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November 15, 2011

Mr. James Coughlan, Comptroller
Dutchess County
22 Market Street
Poughkeepsie, NY 12601

Mr. Coughlan:

The Dutchess County Department of Emergency Response is in receipt of your draft audit for the period of January 1, 2009 through December 31, 2010. We thank you for the opportunity to respond to the findings and recommendations.

As stated in your report, current Management staff was not in place for the period of the audit. The Emergency Response Coordinator and Confidential Administrative Assistant positions were filled in 2011. However, several of the findings were previously being corrected prior to this audit. We continue to take corrective actions as described in this response.

The following are my responses to specific issues noted in your audit:

Summary of Findings:

Comptroller's Finding

- *Formal written policies and procedures should be developed for revenue claiming, receipting and recording; capital project and grant fund accounting and inventory tracking.*
- *Monitoring and oversight by management is necessary to ensure all accounting processes for revenue, capital project and grant accounting and inventory are accurate and complete.*
- *Formal written policies and procedures should be developed for revenue claiming, receipting and recording; capital project and grant fund accounting and inventory tracking.*

Corrective Action:

- In 2011, Emergency Response is conducting a review of all office functions, ensuring controls and processes are in place to account for and safeguard funds and department assets. This review will be completed in 2011 and a new procedure manual will be in place first Quarter 2012.

Dutchess
County
Department of
Emergency
Response

William R. Steinhaus
County Executive

Dana Smith
Coordinator

392 Creek Road
Poughkeepsie
New York
12601

Administration
(845) 486-2080
Fax (845) 486-3998

911 Dispatch
(845) 486-2081
Fax (845) 486-3997



- Bi-weekly meetings have been established with staff regarding the specific functions.
- Emergency Response has assumed responsibility for all Homeland Security grant reporting, as of third quarter 2011. Prior to this it was completed by the Dutchess County Sheriff's Office.
- Procedures have been established for grant accounting, reimbursement submittals and tracking.
- Inventory control has been reviewed and updated to Central Services standards in 2011.

Departmental Revenues

Findings:

- *Revenues accounting written procedures were not evidenced.*
- *Revenue tracking processes were not in place including: claiming, receipting, individual revenue file maintenance and revenue reconciliations.*
- *Revenues were not recorded in the appropriate time period.*
- *Revenue was over budgeted resulting in an increased reliance on county funding.*

Corrective Actions:

- New revenue accounting processes are being developed and implemented.
- A specific revenue procedure manual has been developed as well for the various revenue sources.
- A review of unrecovered revenue was conducted for the period of the audit and unrealized funds were claimed. Currently the department is awaiting reimbursement for 2009 and 2010 from the State of New York wireless deployment fund.
- Revenue projections have been made for the 2012 budget based on history and a more accurate projection.
- A formal process for tracking and reviewing surcharge revenue is being developed and implemented by the department. A quarterly review of current and inactive vendors will be conducted.

Inventory

Findings:

Procedures prescribed by the policy and overseen by the Dutchess County Department of Central Services have not been adhered to. This was noted in our prior audit. Specific findings include:

- *Outdated or destroyed items were listed on the Department's assets listing as of the audit review.*
- *Original tags for items purchased in 2007 were not affixed to the items until this audit.*
- *Some purchases of items with a value over \$3,000 were not issued County ID tags; however, these items were found on the Department's assets listing with temporary numbers.*
- *Item costs were incorrect on several items.*
- *Some items purchased on prior years (2006-2010), were not on the department's assets listing.*

Corrective Action:

- *Inventory control is now compliant with Dutchess County Department of Central Services standards.*
- *Several meetings with Central Services were held, staff assigned to the tasks and a complete review of our process was conducted.*
- *Follow up with Central Services resulted in a complete accounting and approval of our process.*
- *Quarterly reviews are now being completed with management and assigned staff.*
- *A complete inventory control plan is underway for assets under the \$ 3,000 benchmark.*

New York State Department of Homeland Security Grants

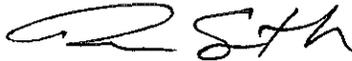
Findings:

- *Grant accounting for each contract was not comprehensively evidenced.*
- *Specific findings include:*
 - *Contract 3 04-860-E-911 revenue of \$63,962.16 was received 04/15/08 and incorrectly recorded in the Dutchess County Sheriff's office 2008 revenue account.*
 - *Contract #06-0698-E911 revenue of \$55,642.90 was received 12/08/10 and incorrectly recorded in the Dutchess County Sheriff's Office revenue account.*
- *Management oversight and follow up for accurate expense and revenue tracking was not evident.*

Corrective Action:

- As stated earlier, the Emergency Response Department has recently assumed responsibilities for accounting and tracking for all of our Homeland Security revenue.
- Additionally, processes and procedures that have been or are underdevelopment will alleviate these issues.
- A bi-weekly meeting is held with staff and management to specifically address these Homeland Security grants.
- Accounting, spending, vouchering are now more effective and efficient.

Respectively submitted,



Dana Smith
Emergency Response Coordinator