



# CHEMUNG COUNTY

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JOSEPH E. SARTORI CPA  
TREASURER

Terry Wilber  
New York State Office of Homeland Security  
Fiscal Monitoring Unit  
1220 Washington Ave.  
Harriman State Office Campus  
Building 7A 7<sup>th</sup> Floor  
Albany, New York 12226

RECEIVED

MAY 26 2009

NYS OFFICE OF HOMELAND SECURITY  
FEDERAL FISCAL UNIT

Re: Response to Draft Monitoring Report  
**Review period:** October 1, 2004 – March 31, 2007

**Contracts Awarded:**

CONTRACT	AWARD PERIOD	AWARD AMOUNT	FUNDING SOURCE
C-152656	04/01-05-03-31-07	\$ 50,000.00	2005 BZPP
C-836550	10-01-04-03-31-07	175,000.00	2005 SHSP
C-836552	10/01-04-03-31-07	100,000.00	2005 LETPP

Dear Terry Wilber:

I am in receipt of your draft report summarizing the results of the fiscal monitoring visit conducted by the Office of Homeland Security (OHS). As a Certified Public Accountant I understand and concur with the importance of the sub-recipient monitoring provisions of the Single Audit Act. I also understand that as public officials we have a responsibility to not only safeguard public funds but to make sure those funds are used in a prudent and efficient manner.

The County of Chemung received \$325,000 in federal funding through the New York State OHS. We used these funds to purchase communication equipment for law enforcement vehicles and personnel, a van, a ballistics blanket and a thermo imaging camera for the Sheriff's Department. These purchases were approved by OHS, were made in accordance with New York State procurement law and all the equipment was placed in service in accordance with County policy.

The communication equipment was manufactured by Motorola and required set-up and programming which was done by Mid-State Communications (Mid-State). Therefore, the equipment was shipped directly from the manufacturer, Motorola, to Mid-State. The communication equipment and the van were competitively bid and the thermo imaging camera and the ballistic blanket were purchased on New York State Contract.

Our plan of correction for the observations and recommendations in your report is as follows:

**Observation No. 1 Equipment Property Records:**

The observation was that our fixed asset inventory records did not indicate the acquisition date, the condition, who held title or the percentage funded through federal participation of the assets listed.

We have recorded the year assets are placed in service on our fixed asset listing. In accordance with County policy, depreciation in our government-wide financial statements is recorded using the half year convention. The half year convention only requires the year an asset is placed in service. Though there is no apparent value to recording the exact date an asset is placed in service, in our fixed asset listing, we will do so for all purchases beginning June 1, 2009.

The amount of federal funding used to purchase equipment or for other purposes is, as a rule, stipulated in the grant contract. However, in the future, we will record this percentage in our fixed asset inventory as well.

Finally, our fixed asset inventory listing does not indicate the ownership or condition of the assets. This is because Chemung County, like all entities public and private, operates under the assumption that for an asset to appear on our fixed asset listing the asset must belong to the County. Further, all purchases are of new equipment and the condition is therefore presumed to be excellent or the equipment would not be accepted by the receiving department. Therefore, no corrective action is planned on this observation.

**Observation No. 2 Absence of Adequate Documentation**

The observation was that Chemung County did not maintain copies of packing slips or receiving reports for some of the equipment.

The County does not have a central receiving department and therefore does not produce receiving reports. The two items that did not have packing slips attached to the payment documentation were the van and the communication equipment. The van, not being packed, did not come with a packing slip. In my experience vehicles do not come with packing slips. The packing slip for the communication equipment was sent to Mid-State from Motorola. When Mid-State sent the programmed equipment to the County they did not include the Motorola packing slip. Since we received the equipment ordered at the price specified in the bid, on the purchase order and on the invoice, we did not deem the lack of the original Motorola packing slip a major impediment to compliance with federal regulations.

At this time we do not feel it would be in the taxpayer's best interest for the County to establish a receiving department. We further do not feel that any value would be gained in tracking down the Motorola packing slip to file with the payment documentation for the communication equipment. Accordingly, no action is planned on this observation.

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**Observation No. 3 Procurement**

The observation was that Chemung County did not maintain a contract file for State contracts utilized and did not have a complete copy of the Monroe County contract utilized to purchase the communication equipment.

The purchase orders for the items purchased on State contract contained the State contract numbers. We feel it would be a waste of taxpayer resources to print a complete copy of each State contract utilized when this information is available on the New York State website. However, we do believe there is value in documenting that the vendor and the amount of items purchased on State contract are verified on the State website. We will adopt such a policy for future purchases.

The practice of purchasing equipment based on another entities contract is rare. However, we agree that better documentation authorizing Chemung County to purchase equipment in this manner is appropriate. We will therefore develop policies to address this practice.

The ultimate purpose of sub-recipient monitoring is to assure federal funds were expended in a manner and for the purpose designated in the request for such funds. Chemung County made four purchases using the above mentioned federal funds. The New York State Department of Homeland Security sent two people for two days to review documentation and observe assets. Prior to the on-site visit Chemung County received several e-mail requests for information to be transmitted to OHS in advance of the visit. We complied with these requests. The on-site visit was followed up, seven months later, with a six page report to which this response is made.

Perhaps OHS should consider developing and performing a risk analysis when determining how best to use public funds in monitoring the use of other public funds. It seems the resources used in monitoring Chemung County's purchase of four items could have been better spent in more high risk areas.

Respectfully Submitted,



Joseph E. Sartori, CPA  
Chemung County Treasurer

C. Thomas J. Santulli, County Executive  
Michael S. Smith, Office of Emergency Management  
Christopher Moss, County Sheriff

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