



Review of Onondaga County Federal Revenue Tracking

Introduction

The Office of the Onondaga County Comptroller's Audit Division requested all County Departments, with federal revenue, identify dollar amounts for fiscal year ending December 31, 2014 and the associated pass through entities, along with the appropriate Catalog of Federal Domestic Assistance (CFDA) numbers. Federal dollars spent must be reported annually in the County's Schedule of Expenditures of Federal Awards as a condition of funding. These monies are subject to an annual outside compliance audit in accordance with the *U.S. Office of Management and Budget* (OMB) Circular A-133 Compliance Supplement. Therefore, tracking fund source is a vital part of accounting operations.

Procedure

The Office of the Comptroller Audit Division sent each department a preliminary 2014 federal revenue confirmation as a starting point for their departmental review. The confirmation contained identifiable federal revenue grants, dollars and applicable catalog numbers. It was requested each department examine the information provided to them, make all necessary corrections and additions, and return it to the Comptroller's Office in a timely fashion. Below is a list of the areas of concern which arose from department responses or the lack thereof.

Areas of Concern by Department

Authorized Agencies

1. The Department increased the 2014 Federal revenue reported by \$21,878 due to a 2014 JAG accrual being posted to the incorrect account. This accrual was not correctly posted to the federal revenue account, which caused federal revenue to be understated in the County's PeopleSoft accounting system.

Recommendation

All journal entries should be reviewed by the Department on the grant level to catch errors such as this. Also, the entries should be further scrutinized by the Accounting Division in the Comptroller's Office as an additional level of internal control.

Community Development

1. The Department responded with three of their grants reporting less federal revenue in 2014 than what was booked in the County's PeopleSoft accounting system for 2014. After review and discussion with the Comptroller's office, it was agreed that the federal dollars reported in PeopleSoft were the correct federal dollar amounts.

Recommendation

It is essential the Department track all revenue sources each year especially federal revenue and that is properly booked in PeopleSoft.

Board of Elections

1. The Department booked federal revenue to "Other General Governments" account code.

Recommendation

Booking revenue items to an "other" account makes it difficult to identify the funding source. The "Other General Governments" account should only be used in situations where there is no other alternative. If funds are federal, they should be classified as so with proper federal coding in PeopleSoft. If no code exists, a request can be made of the Comptroller's Office to create one.

Health Department

1. The Department reported deliverable Health Research Institute (HRI) contracts on the SEFA. Per an audit conducted by HRI, it was found that in the past the Onondaga County Health Department incorrectly included deliverable contracts on the SEFA.

Recommendation

It is essential that the Department read and review all contracts thoroughly to ensure they are properly reporting all federal revenue, particularly those with special conditions attached. When federal revenue is reported incorrectly, this could lead to the County having to restate the SEFA and the possible loss of federal revenue funding in the future.

Libraries

1. The Department booked \$13,870 of Federal revenue to a State Aid revenue account.

Recommendation

Booking federal revenue to a state revenue account makes it difficult to identify the funding source. There are already federal codes being utilized by the Library department for other federal revenue grants. The department should carefully code all revenue for tracking and reporting purposes.

Probation

1. The Department booked \$114,842 of Federal revenue to a state aid revenue account. Many times a grant will be partially funded federally and partially funded by the state.

Recommendations

Booking revenue items to the incorrect account makes it exceedingly difficult to identify funding sources. Departments must review all contracts and set them up to be recorded and tracked correctly in the Onondaga County PeopleSoft system in order to properly report all revenue. If no federal code exists for a department, then a request can be made of the Comptroller's Office to create one.

Sheriff's

1. The Department booked some of their federal revenue to other revenue codes. Some of the other codes were State Aid Revenue codes and Other Unclassified Revenue codes. As the County's financials identify state and federal aid separately, if revenue is inaccurately coded the potential for materially misstating the financial statements increase.

Recommendation

Every effort should be made to appropriately classify revenue and departmental accounting procedures surrounding such should be strengthened, using the applicable grant agreements as a reference, to avoid this situation in future periods.

Planning

1. The Department booked revenue of \$31,537 to a federal revenue account, but it was improperly recorded there.

Recommendation

The Department must make a concerted effort to ensure that all revenue is recorded in the proper accounts at year end for financial statement and federal revenue reporting purposes.

Conclusion

The Audit Division completed the 2014 Schedule of Expenditures of Federal Awards and discovered various areas of concern. The report above includes all concerns with their corresponding recommendations. This is now the second full year of utilizing PeopleSoft as it was implemented in September 2012. The departments should make every effort to review and read all grants and properly categorize all revenues received from outside sources.