



COUNTY OF ONONDAGA

*Office of the
County Comptroller*

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August 30, 2021

Mr. Steven Morgan, Chief Fiscal Officer
Onondaga County Department of Finance
John H. Mulroy Civic Center
421 Montgomery Street, 14th Floor West
Syracuse, New York 13202

Dear Mr. Morgan:

We performed a limited scope audit of the S.S.I. - Trust and Agency Account #051000-subaccount - 051000001 for the period January 1, 2020 through and as of May 31, 2021. We evaluated internal controls and planned and performed procedures to obtain reasonable assurance about whether the recorded account balance and the account transactions are free of material misstatement. The recorded account balance and the related account transactions are the responsibilities of the department's management. Our responsibility was to obtain an understanding of the policies/procedures (including bank reconciliation), test internal controls over the account, and review the account transactions completed during the audit time period. Our audit procedures included evaluating internal controls and examining, on a test basis, evidence supporting the account balance and transactions.

This account is used for various recoveries such as collecting payments for SNAP obligations, depositing refunds due to the clients or vendors, collections of Public Assistance or Medicaid reconciliations and Electronic Funds Transfer (EFT) lump sum monies sent for (landlord or childcare) providers and all items categorized as OTHER.

Findings and Recommendations:

1. We noted there is no monthly reconciliation of the detailed activity of deposits and disbursements to the PeopleSoft Trust and Agency Subsidiary account 051000-051000001-S.S.I.

Recommendation:

- *We recommend the Deputy Director of Financial Operations develop and implement a procedure for reviewing and reconciling this account at the detailed level. We suggest this procedure include an appointed individual, independent of cash receipts and disbursements, perform the monthly reconciliation to ensure the subsidiary account is balanced on a regular and timely basis. The reconciliation should be dated and signed by the preparer and the reviewer.*

- 2. We noted that as of 5/31/2021 there was a debit balance of \$122,134.14. Further analysis of the account indicated the debit balance occurred during the month of December 2018. This is a Trust and Agency account which represents funds owed to someone indicating a liability to the County and should have a credit balance versus a debit balance.

We noted a similar finding was cited on an audit report issued 8/24/2020. The response to the report from the Chief Fiscal Officer dated 9/8/2020 stated, "I have charged the Deputy Director of Financial Operation to develop and implement a procedure for reviewing and reconciling all Trust and Agency Accounts". It appears this procedure has yet to be fully implemented.

Recommendation:

- *We recommend Financial Operations review the nature of the debit balance and adjust accordingly. We have provided the detail of the account to Financial Operations Management to assist with the research of this account.*

- 3. We noted the most recent PeopleSoft Bank Module reconciliation to the PeopleSoft General Ledger completed by the Budget Analyst, Division of Finance was prepared November 2020. At that time there were 32 reconciling items resulting from various subsidiary accounts (051000-01, 053000-01, 053000-02 & 053000-04) which flow into the Chase Bank #180 account. We noted the Budget Analyst is tasked with researching outstanding reconciling items from the various subsidiary accounts which should be completed by Financial Operations staff.

Recommendation:

We recommend Financial Operations work with the Budget Analyst to investigate and clear these outstanding items.

Additionally, we recommend Financial Operations at the detailed level reconcile each individual subsidiary account, (051000-01, 053000-01, 053000-02 & 053000-04) at the end of each month to facilitate the completion of the Trust and Agency monthly reconciliation completed by the Budget Analyst.

4. We noted the Budget Analyst's Supervisor did not sign or date the Onondaga County Bank Monthly Reconciliation indicating a review had been performed.

Recommendation:

- *We recommend the monthly Onondaga County Bank Reconciliation be reviewed and signed off by a supervisor, indicating a review has been performed.*
5. We noted the J. P. Morgan Chase Bank Business Signature Card for the Trust Account #180 lists Steven Morgan, Chief Fiscal Officer and Martin Masterpole, Comptroller as authorized signees however only the Chief Fiscal Officer is responsible for the Trust and Agency account.

Recommendation:

- *We recommend the Finance Department contact J.P. Morgan Chase Bank to remove the Comptroller as signee and create a new business signature card. The Trust and Agency account should be signed only by the Chief Fiscal Officer.*

Please feel free to contact me with any questions you may have. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "Martin Masterpole". The signature is written in a cursive style with a large initial "M".

Martin D. Masterpole
Comptroller

Cc: Kristi Smiley, Deputy Director of Financial Operations

COUNTY OF ONONDAGA



DEPARTMENT OF FINANCE

J. RYAN McMAHON
County Executive

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STEVEN P. MORGAN
Chief Fiscal Officer

KRISTI SMILEY
Deputy Director of
Financial Operations

September 8, 2021

Mr. Martin Masterpole, Comptroller
Onondaga County Comptroller's Office
421 Montgomery Street, 14th Floor
Syracuse, New York 13202

Dear Mr. Masterpole,

I have reviewed your audit letter dated August 30, 2021 regarding Trust & Agency Account #051000-subaccount - 051000001. Below are a few items I would like to address:

As you noted in your letter the Chief Fiscal Officer charged me with developing and implementing procedures for reviewing and reconciling all Trust and Agency Accounts. At this time Treasury has provided Financial Operation all reconciliation items and they are under review. Upon completion of this review Financial Operation's Management will make the needed adjustment entry to correct the debit balance and implement revised procedures for these accounts.

Reconciliations are reviewed and signed by the Budget Analyst's Supervisor once all monthly reconciliations are done, efforts will be made to reduce the time between recon completion and review and signature.

Lastly, we will remove the name of the Comptroller as signee on the Trust and Agency account with J.P. Morgan Chase Bank

Sincerely,

A handwritten signature in cursive script that reads "Kristi Smiley".

Kristi Smiley
Deputy Director – Financial Operations