

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

AUDIT REPORT

TO: Warren Simpson, Business Officer
FROM: Maria Cirino, Confidential Internal Controls Compliance Officer
AUDIT: Investments
AS OF DATE: December 31, 2015
DATE OF ISSUE: February 23, 2016

PURPOSE

Onondaga County Resource Recover Agency (OCRRA) has established a system whereby current funds on hand, in excess of immediate needs, are invested or placed in appropriate interest-bearing accounts to produce maximum earnings on such funds. The investment nature of OCRRA is governed by and restricted by a number of requirements, including New York State laws. Included in the investments of OCRRA are the Bonds which have all its investments in either US Treasury Bills or cash, as determined by the bondholders. The verification of these assets was traced to bank statements; however the review of authorized signers was not completed during this audit. Review of authorized signers for the bond investments will occur during an audit of the Bonds.

SCOPE

The audit of investments was confined to those investments as of December 31, 2015 and included compliance with Section 2045-k of Public Authorities Law, Section 75 of NY Jurisprudence 2nd, Section 2925 of Public Authorities Law and Section 98a of State Finance Law. The audit included review of OCRRA's investment guidelines, the annual investment report, reporting of investments to the Board, County Executives, and NYS Comptroller and the review of investments and sufficient collateral as of December 31, 2015.

The Confidential Internal Controls Compliance Officer (CICCO) also reviewed the collateral agreements and/or municipal resolutions to determine if appropriate personnel from OCRRA have authorization to approve wire transfers. Verification of receipt of the 2014 annual investment report by Onondaga County Executives and the State Comptroller was examined during this audit.

DISCUSSION WITH MANAGEMENT

The results of the audit were distributed to Warren Simpson, Business Officer, on February 23, 2016.

FINDINGS AND RECOMMENDATIONS

I. Authorized Signers

The CICCO reviewed the signature cards, collateral agreements and/or municipal resolutions to determine if appropriate personnel from the Agency have authorization to approve wire transfers. The CICCO found that all signature cards with whom the Agency had investments at the end of 2015 contained the names of current Agency employees. No exceptions noted.

II. Compliance with Applicable Laws

The CICCO reviewed the investment guidelines and 2014 investment report for compliance with the following laws and Section 74 of NY Jurisprudence: Section 2045-k of Public Authorities Law, Section 2925 of Public Authorities Law and Section 98a of State Finance Law.

The CICCO found that the Agency's documents are in compliance with the above laws and Section 74 of NY Jurisprudence with one minor exception, all of which have working controls in place. The CICCO noted that the Agency's investment guidelines must include the form and contents of investment contracts (Section 75 of NY Jurisprudence 2nd). The contents of investment contracts were found in the investment guidelines, but the form was not. The Agency uses the investment contract form from the financial institution. This form is reviewed and approved by Agency Counsel prior to investment activity with a financial institution.

Approval and distribution of the Agency's 2014 investment report was completed in a timely manner and by the appropriate party (the Board). The approval of the 2015 investment report is anticipated at the March 2016 Board meeting.

The Agency's investment procedures are found in the investment guidelines document and they include internal controls. Management has stated that there was no investment activity during 2015.

III. Review of Investments

The CICCO reviewed the year-end bank statements and tied the amount of the investments to the Agency's 2015 investment report as well as the Agency's general ledger accounts. No exceptions were noted.

The CICCO reviewed the collateral statements for December 31, 2015 and found that the Agency's investments were sufficiently collateralized. No exceptions were noted.

CC: Audit Committee