



**COUNTY OF DUTCHESS**  
DEPARTMENT OF PUBLIC WORKS  
DIVISION OF HIGHWAY CONSTRUCTION & MAINTENANCE

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

August 8, 2013

Dear Comptroller Coughlan,

The following is offered in response to your Draft Maintenance in Lieu of Rent (MLR) audit report for fiscal year 2012.

*Procedure documentation*

- As the 2013 MLR invoices are generated and the 2014 projections are created policies and procedures are being developed. A large spreadsheet has been used for expense tracking which differs from the actual billing process. The department will make every effort to review and capture P-card expenses. Central Services has added MLR project codes so expenses can be tracked in the Paymentnet system.
- A request for reimbursement documentation will be sent to the various departments so that all reimbursable expenses will be invoiced. Indirect supervisor salaries, administration, fringe benefits, and insurance were tracked but not billed except for the Unified Court System buildings which included all these items except insurance.
- We will send written requests to other departments to revisit their funding sources and provide an update to DPW concerning changes to their programs (charges allowed or no longer allowed, etc. and changes to their maximum reimbursable limits.)
- Year end accrual process will be reviewed.
- All reimbursements were reconciled for 2012 and are being reconciled quarterly.
- For 2013 procedures have been streamlined with the use of project codes in the financial software which attributes the costs to the various buildings. Payroll data collection will also be streamlined in the same way and should be fully operational for 2014.
- Stock Inventory processes will be reviewed. Janitorial supplies are tracked by building as used.

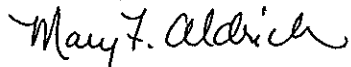
*Claimed expenses*

- Indirect supervisor salaries, administration and fringe benefits were tracked but not billed except for the Unified Court System buildings which included all these items.

Departments are directly billed for insurance through Risk management and telephones lines through Central Services.

While we are continuing to review and modify the procedures for expense tracking, your input will be welcomed to insure that your concerns are being addressed and that you will be confident that DPW's MLR process is being performed using sound accounting principles and practices. Our goal is still to improve the County's ability to collect as much revenue as possible under the terms of the many grant and funding programs available, and that the MLR will be a sound program that can withstand local, state and federal audits.

Sincerely,

A handwritten signature in cursive script that reads "Mary F. Aldrich".

Mary F. Aldrich  
Director Budget & Finance  
DC Dept of Public Works