

# ULSTER COUNTY OFFICE OF THE COMPTROLLER

March S. Gallagher, Esq.  
Comptroller



Alicia DeMarco, CPA  
Deputy Comptroller

## MEMORANDUM

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Date: November 15, 2021  
To: John Gavaris, Ways & Means Chair  
Cc: Members of the Ulster County Legislature  
From: March Gallagher, Comptroller  
Re: Restoration of the Director of Internal Audit and Control

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We appreciate the opportunity to explain value of the Director of Internal Audit and Control (DIAC) and the Legislature's diligence in reviewing the resources required by all County Departments. As you may be aware, the internal audit function of the County Comptroller's Office safeguards taxpayer interests, returning more than it costs by identifying lost revenues and cost savings. Furthermore, the DIAC is not a new position, but one that existed since 2013, was kept vacant for COVID, and is proposed for restoration in the 2022 Executive Budget.

Due to the present vacancy, internal audit work not conducted is a financial loss to the taxpayer. Lack of this position was identified by the Legislature's budget consultants as a weakness. The reduced staffing scenario limits the number of internal audits we can conduct annually. Working with the Legislature and Executive, internal audits have assisted in at least a \$2.1 million in savings and enhanced revenues to Ulster County since the beginning of 2020 as seen below.

Ulster County Comptroller's Office 2020-2021			
Cost Avoidance, Cost Recovery, and Revenue Enhancement Opportunities 2020-2021			
Type	Description	Potential	Actual
Cost Avoidance	Reduced jail expenditures	\$1,000,000	\$1,000,000
Cost Recovery	Indigent Legal Services-unused funding	\$2,415,719	\$1,153,500
	TOTAL	\$3,415,719	\$2,153,500

Additionally, in just the last two years the Comptroller's Office has identified more than \$8 million in additional potential revenues and savings by proposing a real estate transfer and mortgage recording tax (noted by the Legislature's budget consultants), identifying a lapsed lease agreement with Department of Labor, moving the real property auction online, recommending the voluntary collection agreement with Airbnb and more. Furthermore, outside vendors submitting invoices, employees seeking reimbursement, and departments justifying expenditures are deterred from fraud and waste knowing that those requests are going through a review process. In summary, the filling of the position of the Director of Internal Audit and Control will return to the taxpayer substantially more than the cost. We respectfully request this existing position, which was kept open only for pandemic savings, be restored in the 2022 budget.