

# Audit Committee

## Regular Meeting Minutes

**DATE & TIME:** July 24, 2019 – 5:00 PM  
**LOCATION:** KL Binder Library, 6<sup>th</sup> Floor, County Office Building  
**PRESIDING OFFICER:** Joseph Maloney, Chairman  
**LEGISLATIVE STAFF:** Natalie Kelder  
**PRESENT:** Legislators Lynn Archer, Herbert Litts, III and Hector S. Rodriguez;  
Comptroller’s designee Evan Gallo  
**ABSENT:** Legislator Richard Gerentine  
**QUORUM PRESENT:** Yes  
**OTHER ATTENDEES:** Legislators Kathy Nolan and Laura Petit

- Chairman Maloney called the meeting to order at 5:06 PM and called the roll.
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**Motion No. 1:** To approve the Minutes of April 22, 2019

**Motion Made By:** Legislator Archer  
**Motion Seconded By:** Legislator Litts

**Discussion:** None

**Voting In Favor:** Legislators Maloney, Archer, Litts, and Rodriguez  
**Voting Against:** None  
**No. of Votes in Favor:** 4  
**No. of Votes Against:** 0  
**Disposition:** Approved

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Legislator Maloney explained that Drescher & Malecki (D&M) audits our financial statements and prepares an annual management letter with recommendations. They tend to be the same recommendations year after year and some are as simple as formalizing a current procedure into a policy.

**Bank Reconciliation Policy** – Evan Gallo, Deputy Comptroller, gave an update that CJ Rioux from the Finance Department has reviewed the Draft Interdepartmental Bank Reconciliation Procedure and has a few changes to make. Evan Gallo will sit down with the staff of the Comptroller’s Department to review these changes. The Comptroller and Finance Departments are currently reconciled through May 2019, June 2019 will be completed shortly.

Legislator Archer also noted that with the June 2019 New World update, Finance should be using new modules and tools within the system such as Journal Entry documentation, the “HUB” – Decision Support Dashboard.

Once the departments are comfortable with the Bank Reconciliation Policy, it will be sent to D&M for review, along with the New World updates that Finance has implemented.

**Revenue Recognition Policy** – Legislator Maloney provided the background information that D&M noted Finance had recorded revenue outside of the typical 60-day window several years back. A summary of the procedure that Burt Gulnick, Commissioner of Finance, currently follows has been summarized and sent to D&M for review.

Legislator Archer stated that many items today are procedures but would be better off as policy. However, there should be agreement with Finance or the applicable department on the framework.

Legislator Rodriguez agreed that the policies created should take what is currently done as procedure, maintaining flexibility for the departments.

**Cybersecurity / Software Policy** – Legislator Maloney stated that in 2012 a firm came in to help craft an initial policy. There is currently a redline copy that is being reviewed in Economic Development.

Legislator Archer gave an update that Economic Development is reviewing the current draft of the Information Disaster Recovery Plan. There is a call scheduled to discuss EisnerAmper reviewing the document.

**Capital Asset Policy / Construction Work In Progress** – It was recommended to amend the Capital Asset Policy to include a section on Construction Work In Progress. Legislator Litts commented that an end of month report is supplied to the Public Works Committee.

**Debt Management Policy** – Legislator Archer stated that the Debt Management Policy is pre-charter and is in storage. Legislator Archer cautioned that it needs to be flexible and not so restrictive. She would like to obtain a few other local Debt Management Policies in order to meet with Burt Gulnick, Commissioner of Finance and review.

Legislator Rodriguez pointed out that in order to need a Debt Management Policy, you need a certain level of taxation. Therefore, you need a municipality of a specific size in order to compare Debt Management Policies. Legislator Litts also pointed out that there should be some review of the municipalities bond ratings before using their Debt Management Policy as a guide.

Legislator Rodriguez commented how Ulster County is in a much more secure financial position today compared to 15 years ago. There is a need for a strong Debt Management Policy to ensure the County stays in good standing.

**Succession Planning/Organizational Charts & Key Positions** – Legislator Maloney began by explaining the two different views on succession planning at the last meeting; one was freeing up funds to be trained ahead of time while the second was identifying talent within the organization.

Legislator Litts commented that due to the nature of civil service, the individuals you train may not be eligible for the position when the time comes.

Legislator Archer commented that a policy can be set to develop a succession plan, however, the other branches will need to identify their own key positions. Legislator Maloney would like to request the list of key positions and work charts / organizational charts from the Sheriff, District Attorney, Comptroller, Clerk and Executive.

Legislator Archer commented that it has been requested as part of a new budget process.

**New/Old Business:** None

**Old Business:** None

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There being no further business before the Committee,

**Motion to Adjourn**

**Motion Made By:** Legislator Litts  
**Motion Seconded By:** Legislator Rodriguez  
**No. of Votes in Favor:** 4  
**No. of Votes Against:** 0  
**Time:** 5:53 pm

**Respectfully submitted by:** Natalie Kelder  
**Minutes Approved:** September 24, 2019