



COUNTY OF ONONDAGA

Office of the County Comptroller

Matthew J. Beadnell
Comptroller

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June 10, 2019

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

Dear Mr. Morgan,

We performed a limited scope audit of the Tax Holding, Trust and Agency Account #055000 for the period of January 1, 2017 through December 31, 2018 and additional records reviewed in April 2019. 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 responsibility of the department's management. Our responsibility was to obtain an understanding of the policies/procedures, test internal controls over the account, and review a sample of 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.

Our testing revealed the following exception and related recommendation.

Finding:

We noted a \$17,900 balance in the Tax Holding Account #055000 at December 31, 2018. We traced this balance back to 2009 and determined the amount was an escrow of \$17,900 which was entered into the Trust & Agency account on August 6, 2007. The amount was pending the County's final determination on the need to acquire easements on properties located at 801-843 Park Avenue and 506 and 510-512 Richmond Avenue ("Easement Properties"). These easements were part of the Harbor Brook Project per an Intermunicipal Agreement dated July 26, 2007 between the Onondaga County Sanitary District, Onondaga County, City of Syracuse, Syracuse Urban Renewal Agency, Board of Education of the Syracuse City School District, and Syracuse Industrial Development Agency (SIDA).

After further review, we determined the account clerk was not aware of the \$17,900 balance in this account. The balance has been rolled over year after year since 2009. It would have been detected if complete and timely reconciliations of this account had been performed.

Although the account clerk has been tracking the daily debit and credit activity for the account, the process needs to include a reconciliation of the account balance to the PeopleSoft General Ledger account - #055000 periodically.

After discussing the balance with the account clerk, we spent some time to advise her on the general ledger account reconciliation process. The expectation is that she will be able to develop a complete reconciliation process for all Trust and Agency Accounts.

Recommendation:

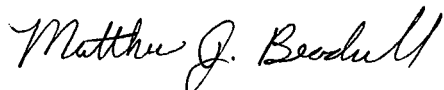
We recommend the \$17,900 be properly addressed (most likely returned to the General Fund). We also recommend the Finance Administration implement a review and approval process associated with the reconciliation of this and all Trust and Agency Accounts monthly or a time frame the department deems appropriate, annually at a minimum.

Management Response:

The Department of Finance in response to audit finding:

The department has been aware of the \$17,900 balance in this account for some time but was unable to identify the origin and could not reconcile the account. We appreciate the Comptroller's effort to identify the origin of the funds and will return them to the general fund per his recommendation. The Trust and Agency Accounts will be balanced to the PeopleSoft general ledger monthly by the department.

Sincerely,



Matthew J. Beadnell
Comptroller

Cc: J. Ryan McMahon II, County Executive