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Comptroller

COUNTY OF ONONDAGA

Office of the  
*County Comptroller*

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

**Re: *Dannible & McKee, LLP Review Pay Period 1 2016***

Dear Legislators,

We were recently informed Dannible & McKee, LLP (“Dannible”) had finished its review of Pay Period 1, 2016 in a report dated March 21, 2017. Much like you, we were not informed of this by Dannible, or by the Administration. We learned of the final report because of a media inquiry.

The review, commissioned by the Administration, lays bare a key finding, one that should trouble all of us, that the Mahoney Administration directed the Information Technology Department (IT) to modify a department’s decision. The circumventing of the Comptroller’s Certification and how far the administration is willing to go when they don’t like something is indeed troubling and should set off alarms.

The role of the Comptroller’s Office under Charter, Code, and case law, relative to payroll is crystal clear. The Comptroller is the chief accounting and auditing officer for the County.<sup>1</sup> The Comptroller must audit and certify for payment all lawful claims or charges against the County or against funds for which the County is responsible.<sup>2</sup> To exercise these payroll functions, the Comptroller’s Office employs a Payroll Auditor who supervises six account clerks. With regard to the subject matter of the review, our office issued a report on the matter and advised the Administration the change was coming!<sup>3</sup> The internal control issue is that IT meddled in an area “considered outside the normal job function.”

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<sup>1</sup> Onondaga County Charter §502(a)

<sup>2</sup> See Charter §502(d) and Code §5.02(d)

<sup>3</sup> “Bill Fisher said his office was on the alert for alterations because Antonacci had said he would not certify the raises.” (BAKER, Chris, “Stronger Payroll Checks Needed After Meddling, Review Shows”, The Post- Standard, May 1, 2017, p. A1 & A4)

The Comptroller's Payroll Audit staff is responsible for compiling data submitted by payroll clerks for the County's 3,200 employees. They make necessary changes to ensure the timely submission of payroll. This system has functioned properly for decades and whether the Comptroller himself or a designated staff member makes an *authorized* change, it is a distinction without a difference.

The report's finding of key internal controls states "[e]ach payroll test run is reviewed and approved by the County payroll auditors, *prior to the final release of payroll as active*" (emphasis added). As noted later in the report, it is the Comptroller's Office which releases the payroll as active.<sup>4</sup> This is a reflection of the Comptroller's Charter and Code duties to certify lawful payments.

This process was followed by the Comptroller's office in payroll period 1 2016. The Comptroller's office did NOT do anything different than it has done repeatedly. Only in this instance the result of the Comptroller's decision was changed by the Administration.

The report recommends a safeguard which "would prevent unauthorized payroll data changes from being made to the payroll master file between the time that payroll audit procedures for the thread and final test runs take place and *the time that the final payroll batch file is released as active by the Office of Comptroller*".<sup>5</sup> The report notes there was an unauthorized change in the payroll file by the Information Technology Department. On page 7 of the report, it states, "the Deputy Chief Information Officer should not have the ability to make changes to individual payroll data for any County employee, as this would be considered outside the normal job function for this position."

It is undisputed the Comptroller has a responsibility and duty to make changes to the payroll. How I execute those responsibilities is at my discretion. I had originally asked Anne Marie Donohue, this Office's former Payroll Auditor, to make those changes. She declined not for a professional reason, but a personal reason. She was in fear of her husband's job in Community Development had she made the change. So instead, my executive secretary made the changes and Ms. Donohue verified them as being done correctly.

To summarize, it is not a control weakness for the Comptroller or his designee to make authorized payroll changes. The only real control weakness we should all be concerned about is the ability of the Administration via the IT Department to make changes to departmental work product.

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<sup>4</sup> "the County's payroll system does not have a control in place to prevent changes to payroll data from taking place between the time of the payroll auditors' review of the third and final payroll test run and release of the payroll as active by the Office of the Comptroller." See pp. 2-3 of the report.

<sup>5</sup> See p. 3 of the report, *emphasis added*.


The last finding of key internal controls states, “[p]ay rates agreed to the established and approved payrates, as documented within applicable legislation”. The applicable legislation to which the report cites was found illegal by Judge Spencer Ludington. The failure to reference the court case reflects a larger issue with the report’s failure to address subsequent events.

Ordinarily, an auditor inquires into whether there is information which occurred after the tested period which is so significant that its omission would cause the reader to be misled. Such an event did occur subsequent to payroll period 1 of 2016. Because of this Office’s responsibility in payroll, we detected a breach of internal controls when the Department of Personnel, with the approval of the Deputy County Executive, tried to unilaterally increase the salary of the then acting Commissioner of Personnel. This increase was done to give the acting Commissioner a salary equal to that of Commissioner of Personnel without placing him in the title of Commissioner of Personnel. The only way to change the salary of an established position is by an act of the Legislature. In this instance, the Commissioner of Personnel and the Deputy County Executive knew the proper manner to make the desired change and instead tried to circumvent the Legislature.

As way of background, there are times in which a subordinate is placed in the role of acting head of department. From approximately March 2015 through June 2015, there was an acting County Attorney. From approximately October 2013 through March 2014, there was an acting Chief Information Officer. From approximately April 2014 through November 2014, there was an acting Health Commissioner. In none of those instances did the acting department head receive increased compensation beyond what they were entitled to in their then current title and step.

I would be happy to review with you any offered potential changes in the manner by which Onondaga County does payroll collaboratively with you and any interested parties. Such review would of course include consideration of how to implement such changes under our Charter, New York State Municipal Home Rule Law, or any other applicable authority. Thank you for your prompt attention to this matter and I look forward to working with you on this matter.

Very Truly Yours,



Robert E. Antonacci