail documenting each change. Final copies of monthly detail ledgers must be maintained and available for audit with adjustment documentation.
- A final reconciliation between SWCD and EMC must be completed.

County Appropriation and Contract Review

SWCD – The 2005 county funding for SWCD was \$258,687: \$247,187 was provided through the annual county appropriation for SWCD primary funding (no formal contract is required) and \$11,500 was provided with a formal contract regarding groundwater protection.

	Budget	Claimed	Balance
Appropriation	\$247,187	\$220,187	\$27,000 *
Contract #05-0225	\$ 11,500	\$ 7,653 **	\$ 3,847
Totals	\$258,687	\$227,840	\$30,847

* \$27,000 was claimed by Soil and Water for retirement costs; but was disallowed based on a memorandum from the County Attorney dated February 18, 2005 which stated that the intent of the money was not for retirement but for “services to be provided per groundwater protection report”

**The remainder of this contract is not anticipated to be expended: This claim was submitted in 2006 to be paid from 2005 encumbrances.

As shown, SWCD claimed a total of \$227,840. All claimed expenses were for Personnel Services. SWCD funding for specified programs follows:

Agricultural Environmental Management Program	\$117,050
Community Environmental Management Program	\$ 78,917
Dry Hydrant Program	\$ 15,413
Groundwater Protection Program	\$ 7,653
Education Program	\$ 8,807
Total Programs	\$227,840

SWCD submitted all claims to Planning on a “Contract Agency Quarterly Reimbursement Request” form, which shows the applicable programs claimed. Attached was a quarterly progress report stating expenses incurred and a brief narrative of work performed for each program.

EMC – SWCD received the 2005 county funding as the administrator for EMC funds through two contracts totaling \$204,428.

Contract #05-0106 provided funds for general operations for four distinct programs: Water Resource Management/Protection, Environmental Education and Outreach, Land Use Management/GIS Dev, and Air Quality Impacts. Contract details follow:

Contract Table

Contract	Time Frame	Total	Advance	Reconciliation Date
Contract #05-0106	1/1/05-3/31/05	\$45,732	\$45,732	4/30/2005
Amendment A1	4/1/05-6/30/05	\$45,732		7/31/2005
Amendment A2	7/1/05-12/31/05	\$91,464	\$30,488	1/31/06
Contract #05-0225	1/1/05-12/31/05	\$21,500		

EMC started the work specified in Contract #05-0225 but did not meet the required objectives to claim the funds. Therefore, no funds were claimed.

A total of \$178,644.64 was paid to the SWCD on behalf of EMC representing total claims of \$182,928 less \$4,283.36 (an over claim noted in our 2004 audit)

Findings

EMC

- EMC over claimed \$16,388.05 to the county due to inaccurate recordkeeping, untimely claims, lack of reconciliations and incorrect grant allocations.

	Claimed	Actual Expenses	Over claim
Personnel Services/Fringe	\$151,735.00	\$153,915.40	\$ (2,180.40)
Materials/Utilities/Supplies	\$ 31,193.00	\$ 12,624.55	\$ 18,568.45
Total	\$182,928.00	\$166,539.95	\$ 16,388.05

- Advances as shown in the **Contract Table** (page 6) were paid; however, reconciliations were not completed as specified in the contract.
- Quarterly claims submitted by EMC were not supported by actual expenses incurred for county program funding. Claims to other funding sources were not filed; resulting in expenses erroneously allocated to County programs. While conducting our review, we requested EMC to file claims to the other granting entities.
- An EMC final report was not filed with the Planning Department as of January 31, 2006 as per the contract.

SWCD

- The SWCD annual state report had a misclassification of \$642.89: A refund for reimbursement was listed as Health insurance expense. The expense was actually a refund for a reimbursement to employees for excess health insurance contributions made in 2004 but reimbursed in 2005.

Recommendations

EMC

- A check for \$16,388.05 payable to the Dutchess County Commissioner of Finance must be forwarded to the Planning Department for EMC's over claim.
- Reconciliations should have been completed as required by the contract.
- To prevent over claiming, all grant claims must be filed in a timely manner to the correct funding sources and claims should be based on auditable allocations.
- Final reports and claims must be filed in accordance with contract guidelines.

SWCD

- The health insurance reimbursement must be accurately reflected in the state report and a revision filed.

Revenues

In addition to Dutchess County funding, grant monies were received from New York State/Federal grants and agreements, sales and miscellaneous sources for SWCD and EMC. EMC's grants and other revenue were reviewed in detail. EMC prepared and forwarded the claims for each of their grants to SWCD; SWCD submitted the claims to the grantor. EMC staff signed several revenue agreements.

Listed below are the grants. General findings and recommendations regarding the accounting and administration of grants follow.

Grants

The following EMC grants were reviewed:

- DC Watershed Project – Village of Wappingers Falls #C006289
- EMC Grant 04-142 – The Norcross Wildlife Foundation, Inc.
- New York State Department of Environmental Conservation (DEC) – Hudson River Estuary Grant Projects #'s C301942/C302189/C302370
- #C301942 (Fishkill Creek)
- #C302189 (Hudson River)
- #C302370 thru WIC Goals
- Streamwalk Assessment Project

Findings

- The cost centers in the ledger for EMC's grants did not match the expenses claimed to the grantor. Expenses, which should have been allocated to the grants, were charged to Dutchess County. (See section on County Appropriation and Contract Review).
- EMC grant claims were not timely.
- Revenue shared by SWCD and EMC was not distributed in accordance with the approved grant allocations.
- SWCD posted \$1,676.66 as revenue in the SWCD general ledger cost center, which belonged to EMC for the DC Watershed project: A correction was made to the records during our review

Recommendations

- Grant expenses in the ledger must be actual, up-to-date and properly allocated to the correct accounts based on work completed.
- EMC grant claims should be filed in accordance with contract timelines.
- Shared revenue should be distributed in accordance with allocations.
- Cost center ledgers should be accurately maintained.

EMC – Other Revenue

Donations and Miscellaneous

EMC received \$11,576 in donations and other revenue. Listed below is the breakdown of these sources. No discrepancies were noted.

Central Hudson	\$5,000
Marist College Fallkill Watershed	5,600
Dutchess County Fair	600
Workshops/Other	<u>376</u>
Total	\$11,576

GIS Map Sales

A total of \$6,850.65 was received for the sale of GIS maps, copies, and minor sales. A three-month sample was reviewed. The agency prepared cash receipts and forwarded the receipts and cash to SWCD for deposit. No discrepancies were noted.

SWCD - Other Revenue

SWCD received revenue from the sales of seedlings, bat and bluebird boxes, carp and other sales. A total of \$47,629.32 was received. Sales tax amounting to \$272.08 was collected during 2005. A payment was issued to NYS Department of Taxation & Finance for sales collected for the period March 1, 2004 through February 28, 2005. No discrepancies were noted.

Internal Controls- Cash

All payments for EMC are made through SWCD's checking account. Both organizations' accounts are maintained on a cash basis for operations. The respective organization's governing bodies approve all purchases and payment vouchers, with a review of a check listing and supporting documentation on a monthly basis. SWCD's Executive Director, Board Chairman and Treasurer are authorized to sign checks.

A review of bank reconciliations, cancelled checks, authorized signatures and endorsements was conducted. Bank statements were reconciled by the SWCD Office Manager through December 31, 2005. In addition, the Treasurer of SWCD Board periodically reviews the reconciliations. Revenues for sales and services are receipted by each organization with pre-numbered receipts.

Findings

- While SWCD has a limited number of staff, a further separation of duties should be maintained. Currently, the same person deposits funds, prepares the checks, enters the information into the detail ledger, and reconciles the bank account.
- Bank statements were not initialed and dated to indicate review.

Recommendations

- The office should separate duties regarding the depositing and disbursing of funds to provide proper internal control.
- Bank reconciliations should be initialed and dated, by the SWCD Office Manager and the SWCD Board Treasurer to confirm a timely review.

Expenses

Personnel service expenses were compared to the 2005 W-2s and 941s. Payments to independent contractors were reviewed for issuance of 1099s under IRS guidelines. Selected expenses were reviewed in detail and a brief description of each with their respective findings follow.

Personnel Services

SWCD reported \$451,312.35 expended in personnel services. Of the total expended, \$327,518.15 was for SWCD and \$123,794.20 was for EMC. Payroll records and W-2's were reviewed and found to be in good order.

Maintenance Fee

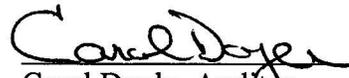
Dutchess County owns the Farm & Home Center. However, Cornell Cooperative Extension of Dutchess County pays the day-to-day costs of maintaining the facility. Cornell Cooperative Extension of Dutchess County charges occupants of the facility a maintenance fee based on the cost per square foot. A total of \$3,845.16 for SWCD and \$5,137.44 for EMC was paid during 2005. Invoices with the supporting documentation were reviewed and found to be in good order.

Inventory

SWCD and EMC each maintained their own agency's inventory listing. All assets acquired are expensed in the year of purchase. Purchases were reviewed and accurately noted on each agency's inventory list.

It should be noted that EMC's inventory should be transferred to Cornell Cooperative Extension with the program.


Aileen Davidson, Auditor


Carol Doyle, Auditor


Diane Jablonski, Comptroller

Exhibit 1 - SWCD Revenue and Expense Statement

**Dutchess County SWCD Conservation District
Revenue and Expense Statement
For The Year Ending 2005**

	Audited 2005
Revenue	
Dutchess County	\$220,187.00
Fees for Services, Other Reimbursement	20,138.61
Private/Fund Raising	62,953.27
Federal/State grants/Other Agreements	<u>273,842.62</u>
Total Revenue	<u><u>\$577,121.50</u></u>
Expense	
Personnel Services	\$328,078.15
Fringe Benefits	79,716.25
Materials/Utilities/Supplies	71,253.29
Travel/Training	21,121.03
Equipment	4,169.55
Payments to Others/Grants Special Projects	<u>19,009.53</u>
Total Expenses	<u><u>\$523,347.80</u></u>
Net Gain/(Loss)	<u><u>\$53,773.70</u></u>

Source: SWCD Annual State Committee Report and Detail Ledger

Exhibit 2 – EMC Revenue and Expense Statement

DUTCHESS COUNTY EMC REVENUE AND EXPENSE STATEMENT FOR THE YEAR ENDING 2005

	Audited 2005
Revenue	
County Appropriation	\$ 182,928.00
State Grants	66,435.83
GIS Map	6,700.06
Sale of Manuals, Publications, etc.	140.29
Copies	10.30
Workshop Training	177.00
Donations & Other	<u>11,398.51</u>
Total Revenue	<u><u>\$ 267,789.99</u></u>
Expenses	
Personnel Services	\$ 123,794.20
Fringe Benefits	9,470.27
Retirement	8,899.30
Office Supplies	2,299.39
Employee Travel & Training	1,572.58
Computer/Other Equipment (R&M-GIS)	14,240.89
Maintenance (Lease & Rent-Build)	5,137.44
Telephone	1,929.29
Grants/Spec. Projects/Workshops	38,133.68
Insurance	5,034.00
Medical	16,897.28
Publications and Dues/Advertise	133.00
Vehicle Expense/Lease	4,450.13
Lease & Rent/Equipment	2,258.31
Postage/Printing	1,500.00
Contracted Services	1,168.75
2004 Audit re-payment	<u>4,283.36</u>
Total Expenses	<u><u>\$ 241,201.87</u></u>
Net Gain/(Loss)	<u><u>\$ 26,588.12</u></u>

Source: Detailed Ledger

Exhibit 3 – SWCD Consolidated Cash on Hand

**DUTCHESS COUNTY SWCD CONSERVATION DISTRICT
ENVIRONMENTAL MANAGEMENT COUNCIL
CONSOLIDATED CASH ON HAND
JANUARY 1, 2005 – DECEMBER 31, 2005**

Cash on Hand 12/31/04

BMP Account	\$8,816.53
Escrow Account	657.31
Memorial Garden	223.69
Money Market	9,422.85
NOW Account	49,034.77
Petty Cash	125.94
Void Check	<u>2.00</u>

Cash on hand 12/31/04 \$68,283.09

Add: Receipts through 12/31/05 \$840,628.10

Less: Disbursements through 12/31/05 \$760,539.53
Plus un-remitted Payroll taxes 1,803.26

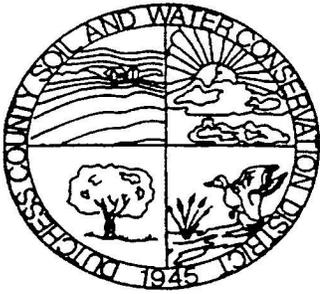
Total Cash-on-hand 12/31/05 **\$150,174.92**

Cash on Hand 12/31/05

BMP Account	\$8,852.88
Escrow Account	660.02
Memorial Garden	224.61
Money Market Acct	24,811.73
NOW Account	115,499.74
Petty Cash	<u>125.94</u>

Total Cash 12/31/05 **\$150,174.92**

Source: SWCD Annual State Committee Report



DUTCHESS COUNTY SOIL AND WATER CONSERVATION DISTRICT
2715 Route 44, Suite 3
Millbrook, NY 12545
Phone (845) 677-8011 ext. 3 Fax (845) 677-8354

June 22, 2006

Hon. Diane Jablonski, County Comptroller
22 Market Street
Poughkeepsie, New York 12601

Dear Ms. Jablonski:

The Directors and staff have reviewed a copy of your Draft Audit Report for Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the year January 1 through December 31, 2005 at our June 21, 2006 District Board Meeting.

We find the report to be a fair one. We agree to incorporate the procedures recommended to the best of our ability with the limited staff into our bookkeeping routine. We will continue to follow and review past recommendations by your Office, so as to keep an accurate accounting of our programs.

Response to Page 7 under Revenues:

EMC's claims for grants were prepared and forwarded by them to the grantor and copies were provided to the District after the fact, including County Appropriation reimbursement requests. The District did prepare and forward one grant C006289. This was because EMC and the District were involved in this project and the Coordinator was a District employee.

We thank you and your staff for a professional job in auditing our books and for the Audit Report with the findings and recommendations that always serve as further education in our bookkeeping procedures.

Sincerely,

Edwin J. Hoxsie III
Executive Director



The Dutchess County Environmental Management Council

June 26, 2006

Diane Jablonski,
Dutchess County Comptroller
22 Market Street
Poughkeepsie, NY 12550

Dear Mrs. Jablonski:

I have reviewed the Draft Audit Report for Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the year January 1 through December 31, 2005. I have the following comments:

DCEMC's financial reports have been based on financial reports provided by DCSWCD. Based on comments from the 2004 Audit, DCEMC staff met regularly with the DCSWCD bookkeeper to review monthly financial reports to ensure that DCEMC receipts and expenses were accurately recorded. On several occasions DCEMC requested a summary of 2005 financial figures (1/1-12/31/05) from DCSWCD. While reports were provided, we were told by SWCD that these did not represent finalized numbers. If DCEMC does not receive timely and accurate financial reports from DCSWCD, it cannot issue same.

While Dutchess County adheres to a fiscal schedule that follows the calendar year, grant funded projects may be initiated throughout the year. While grant schedules may indicate a one year timeline, these projects often take longer. Under the terms for payment and reporting "The Recipient may submit no more than four grant reimbursement requests prior to completion and final close out of the Project." Given these terms, reimbursement claims will inevitably be out of phase with the county's quarterly reporting system. While the contracts and amendments that DCEMC operated under in 2005 indicated reconciliation should take place at the end of each contract, it should be noted that DCEMC had no capacity for reserve funds to cover salary or operating expenses. In past years, reconciliation of grant reimbursements against funds received from Dutchess County was completed at the end of the county's fiscal year. Responsibilities for grant funded projects arise on a different schedule from those of the county budget.

The original agreement with the Dutchess County Legislature for funds to complete work on issues relating to groundwater was for payment in advance of services. In contrast to this understanding, the agreement signed by the Chairman of the Board of DCSWCD was for reimbursement for services provided. The reimbursement basis for funds under this contract was incompatible with DCEMC's plans to contract elements of the tasks through outside sources. Thus, DCEMC was unable to complete the tasks as outlined in the contract.

In good faith, DCEMC worked to satisfy the intent of the tasks described in the contract:

- DCEMC was to develop an educational program based on an update of the Horsley-Witten Report Water Supply Protection Plan for Dutchess County by DCSWCD. **DCEMC did not receive this report from DCSWCD.** In place of this educational program, DCEMC developed a one day groundwater symposium in collaboration with Vassar College (held 10/29/05).
- The EMC's GIS Lab is in the process of completing an inventory of Petroleum Bulk Storage facilities in Dutchess County (as listed by NYSDEC). There will be no additional funds requested to support this work.
- Development of GIS resources identifying areas along roads maintained by Dutchess County sensitive to salt intrusion was not possible under the time and budgetary restrictions of the contract.

Sincerely,


Stuart Findlay, Treasurer
DCEMC
Cc: Norene Coller

Please note: The Dutchess County Environmental Management Council has received no funds from Dutchess County for 2006; therefore it has no staff, office, address, telephone number, e-mail address, or web site. If there are questions about this letter, please contact former Chairperson Norene Coller at (845) 889-4016 or ncoller@frontiernet.net.

Office of the Comptroller
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Diane Jablonski
Comptroller

Stephanie Bosco-Ruggiero
Deputy Comptroller

May 19, 2006

Edwin J. Hoxsie III
Executive Director SWCD

We conducted an audit of the Soil and Water Conservation District and the Environmental Management Council January 1, 2005 to December 31, 2005. A copy of our draft report is enclosed for your information and comment.

The audit is scheduled for release June 2, 2006. Responses received prior to that date will be included in the report.

If you have any questions about the audit report, please feel free to contact this office at any time.

Thank you for the courtesy and cooperation you and your staff extended to the audit team.



Diane Jablonski
Comptroller

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Diane Jablonski
Comptroller

Stephanie Bosco-Ruggiero
Deputy Comptroller

June 26, 2006

Dutchess County Legislature
22 Market Street
Poughkeepsie, NY 12601

Ladies and Gentlemen:

We conducted an audit of the Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the time period January 1, 2005 to December 31, 2005. Response comments from Mr. Edwin J. Hoxsie, III, Executive Director of Soil and Water Conservation District and Stuart Findlay, Treasurer Environmental Management Council are attached.

This report is sent to you in compliance with section 20.02 of the county charter. If there are any questions, please feel free to contact this office.

Very truly yours,


Diane Jablonski
Comptroller

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Diane Jablonski
Comptroller

Stephanie Bosco-Ruggiero
Deputy Comptroller

June 26, 2006

Ms. Valerie Sommerville, Budget Director
Dutchess County Budget Office
22 Market Street
Poughkeepsie, NY 12601

Dear Ms. Sommerville:

We conducted an audit of the Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the time period January 1, 2005 to December 31, 2005. Response comments from Mr. Edwin J. Hoxsie, III, Executive Director of Soil and Water Conservation District and Stuart Findlay, Treasurer Environmental Management Council are attached.

If there are any questions, please feel free to contact this office.

Very truly yours,


Diane Jablonski
Comptroller

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Diane Jablonski
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Stephanie Bosco-Ruggiero
Deputy Comptroller

June 26, 2006

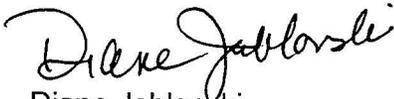
Ms. Pamela Barrack, Commissioner
Dutchess County Department of Finance
22 Market Street
Poughkeepsie, NY 12601

Dear Ms. Barrack:

We conducted an audit of the Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the time period January 1, 2005 to December 31, 2005. Response comments from Mr. Edwin J. Hoxsie, III, Executive Director of Soil and Water Conservation District and Stuart Findlay, Treasurer Environmental Management Council are attached.

If there are any questions, please feel free to contact this office.

Very truly yours,


Diane Jablonski
Comptroller

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Diane Jablonski
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Stephanie Bosco-Ruggiero
Deputy Comptroller

June 26, 2006

Mr. Roger Akeley, Commissioner of Planning
Dutchess County Department of Planning and Development
27 High Street
Poughkeepsie, NY 12601

Dear Mr. Akeley:

We conducted an audit of the Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the time period January 1, 2005 to December 31, 2005. Response comments from Mr. Edwin J. Hoxsie, III, Executive Director of Soil and Water Conservation District and Stuart Findlay, Treasurer Environmental Management Council are attached.

If there are any questions, please feel free to contact this office.

Very truly yours,



Diane Jablonski
Comptroller

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Diane Jablonski
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Stephanie Bosco-Ruggiero
Deputy Comptroller

June 26, 2006

Linda Keech, Executive Director
Cornell Cooperative Extension, Dutchess County
2715 Route 44, Suite 1
Millbrook, NY 12545

Dear Ms. Keech

We conducted an audit of the Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the time period January 1, 2005 to December 31, 2005.

If there are any questions, please feel free to contact this office.

Very truly yours,



Diane Jablonski
Comptroller

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Stephanie Bosco-Ruggiero
Deputy Comptroller

June 26, 2006

Stuart Findlay
Treasurer, EMC
Institute of Ecosystem Studies
Box AB
Millbrook NY 12545-0129

Dear Mr. Findlay:

We conducted an audit of the Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the time period January 1, 2005 to December 31, 2005.

This report along with your response and that of Edwin J. Hoxsie for the Soil and Water Conservation District has been sent to the County Executive and the County Legislature.

Thank you for your courtesy and cooperation.

Very truly yours,



Diane Jablonski
Comptroller

Office of the Comptroller
Dutchess County
22 MARKET STREET
POUGHKEEPSIE, N. Y. 12601
(845) 486-2050
FAX (845) 486-2055
E-MAIL: comptroller@co.dutchess.ny.us

Diane Jablonski
Comptroller

Stephanie Bosco-Ruggiero
Deputy Comptroller

June 26, 2006

Edwin J. Hoxsie, III
Executive Director, Dutchess County Soil and Water Conservation District
2715 Route 44
Millbrook, NY 12545

Dear Mr. Hoxsie

We conducted an audit of the Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the time period January 1, 2005 to December 31, 2005.

This report along with your response and that of Stuart Findlay for the Environmental Management Council has been sent to the County Executive and the County Legislature.

Thank you for your courtesy and cooperation.

Very truly yours,


Diane Jablonski
Comptroller

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Diane Jablonski
Comptroller

Stephanie Bosco-Ruggiero
Deputy Comptroller

June 26, 2006

Ms. Lisa Preddice
Price Waterhouse Coopers
677 Broadway
Albany, NY 12207

Dear Ms. Preddice:

We conducted an audit of the Dutchess County Soil and Water Conservation District and Dutchess County Environmental Management Council for the time period January 1, 2005 to December 31, 2005. Response comments from Mr. Edwin J. Hoxsie, III, Executive Director of Soil and Water Conservation District and Stuart Findlay, Treasurer Environmental Management Council are attached.

If there are any questions, please feel free to contact this office.

Very truly yours,


Diane Jablonski
Comptroller



July 26, 2006

Mr. Edwin Hoxsie, Executive Director
DC Soil & Water Conservation District
2715 Route 44, Suite 3
Millbrook, NY 12545

Dear ^{EX} ~~Mr. Hoxsie~~:

In the recent audit conducted by the Office of the Comptroller, it was determined that erroneous claims to the County by the Environmental Management Council resulted in a total of \$16,388.05 due back to Dutchess County. A copy of page four of the audit is enclosed showing, "Summary of Significant Findings" by the Comptroller's auditors.

**Dutchess
County
Department of
Planning and
Development**

Since SWCD contracted with the County for EMC in 2005, please send a check to the Department of Planning & Development made payable to the Commissioner of Finance as soon as possible to resolve the issues in the audit.

William R. Steinhaus
County Executive

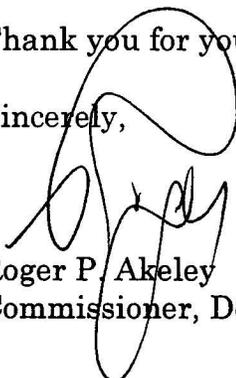
Roger P. Akeley
Commissioner

Thank you for your prompt attention.

Richard Birch
Assistant Commissioner

Sincerely,

27 High Street
Poughkeepsie
New York
12601
(845)486-3600
Fax(845)486-3610


Roger P. Akeley
Commissioner, Department of Planning and Development



/mm
Enc.

C: Diane Jablonski, Comptroller
Jessica White, County Budget Office