



COUNTY OF ONONDAGA

*Office of the
County Comptroller*

Martin D. Masterpole
Comptroller

William M. Ryan
Chief of Staff

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Philip M. Britt
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November 8, 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 - Trust and Agency Accounts - 053000-subaccount Department of Social Services (DSS) Recovery-053000002 and Landlord - 053000004 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.

The DSS Recovery account-053000-053000002 is used for recovered funds. DSS clients who receive assistance from the following programs; Medicaid, Safety Net and Public Assistance benefits are required to reimburse the County in the event they come into a source of income which was not available to them at the time of application. Through the DSS Legal Division, recoveries are made from a variety of sources which could include legal settlements, mortgage discharge, selling of property, an insurance payment, or estate funds

The Landlord account-053000-053000004 is used to hold escrow payments received from Syracuse City Court. The court receives payment(s) from tenants who are seeking to avoid eviction. As of 2019, the law specifies that such payments are to be held in escrow by the Chief Fiscal Officer of the County. This account was active in 2020 however there was no activity during 2021 due to the continued moratorium on COVID-related residential and commercial evictions that started December 28, 2020. Testing was completed for 2020 only.

Findings:

1. The analyst was not able to provide a detailed listing of individuals and their respective recovered amounts as a monthly reconciliation associated with the DSS Recovery – 053000-053000002 is not performed at the detailed deposits and disbursements activity level to the amounts recorded in PeopleSoft.
2. We noted a monthly reconciliation is not performed at the detailed deposits and disbursements activity level of the Landlord Trust account to PeopleSoft Trust and Agency Subsidiary account #053000-053000004.

Recommendation:

- *We recommend the Deputy Director of Financial Operations develop and implement procedures for performing a monthly reconciliation of the detailed deposits and disbursements activity of the DSS Recovery and Landlord Trust accounts to the PeopleSoft Trust and Agency Subsidiary account #053000-053000002 and 0530000004, respectively.*

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

Sincerely,

A handwritten signature in blue ink that reads "Martin D. Masterpole". The signature is written in a cursive, flowing style.

Martin D. Masterpole

Cc: Kristi Smiley, Deputy Director of Financial Operations
William Ryan
Pete Headd

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

November 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 November 8, 2021 regarding Trust & Agency Account #053000-subaccounts: Recoveries -053000002 and Landlord - 053000004. As you are aware Financial Operations has been charged with developing and implementing procedures for reviewing and reconciling all Trust and Agency Accounts. Below are items of note for each subaccount

Subaccount 053000002

It has been brought to my attention that at the end of 2020 Bonadio determined that based on GASB84 that this account should no longer be a Trust and Agency account. We are currently depositing recovery checks into this account and then writing ourselves a check to deposit the money into the operating account. At this time we are just about done reconciling this account and beginning with 2022 we will stop using this account and directly deposit these recoveries into our operating account based on this new accounting principle.

Subaccount 053000004

Financial Operation Administration has reconciled sub account 053000004 and will be processing the corrective actions needed for those outstanding items shortly.

Sincerely,

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

Kristi Smiley
Deputy Director – Financial Operations