



Robert E. Antonacci II, CPA
Comptroller

COUNTY OF ONONDAGA

Office of the
County Comptroller

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James V. Maturo
Deputy Comptroller/Accounting

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March 28, 2017

Onondaga County Legislature
401 Montgomery Street
Room 407 Court House
Syracuse, New York 13202

Re: *Audit Report on Onondaga County Department of Transportation*

Dear Legislators:

I am pleased to release our Audit concerning the Onondaga County Department of Transportation focusing on vehicle inventory and maintenance. I previously sent correspondence on September 6, 2016 on internal controls concerning inventories and the failure of the Division of Purchase in maintaining such inventories. You responded by passing a local law on October 11, 2016 moving such powers to the Chief Fiscal Officer for reasons included in said local law. While I would encourage you to read our entire report, there are a few points I would like to highlight at this time.

The Mahoney Administration continues to narrowly define the powers of the Comptroller, thereby limiting the cooperation they allow departments to give during our audits. In this instance, access to basic maintenance records was severely limited. As such records were not given to the auditors, we had no choice but to conclude such records did not exist. An example of a finding based on this conclusion can be found in Paragraph D, which states in part:

“We were unable to perform a cost benefit analysis as intended on selected inventory items due to the following:

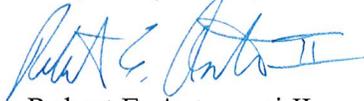
- The Division of Purchase was unable to provide an inventory listing with original purchase prices. (See pgs. 8-12, Exhibit 2), for the Comptroller’s letter to the County Legislature to address this issue.
- We were informed OCDOT upgraded/ changed software maintenance systems and integration of the system was not possible.
- OCDOT maintains both systems however requested records from the older system were not provided.
- OCDOT does not maintain WO’s per NYS records retention requirements.

- OCDOT limited their historical repairs and maintenance records to the last three years of activity -2014 through 2016.” (see page 6 of Audit Report)

The Office of Onondaga County Comptroller urges the Legislature to take action to ensure compliance with basic requests for information. The Administration’s failure to subject basic County records to independent review raises concerns about information the Administration is concealing.

Thank you for your prompt attention to this matter. Should you have any questions or concerns, please do not hesitate in contacting me directly.

Very Truly Yours,



Robert E. Antonacci II

cc: County Executive



**Report on
Onondaga County Department of Transportation
By Onondaga County Comptroller Robert E. Antonacci, CPA, Esq.**

Report Index

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SECTION 1

BACKGROUND AND EXECUTIVE SUMMARY

Background

The Onondaga County Department of Transportation, (OCDOT or the “Department”) provides managerial, engineering and technical expertise for 808 miles of County Roads in order to provide the traveling public with safe, convenient and efficient network of highways and bridges.

There are four Maintenance Facilities in four locations across Onondaga County: Camillus, Jamesville, Marcellus, and North Area. Each site has a maintenance facilities building equipped with a Mechanics Shop with enough space to perform the repairs on a portion of the Department’s motor fleet. The mechanics perform everything from basic maintenance to full engine rebuilds on large diesel trucks. Each facility is capable of making basic maintenance repairs to vehicles. The Jamesville Maintenance Facility is equipped for more complex vehicle repairs. This Facility has a tire shop, metal shop and can perform major welding repairs.

OCDOT uses Fleetmax System to maintain the vehicle/equipment inventory and all records of routine maintenance and repairs. Petrovend System imports mileage and fuel daily through an interface.

Our focus was to determine if their fleet and motorized equipment is properly maintained. Our objective was to review the detailed processes and procedures to ensure proper controls are in place and operating effectively to assist the Department’s management in making sound maintenance decisions.

Executive Summary of Findings and Recommendations

Over the course of the audit, we found the following:

1. A complete independent vehicle and equipment list was not provided by the Division of Purchase for comparison purposes to OCDOT’s records.
2. The Department has an inadequate vehicle and equipment records retention policy.
3. The Department has no written procedures or policies for the vehicle & equipment maintenance & repair process.
4. Vehicle and equipment maintenance and repair Work Orders, (WO) are not fully completed.
5. WO data entered into the Fleetmax System revealed errors or missing data.
6. The Department imposed an unfounded scope limitation which impacted our review efforts.

Our high level of recommendations includes the following:

7. To retain Vehicle and Equipment Maintenance and Repair records as required by the New York State provisions, Records Retention and Disposition Schedule, (RRDS) CO-2, Section 185.13. 8NYCRR.
8. Implement written procedures and policies for the Vehicle & Equipment Maintenance Process.
9. Implement a Supervisory review and approval process of all work orders to ensure accuracy.
10. Fully cooperate with the Audit Department to allow the Comptroller to perform his responsibilities as elected by the taxpayers of Onondaga County and to comply with the Onondaga County Administrative Code, Article 5, Department of Audit and control, Section 5.02, Comptroller, Powers and duties (e), stating the County Comptroller is authorized to “audit the financial records and accounts of all units of county government charged with any duty relating to funds of the County or for which the County shall be responsible.”

SECTION II

SCOPE AND METHODOLOGY

SCOPE AND OBJECTIVES

The purpose of this audit is to provide information and recommendations to the Department of Transportation's Management on their internal controls, processes and procedures relating to the inventory control and fleet maintenance.

Our objectives were to:

- To review current Vehicle Inventory and assessing the age of the Vehicles.
- Provide Department of Transportation Management with recommendations related to Vehicle Inventory policies and procedures.
- Review the accuracy of the Department's inventory listing.
- Perform a cost benefit of historical maintenance and repair charges to purchase price.
- Determine if routine maintenance is performed adequately.
- Obtain an understanding of departmental procedures and review specific internal controls relating to the above areas.

METHODOLOGY

In order to complete our objectives we:

- Reviewed the Departments 2016 listing of vehicles and large equipment and randomly selected items for further analysis.
- Performed onsite inspection of selected Inventory at each of the four Maintenance Facilities.
- Interview OCDOT management and staff to determine specific practices and procedures of the maintenance of county vehicles.
- Reviewed a sample of inventory items for proper maintenance practices.
- Reviewed compliance to procedures and policies as described to us by OCDOT Management and staff.
- Finalized recommendations and include them in this report.
- Discussed draft recommendations with OCDOT's Management for their input and practicality evaluation.

SECTION III

FINDINGS AND RECOMMENDATIONS

RECORDS RETENSION

- A. It is the Department's policy to destroy the WO's at the end of the year, this practice is not in compliance with the NYS Education Department's Records Retention and Disposition Schedule, (RRDS) CO-2, Section 185.13, 8NYCRR (Appendix J), Public Property and Equipment,(15.{524}, maintenance, testing, service, operational and repair records.¹

Recommendation:

1. *We recommend Management become familiar with and comply with the RRDS CO-2 requirements.*

VEHICLE & EQUIPMENT MAINTENANCE & REPAIR; COST HISTORY ANALYSIS

- B. We compared 33 vehicle and equipment maintenance WO's selected from the first six months of 2016 to the data entered into the Fleetmax system. The following issues came to our attention and are illustrated in Exhibit 1, pg. 7:
- WO's completed improperly, such as omitted mileage/hours of usage and repair hours.
 - Data entry errors, such as an incorrect equipment number, repair parts and work performed.
 - No policy or procedure is in place to have a supervisory review of the WO's and subsequent data entry into the system to ensure the accuracy of the data being entered.

Recommendation:

2. *We recommend OCDOT Management implements appropriate internal controls to ensure proper completion of WO's and data entered into the Fleetmax System.*
- C. We attempted to observe and discuss WO's and their subsequent entry into the system to obtain a better understanding of the actual process and procedures performed by the line staff. However, OCDOT's Management was unable to make an independent decision and the request was denied. There is a possibility additional internal control improvements could have been suggested.

¹ **Resolution – 240-7/6/1987**-Onondaga County Legislators adopted policy for use by all County Officers, *Records Retention and Disposition Schedule CO-1*, issued pursuant to Section 65-b of the Public Officers Law and containing legal minimum retention periods for County government records. Subsequently, policy updated, New York Archives 1990, revised in 2006; *Records Retention and Disposition Schedule CO-2* supersedes and replaces Records Retention Disposition ScheduleCO-1. It was prepared and issued by the State Archives, State Education Department, pursuant to Section 57.25 of the Arts and Cultural Affairs Law and Part 185, Title 8 of the *Official Compliance Codes, Rules and Regulations of the State of New York*.

Recommendation:

3. *We can only recommend OCDOT's Management more fully cooperate with the Audit Division on future engagements and understand we are working towards the same goals of the most efficient use of taxpayer's dollars and to safe guard the county's assets.*

D. We were unable to perform a financial analysis as intended on selected inventory items due to the following:

- The Division of Purchase was unable to provide an inventory listing with original purchase prices. (See pgs. 8-12, Exhibit 2), for the Comptroller's letter to the County Legislature to address this issue.
- We were informed OCDOT upgraded/ changed software maintenance systems and integration of the system was not possible.
- OCDOT maintains both systems however requested records from the older system were not provided.
- OCDOT does not maintain WO's per NYS records retention requirements.
- OCDOT limited their historical repairs and maintenance records to the last three years of activity -2014 through 2016.

Recommendation:

4. *We can only recommend OCDOT's Management more fully cooperate with the Audit Division on future engagements and understand we are working towards the same goals of the most efficient use of taxpayer's dollars and to safe guard the county's assets.*
5. *Additionally we recommend the Department comply with NYS records retention laws and regulations; RRDS, CO-2.*

E. We determined the Department appears to have performed routine maintenance on only 8 of the 24 items selected for testing. This is based on the standards provided by OCDOT Management, a three year system generated maintenance report respective of each item and our determination of miles driven with in the three year period.

OCDOT STANDARDS

- "All new vehicles have their oil changed at 3,000 miles and then at 5,000 miles after that. That is light and heavy duty vehicles. Brakes are checked at all oil service intervals and at NYS annual inspection. There is no specific mileage for brakes "

We relied on the beginning and ending mileage respective of the three year period as provided by OCDOT's Management.

The remaining sixteen items OCDOT could not provide the needed mileage from the system as it is our understanding this information was never entered into their system. Therefore we were unable to determine if the routine maintenance was performed per OCDOT's standards.

Recommendation:

6. *We recommend all WOs are completed properly and information from the WOs are entered into the Fleetmax system with due care. We further recommend supervisory review and approval of WOs and data entry to ascertain propriety of work and completeness of record keeping.*

SECTION IV EXHIBIT 1

Vehicle/Equipment Maintenance and Repair Findings

	Work Order	Equipment ID	Mileage/ lacking	Incomplete Hours/Info Mechanic	Parts listed on the WO inconsistent with system	Work performed did not match system data	WO input was not reviewed by Supervisor
1	203231						x
2	203229						x
3	203211						x
4	203202		x				x
5	203173						x
6	203153		x				x
7	203100				x	x	x
8	203138			x			x
9	263097		x	x			x
10	203052						x
11	203053			x	x		x
12	203057			x			x
13	203058			x			x
14	263001			x	x		x
15	202091				x		x
16	202935					x	x
17	202887			x			x
18	262898		x				x
19	202899						x
20	202871	x		x	x		x
21	202883						x
22	202875						x
23	202860						x
24	202850			x			x
25	202839						x
26	202852				x		x
27	202871						x
28	202830						x
29	202761						x
30	202605						x
31	202643					x	x
32	202411			x	x		x
33	202439			x			x

X Denotes the Work Order is incomplete in this area of testing.

SECTION V

EXHIBIT 2

Please see following pages 10 – 13 for Comptroller’s letter.



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James V. Maturo
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Thomas R. Schepp II
Deputy Comptroller/Audit

September 6, 2016

Onondaga County Legislature
401 Montgomery Street
Room 407 Court House
Syracuse, New York 13202

Re: Internal Controls Concerning Inventories

Dear County Legislators,

I am writing to inform you of a significant lapse in County internal controls. During the course of a routine audit, the Office of Comptroller learned the Administration made a change in who is responsible for maintaining inventory lists, which is in violation of the Onondaga County Administrative Code (the "Code"). Despite claims of best practice, it is this Office's opinion such changes weaken internal controls. I urge the Legislature to take this matter up and determine what the policy of Onondaga County will be concerning inventory lists.

Office of Comptroller Auditors requested certain lists of equipment from both the Department of Transportation and Division of Purchase. The initial request was dated April 27, 2016. The Department of Transportation responded on April 27, 2016. No response was received from the Division of Purchase.

In a final attempt to secure the requested list from the Division of Purchase, and in recognition of the recent staff change within said Division, a request was again sent via electronic-mail on August 30, 2016. Director Trombley informed this Office that the "Department of Transportation is responsible for maintaining the official and definitive records of its vehicles. Therefore, Commissioner Brian Donnelly is the appropriate subject for your request for a 2016 Vehicle Inventory Listing." This Office replied referencing the Division of Purchase Materials Management Program and provided a copy of a previous inventory list from 2013.

At this time, via electronic-mail dated August 31, Deputy County Executive William Fisher interceded and informed this Office the County adopted Government Finance Officers

Association (“GFOA”) Best Practice concerning Control over *Noncapitalized* Assets. This was the first time this Office was notified of such a change in practices, or otherwise notified the County adopted such practices. Citing said GFOA Best Practice, Mr. Fisher stated “[c]ontrol responsibility for DOT vehicles has been assigned to the Onondaga County DOT.” And further stated “[i]n accordance with the second-to-last recommendation¹ in the attached GFOA Best Practice document, the Department of Transportation has made its updated list of vehicles available for your inspection.” Mr. Fisher concluded by stating the Director of Purchase will “not utilize any departmental resources toward fulfillment of this request.”

It must be stressed that the Best Practices referenced by Deputy County Executive Fisher related to noncapitalized assets. Per Governmental Accounting Standards Board (“GASB”) 34:

the term capital assets includes land, improvements to land, easements, buildings, building improvements, *vehicles, machinery, equipment*, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period (GASB 34, para. 19, *emphasis added*).

Unlike in Best Practices related to noncapitalized assets, GFOA does not appear to make specific recommendations on who should maintain inventories when it comes to capitalized assets.² This Office believes the inventory responsibilities should remain with the Division of Purchase.

First and foremost, the inventory recommendations cited by Deputy County Executive Fisher are in direct contradiction with the Code. Section 3.06 of the Code details the powers and duties of the Division of Purchase and the Purchasing Director, which states in pertinent part:

- (d) be responsible, except as may otherwise specifically be provided in this Code, for the maintenance of all current inventories of materials, supplies and equipment owned by or otherwise within the jurisdiction of the County government and maintain such records of use and maintenance thereof as may be appropriate;
- (h) receive, store, protect, maintain, issue and otherwise provide for the protection, use and disposition of stock, supplies, materials, and equipment

¹ “Departments should certify each year to the central accounting function (or other designated finance function) that updated lists of controlled capital-type items are on file and available for inspection. Each department should designate an individual to be responsible for verifying that lists of all controlled capital-type items have been filed each year, as required. The responsible manager in the department should then certify to the central accounting function (or other designated finance function) that those lists are 1) on file and available for inspection and 2) reliable and complete. A sound framework of internal control is necessary to afford a reasonable basis for this certification.” (*GFOA Best Practice – Ensuring Control over Noncapitalized Items*)

² <http://www.gfoa.org/periodic-inventories-tangible-capital-assets>

utilized by the County government throughout its various departments, offices, divisions, agencies and other units;

- (i) Submit to the County Executive such reports, data and information as may be required or as may otherwise be appropriate from time to time, regarding the stock, supplies, materials and equipment of the County; (Code §3.06)

Nowhere in the Code does it directly or indirectly state the Division of Purchase may delegate these duties to the Department of Transportation, or any other departments, offices, divisions, agencies or other units. Should it be the desire of the Legislature to adopt the GFOA recommendations, an amendment of the Code as specified in the Municipal Home Rule Law would be necessary.

It is this Office's position that adoption of the GFOA recommendations is not advisable. As acknowledged in the referenced "second-to-last" recommendation (included as footnote 1 in this letter), internal controls demand a division of such responsibilities. Allowing those individuals in control of the assets to also have control in the maintenance of an inventory list poses a significant control weakness, potentially allowing employees to conceal errors or irregularities. This also happens to be the position of the Office of the New York State Comptroller, as stated in its Local Government Management Guide: Capital Assets³ when it states on page 3:

"For internal control purposes, the person in charge of the property records should not have access to the property/assets."

It is this Office's opinion that the past practice of the Division of Purchase maintaining its own list with random audits by the Comptroller's Office is the best practice for Onondaga County.

The Division of Purchase is best situated to maintain the inventory of vehicles, machinery, and other similar capital assets. When a DOT vehicle comes into the possession of the County, its information is processed by the Division of Purchase for purchase. It is the Division of Purchase which takes in the VIN number and vital statistics of the vehicle, such as capacity and equipment, to ensure the County received what it paid for. Then at the end of the vehicle's time with the County, it is the Division of Purchase which auctions off the vehicle, again with the pertinent data related to the sale. If responsibility of inventories is changed to the Office of Comptroller, this Office will have to request the information from the Division of Purchase anyways.

Further, maintaining the inventory lists with the Division of Purchase will ensure a uniform format for such inventories. If primary responsibility of maintaining inventories is delegated to each individual department, there is the potential that each department will have a unique format

³ https://www.osc.state.ny.us/localgov/pubs/lmg/capital_assets.pdf

for maintaining such inventory. This could result in additional work for year-end when it is necessary to incorporate the information for the County's financial statement. The current system of maintaining a centralized inventory allows greater ease at year-end.

GFOA standards are not mandates. Local government accounting hierarchy was established by GASB 55. There are five levels or categories, A, B, C, D, and Other. Level A includes officially established accounting principles, GASB Statements, and GASB Interpretations. Among Levels B, C, and D are various pronouncements of GASB and the American Institute of Certified Public Accountants ("AICPA"). At best, GFOA falls into the Other category and below the dictates of the Charter and Code and below the recommendations of the New York State Comptroller.

If it is the desire of the Legislature to delegate such regular oversight authority to the Comptroller's Office, then the Legislature must ensure a properly staffed Audit division to perform such tasks, as this decision will not be limited to Department of Transportation. Many departments, offices, divisions, agencies and other units of Onondaga County have vehicles and equipment of like kind, such as Water Environment Protection ("WEP"), Facilities, and the Sheriff's Office to name a few. Once again, a change of this significance would require an amendment of the Code as specified in the Municipal Home Rule Law.

Thank you for your prompt attention to this matter. Should you have any questions or concerns, as always, please do not hesitate in contacting me directly.

Very Truly Yours,



Robert E. Antonacci II, CPA, Esq.,
Onondaga County Comptroller

cc: Joanne M. Mahoney, County Executive
William P. Fisher, Deputy County Executive
(via electronic-mail)

Onondaga County Comptroller

Robert E. Antonacci II, CPA

SECTION VI
DEPARTMENT OF TRANSPORTATION RESPONSE

COUNTY OF ONONDAGA



DEPARTMENT OF TRANSPORTATION

JOANNE M. MAHONEY
County Executive

JOHN H. MULROY CIVIC CENTER
421 MONTGOMERY STREET, 11TH FLOOR
SYRACUSE, NEW YORK 13202
Phone: 315.435.3205 Fax: 315.435.5744
ongov.net

MARTIN E. VOSS
Commissioner

AUDITED ENTITY COMMENTS

February 13, 2017

Mr. Thomas R. Schepp
Deputy Comptroller/Auditor
Office of the Onondaga County Comptroller
421 Montgomery Street
Syracuse, NY 13202

These comments are in response to the Report on Onondaga County Department of Transportation reviewing the processes, procedures, and controls designed to assist the Department's management in making sound maintenance decisions with respect to vehicles and motorized equipment.

The Onondaga County Department of Transportation would like to thank the County Comptroller's audit staff for providing information and recommendations related to the maintenance of the Department's vehicles and motorized equipment.

Your Draft Report makes six recommendations. The responses of Entity Management are included below.

Records Retention (recommendation 1)

Audited Entity Management is very familiar with *Records Retention and Disposition Schedule CO-2* which has been adopted by the Onondaga County Legislature for use by all units of County government. Furthermore, the Department is in full compliance with *Schedule CO-2*. Therefore, Audited Entity Management respectfully disagrees with the recommendation that "...*Management become familiar with and comply with the RRDS CO-2 requirements*".

Item 16 within the **General** section of *Schedule CO-2* requires that "**Repair, installation, maintenance or similar record**, including but not limited to request for service, work order, record of work done, and summary or log of service performed" be retained for a period of six (6) years. Although the Department disposes of the original Work Orders for vehicle maintenance, we do in fact maintain an electronic record of work done and a log of service performed for the required retention period. *Schedule CO-2* does not in fact require retention of the original paper copy of the Work Order, so long as a record of the service performed is maintained.

Vehicle & Equipment Maintenance and Repair; Cost History Analysis (recommendations 2-6)

Entity Management has existing internal controls in place such that the information necessary and pertinent to track vehicle and equipment maintenance and repair activities is completed and stored as electronic records in the appropriate Department systems. As no specifics were offered as to why the auditing staff concluded that existing internal controls are not "appropriate", Audited Entity Management has no further response to recommendation 1 that "Management implements appropriate internal controls".

Entity Management, to the best of its ability and belief, cooperated fully with all requests for financial records and accounts of the Department in connection with the subject audit. When audit staff sought to observe and/or interview Entity Management field staff unrelated to the above, it was determined that such a request was beyond the audit scope and consequently a waste of taxpayer money. Therefore, we do not plan to act on your recommendation that "*Management more fully cooperate with the Audit Division on future engagements*". The Department's management will fully cooperate with requests by audit staff for any and all financial records and accounts of the Department and will answer any questions that audit staff has about such financial records and accounts, as it did with respect to this audit. Therefore, the Department does not plan to take any action in response to recommendations 2-4.

As noted above, Audited Entity Management is very familiar with *Schedule CO-2* and believes that the Department is in full compliance with the County's record retention and disposition policy. Therefore, the Department does not plan to take any action in response to Recommendation 5 that "*the Department comply with NYS records retention laws and regulations*".

Audited Entity Management concludes that Work Orders are being completed properly and that these Work Orders are being entered accurately into the Department's record keeping systems. Management concludes that appropriate supervisory review and approval of Work Orders is being performed in an efficient and cost-effective manner. Therefore, the Department does not plan to take any action in response to Recommendation 6 recommending changes to the manner in which Work Orders are completed, entered into the record keeping system, and reviewed by Department management.

With respect to the September 6, 2016 letter attached to the draft report as Exhibit 2, the Department wishes to draw the Comptroller's attention to Local Law C 10.11.2016, a copy of which is attached. Local Law C 10.11.2016 was adopted by the County Legislature on October 11, 2016 to establish responsibility for maintaining records of County fixed asset inventories within the Department of Finance.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. E. Voss', written in a cursive style.

Martin E. Voss, Commissioner
Onondaga County Department of Transportation

Attachment enclosed

C.

LOCAL LAW NO. ____ - 2016

A LOCAL LAW AMENDING THE ADMINISTRATIVE CODE REGARDING MAINTAINING INVENTORIES OF THE COUNTY'S PROPERTY

BE IT ENACTED BY THE COUNTY LEGISLATURE OF ONONDAGA COUNTY AS FOLLOWS:

Section 1. Findings/Purpose. To protect the public's investment in the County's property and resources, it is necessary to maintain accurate and current inventories. The Division of Purchase presently bears this responsibility. However, with the implementation of enterprise technology and controls, the Finance Department, headed by the Chief Fiscal Officer is better suited to track property and its use across and within departments and units of County government. This local law amends the Administrative Code to shift these executive duties.

Section 2. Amendment. The Onondaga County Administrative Code, being Local Law No. 1-1975, as previously amended, is hereby further amended as follows:

From within Section 3.06, powers and duties of the Purchasing Director, strike subsections (d), (e), and (h) in their entirety, consecutively renumbering the remaining subsections such that they become subsection (a) through (g).

To Section 4.02, powers and duties of the Chief Fiscal Officer, add three new paragraphs to subsection (a), as follows below, then renumber such section in a way that eliminates the present reference to subsection (a), as there is no coordinate subsection (b). Thereafter, all enumerated powers and duties shall be renumbered such that they are to become subsections (a) through (i).

The additional language is to be new subsections (e), (f), and (g):

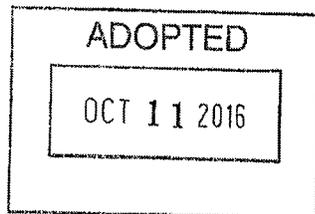
(e) be responsible, except as may otherwise specifically be provided in this Code, whether directly or by providing direction and assistance to departments and other units of County government, for the maintenance of all records pertaining to materials, supplies and equipment owned by or otherwise within the jurisdiction of the County government;

(f) be responsible, whether directly or by providing direction and assistance to departments and other units of County government, for the transfer of materials, supplies and equipment among such departments and units as required, subject to the approval of the County Executive;

(g) be responsible, whether directly or by providing direction and assistance to departments and other units of County government, for the receipt, storage, and protection of supplies, materials, and equipment utilized by the County government throughout its various departments, offices, divisions, agencies and other units;

Section 3. Effective Date. This local law shall take effect immediately upon filing in the Office of the Secretary of State pursuant to section 27 of the Municipal Home Rule Law.

LL - Administrative Code - Inventory
KMB
Cim
djg
16 SEP 29 AM 10:22
LEGISLATURE



I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF LEGISLATION DULY ADOPTED BY THE COUNTY LEGISLATURE OF ONONDAGA COUNTY ON THE 11th DAY OF October, 2016

Deborah A. Maturo
CLERK, COUNTY LEGISLATURE
ONONDAGA COUNTY, NEW YORK

LOCAL LAW C

OCTOBER 11, 2016
SESSION
(Second Day)

LEGISLATOR	AYES:	NOES:	ABSENT
11. KILMARTIN	✓		
17. ERVIN	✓		
10. HOLMQUIST	✓		
12. KNAPP	✓		
13. SHEPARD	✓		
14. JORDAN	✓		
16. WILLIAMS	✓		
1. MAY	✓		
2. DOUGHERTY	✓		
3. BURTIS	✓		
4. TASSONE	✓		
5. RAPP	✓		
6. PLOCHOCKI	✓		
7. LIEDKA	✓		
8. RYAN	✓		
9. CHASE	✓		
15. McMAHON	✓		
TOTAL	17	0	



Reply to Management Response

Management responded to the Draft Audit Report on Onondaga County Department of Transportation (“DOT”) via letter dated February 13, 2017 and signed by DOT Commissioner Martin E. Voss.

Concerning Recommendation #1 Records Retention, DOT states it is in full compliance with *Schedule CO-2* requirements for record retention.

With respect to Recommendation #1-Records Retention Finding, we concur with DOT’s interpretation that hard copies are not required when suitable electronic copies are maintained however due to the numerous instances of missing information in the department’s electronic files, the departments electronic records are incomplete and therefore unreliable. DOT’s response offers no explanation for the missing information, therefore this Office stands by Recommendation #1.

Concerning Recommendations #2-6, DOT states it fully cooperated with this Office to the extent management deemed appropriate. Management further stated: “As no specifics were offered as to why the auditing staff concluded that existing internal controls are not “appropriate”, Audited Entity Management has no further response to recommendation 1 [sic]¹ that “Management implements appropriate internal controls”.

This Office would refer Management to Finding B, which states:

We compared 33 vehicle and equipment maintenance WO’s selected from the first six months of 2016 to the data entered into the Fleetmax system. The following issues came to our attention and are illustrated in Exhibit 1, pg. 7:

- WO’s completed improperly, such as omitted mileage/hours of usage and repair hours.
- Data entry errors, such as an incorrect equipment number, repair parts and work performed.
- No policy or procedure is in place to have a supervisory review of the WO’s and subsequent data entry into the system to ensure the accuracy of data being entered.

¹ Management referenced recommendation #1 to the statement, however the reference should be to recommendation #2; see page 5 of Audit report.

Exhibit 1 goes on to detail the exact work orders reviewed and any deficiencies found. This Office is troubled by the fact Management does not find the issues identified as “specific” enough. DOT’s response offers no explanation for the missing information, therefore this Office stands by its Recommendations #2-6.

Management’s Response continues a disturbing trend this Office has seen with the Mahoney Administrations lack of cooperation. Management states: “When audit staff sought to observe and/or interview Entity Management field staff unrelated to the above, it was determined that such a request was beyond the audit scope and consequently a waste of taxpayer money. Therefore, we do not plan to act on your recommendation that “Management more fully cooperate with the Audit Division on future engagements”. The Department’s management will fully cooperate with requests by audit staff for any and all financial records and accounts of the Department and will answer any questions that audit staff has about such financial records and accounts, as it did with respect to this audit. “Therefore, the Department does not plan to take any action in response to recommendations 2-4.”

This is representative of a pattern by which management has taken upon itself to decide what constitutes “financial records”. In this instance records were missing which lead to our findings, including “D”, which stated “[w]e were unable to perform a financial analysis as intended on selected inventory items due to” missing information. Please see page six of the audit for more detail. DOT’s response offers no explanation for the missing information, therefore this Office stands by its Recommendations #2-6.

Management’s reference to a Local Law passed by the Legislature on October 11, 2016 appears as somehow relieving the Division of Purchasing of past obligations. During the period audited, the Administrative Code required the Division of Purchase to maintain inventories along with individual departments. In requests dated April 27, 2016 and May 6, 2016, along with multiple phone messages left with the Director of Purchase’s secretary, this Office asked for inventories from both DOT and Division of Purchase. While DOT responded, the Division of Purchase did not. This deficiency was seen as so severe that this Office immediately reported its concerns via letter dated September 6, 2016 to the Legislature for their action.