

Audit Committee

Regular Meeting Minutes

DATE & TIME: August 14, 2018 – 4:30 PM
LOCATION: KL Binder Library, 6th Floor, County Office Building
PRESIDING OFFICER: Herbert Litts III, Chairman
LEGISLATIVE STAFF: Amber Feaster
PRESENT: Legislators Richard Gerentine, Tracey Bartels, Mary Beth Maio (arrived at 5:14), and Hector S. Rodriguez
ABSENT: None
QUORUM PRESENT: Yes
OTHER ATTENDEES: Ken Crannell, Deputy County Executive; Randy Boughton, Comptroller; Tom Malecki and Erica Handley, Drescher & Malecki (teleconference)

- **Chairman Litts called the meeting to order at 4:46 PM**
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Motion No. 1: To approve the Minutes of April 10, 2018

Motion Made By: Legislator Bartels
Motion Seconded By: Legislator Gerentine

Discussion: None

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

Chairman Litts introduced Tom Malecki, the audit partner at Drescher & Malecki LLP.

Mr. Malecki explained that the Firm is roughly 85% complete with their audit procedures and that, based on what is known today, they anticipate having the completed financial statements out in mid-September. Mr. Malecki walked the Committee through some generic audit procedures that have been completed, affirming that no fraud has been detected at this point in time and that there have been no changes in accounting policies. Further, Mr. Malecki discussed the effects that new GASB reporting requirements will have on the County's financial statements, and affirmed that there were no independence issues noted and that there are no material weaknesses or significant deficiencies identified. Mr. Malecki continued in disclosing a few potential management comments such as single audit notations, documented job descriptions, succession planning, notations on current policies and procedures, and utilization of the New World financial accounting system.

Erica Handley informed Committee members that open audit areas include capital asset testing, PILOT revenue, and legal confirmations. Mr. Malecki added that future accounting standards will be discussed at the close of audit procedures.

Legislator Bartels expressed interest in hearing more about the Firm's comments concerning utilization of the New World financial accounting system and asked about the exclusion of the Ulster County Soil & Water Conservation District as a component unit of the County. Mr. Malecki responded that he believes the Ulster County Soil & Water Conservation District should be included within the County's financial statements as a component unit but that the data is not material to the audit and he does not believe that the district's data is audited and available for inclusion. Further, Mr. Malecki advised that the audit of the Ulster County Soil & Water Conservation District should be concluded by August 31st each year in order to be included within the County's financial statements.

Committee members thanked Mr. Malecki and Ms. Handley for their time and all of their hard work.

Old Business:

Sheriff Department AUPs Update

The Legislative Fiscal Analyst informed the Committee that fieldwork was performed in late June, that the firm will be coming on-site again for final wrap-up, and that an update would be received shortly. Further, the Legislative Fiscal Analyst disclosed that, informally, it is believed that there will be recommendations to improve bank reconciliation procedures, clean-up of stale reconciling items, and a suggestion for periodic review of Fiscal Management procedures. Legislator Bartels expressed concern over the timeline for completion.

New Business:

Legislator Bartels asked Committee members to revisit the Committee's previous ideas for audit areas or items, suggesting that Committee members reopen the discussion of pursuing one or more of these items. Legislative Fiscal Analyst to circulate previous suggestions to the Committee for review.

There being no further business before the Committee, a motion was made by Legislator Bartels, seconded by Legislator Maio and carried to adjourn the meeting at 5:19 PM.

Dated the 14th Day of August, 2018

Amber Feaster, Fiscal Analyst

Minutes Approved On: September 20, 2018