

AUDIT COMMITTEE AGENDA

(November 9, 2022) (3:30pm) *(Boardroom)*

OCRRA

100 Elwood Davis Rd.
North Syracuse, NY 13212

Attendees:

Members of the Audit Committee:

Joe Driscoll, CHAIR
John Copanas
Stephanie Pasquale
Ravi Raman
Blair Page (Board Chair)

Management:

Maria Cirino, Kevin Spillane, Mike Mokrzycki, Jim Gascon Esq.

Agenda Topics

- 1) Annual Items
 - i. 2022/2023 Risk Assessment [attached]
 - ii. Code of Ethics Training (verbal update)
- 2) Updates on Audits/Reviews/Projects
 - i. Fixed Asset Software Audit report [attached]
 - ii. DEC Report for Compost Sites Audit report [attached]
 - iii. Agency Drivers in NYS LENS Program Audit report [attached]
 - iv. Records Proposed for Destruction (verbal update)
 - v. Update on in-process and upcoming audits
- 3) Open Items

Onondaga County Resource Recovery Agency
 2022/2023 Risk Assessment by Maria L. Cirino & Mike Mokrzycki
 (sorted by audit universe)

Risk Factors	
F1	Inherent Risk (incl. asset size)
F2	Control Environment (-)
F3	Employee Involvement
F4	Time Since Last Independent Audit
F5	Regulatory Environment

All auditable units highlighted in yellow are areas that have been reviewed by the external auditors during their year-end audit.

changed unit title new unit
 Same ops unit

Audit Universe	Operational Unit	Factors Weights	F1 0.3	F2 0.3	F3 0.1	F4 0.1	F5 0.2	Total 1.00
Accounting (general)	Accounting Systems Balancing & Review		5	-3	2	2	2	1.40
Accounting (general)	Collateralization of Investments		5	-4	3	2	4	1.60
Accounting (general)	Fixed Assets		4	-2	2	1	3	1.50
Accounting (general)	Investments		4	-3	2	1	5	1.60
Accounting (general)	Wire Transfers		5	-4	2	1	3	1.20
Accounts Payable	Blanket Purchase Orders		3	-2	2	2	2	1.10
Accounts Payable	Company Credit Cards		4	-3	3	5	2	1.50
Accounts Payable	Disbursements		5	-3	3	2	2	1.50
Accounts Payable	General Payables		5	-3	2	2	2	1.40
Accounts Payable	Landfill Billing (Ash)		5	-3	3	1	2	1.40
Accounts Payable	Landfill Billing (By-pass)		5	-3	3	1	2	1.40
Accounts Payable	Petty Cash		3	-2	2	5	2	1.40
Accounts Payable	Vendor Review		3	-1	2	1	2	1.30
Accounts Receivable	Bad Debt Expense & Bad Debt Allowance		3	-1	3	2	2	1.50
Accounts Receivable	Cash & Deposit Controls at Compost Sites		4	-2	4	5	2	1.90
Accounts Receivable	Cash & Deposit Controls at Main Office		4	-2	3	5	2	1.80
Accounts Receivable	Cash & Deposit Controls at Transfer Stations		5	-2	4	5	2	2.20
Accounts Receivable	Collections		4	-2	2	2	3	1.60
Accounts Receivable	Credit Accounts (Billing)		5	-3	4	2	3	1.80
Accounts Receivable	Credit Card Controls		4	-3	4	5	4	2.00
Budget	Budget Amendments		1	-1	1	5	2	1.00
Budget	Budget Establishment		5	-3	2	5	2	1.70
Budget	Budget to Actual Variance Review		5	-3	3	2	2	1.50
Compliance	Board Member Independence		5	-3	3	5	5	2.40
Compliance	FOIL Requests		5	-3	3	5	5	2.40
Compliance	Handling of Customer Information		4	-2	3	5	3	2.00
Compliance	Legal Matters Policy Compliance		5	-1	5	4	3	2.70
Compliance	MWBE Compliance		4	-2	3	5	4	2.20
Compliance	PAAA & PARA Compliance		5	-3	3	5	5	2.40
Compost Operations	Compliance with Composting Laws		5	-3	3	5	4	2.20
Compost Operations	DEC Report for Amboy Compost Site		4	-3	1	1	4	1.30
Compost Operations	Equipment Operation, Maintenance & Security		5	-3	3	5	4	2.20
Compost Operations	Facility Compliance & Monitoring		5	-3	2	4	5	2.20
Compost Operations	Parts Inventory of Compost Sites		3	-2	4	5	2	1.60
Compost Operations	Petroleum Bulk Storage (PBS) Compliance (Compost)		4	-2	1	4	4	1.90
Compost Operations	Scale Certification (Compost)		5	-4	2	2	5	1.70
Compost Operations	Spill Prevention, Control & Countermeasure (SPCC) Plan		5	-2	3	1	5	2.30
Compost Operations	Stormwater Management Plan (SWPPP)		5	-2	3	1	5	2.30
Contracts	Hauler Contract		4	-3	2	5	4	1.80
Contracts	Legal Services Contract		4	-3	2	5	3	1.60
Contracts	Union Contract		4	-3	3	5	3	1.70
Debt	Capital Financing		5	-3	2	5	5	2.30
Debt	Indenture of Trust		4	-3	3	5	4	1.90
Debt	Issuance of New Debt		5	-3	3	5	5	2.40
Debt	2019 Bond		5	-4	2	2	5	1.70
Debt	Series A Bond		5	-4	2	2	5	1.70
Goals	Disposal Capacity - current and future needs		4	-2	2	5	5	2.30
Goals	Greenhouse Gas (GHG) Emission Reduction		3	-1	2	5	3	1.90
Human Resources	Compensated Absences		4	-2	4	5	3	2.10
Human Resources	Drug & Alcohol Testing		5	-2	3	5	4	2.50
Human Resources	Employee Safety Compliance		5	-4	2	5	4	1.80
Human Resources	Employee Safety Training		4	-3	2	5	4	1.80
Human Resources	Employee Training (General Training)		4	-1	3	5	2	2.10
Human Resources	Evacuation Procedures for Agency Main Office		5	-3	3	5	1	1.60
Human Resources	Evacuation Procedures for Compost & Transfer Facilities		5	-3	3	5	1	1.60
Human Resources	NYS LENS Program		4	-3	2	1	3	1.20
Human Resources	Payroll		5	-3	3	2	4	1.90
Human Resources	Required Documentation		5	-3	4	1	5	2.10

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Audit Universe	Operational Unit							
Human Resources	Retirement System & Other Employee Benefits		5	-3	3	2	4	1.90
Information Technology	Equipment Maintenance Software		4	-3	4	5	2	1.60
Information Technology	Fixed Asset Software		3	-2	2	1	2	1.00
Information Technology	Genesis Pro Software		5	-3	4	5	2	1.90
Information Technology	IT Disaster Recovery / Business Continuity		5	-3	4	2	2	1.60
Information Technology	IT Inventory		3	-2	2	5	1	1.20
Information Technology	MAS 200 Software		5	-3	4	2	1	1.40
Information Technology	MAS Access Review		4	-3	3	5	1	1.30
Information Technology	PC Scale Software		5	-3	4	2	2	1.60
Operations	Board Reporting		5	-4	3	5	2	1.50
Operations	Confidentiality Measures		5	-3	3	5	3	2.00
Operations	Core Values		5	-3	5	5	2	2.00
Operations	Disaster Recovery / Business Continuity		5	-3	2	5	2	1.70
Operations	Enforcement Officer Reports & Activities		3	-1	3	5	1	1.60
Operations	Entity Controls (All Operations)		5	-3	2	2	4	1.80
Operations	Site Permit Management		5	-3	3	5	5	2.40
Policies & Procedures	Cell Phone Usage		3	-2	3	5	1	1.30
Policies & Procedures	Examination of new policy/procedure		4	-2	4	5	2	1.90
Policies & Procedures	Insurance Coverage Review (include WTE facility coverage)		5	-3	3	1	4	1.80
Policies & Procedures	Travel & Expense Review		4	-3	3	5	2	1.50
Procurement Process	Contracts		5	-3	3	2	5	2.10
Procurement Process	Purchase Orders		4	-2	4	2	4	2.00
Procurement Process	Receiving Process		4	-2	3	5	3	2.00
Procurement Process	RFP/RFQ/Bid Process		5	-3	3	4	4	2.10
Recycling Operations	Battery Collection (Household)		2	-1	2	5	2	1.40
Recycling Operations	MRF Contract Monitoring		5	-2	3	4	4	2.40
Recycling Operations	Waste Audits performed by OCRRA Staff		3	-1	2	5	2	1.70
Revenues	Compost Sales (outgoing)		5	-2	3	5	3	2.30
Revenues	Electricity Sales		5	-3	2	3	5	2.10
Revenues	Grant Revenue		4	-3	3	3	5	1.90
Revenues	Rental Property		4	-3	2	5	3	1.60
Revenues	Sale of Assets (scrap metal, recycled products)		5	-3	3	3	3	1.80
Revenues	Sales made through Agency website		4	-2	3	5	3	2.00
Revenues	Tip Fees - Compost (incoming)		5	-2	3	3	4	2.30
Revenues	Tip Fees - Transfer & WTE		5	-3	3	3	4	2.00
Revenues	Tip Fees - Recycling Fee		5	-3	3	4	4	2.10
Transfer Operations	Ash/Trash Contract Compliance & Monitoring		5	-3	2	5	5	2.30
Transfer Operations	Equipment Operation, Maintenance & Security		5	-3	3	5	4	2.20
Transfer Operations	Facility Compliance & Monitoring		5	-3	3	5	5	2.40
Transfer Operations	Fuel Delivery & Usage		4	-2	3	5	4	2.20
Transfer Operations	GeoTracking Review		4	-3	2	5	3	1.60
Transfer Operations	Inspection/Certification of Agency Vehicles Audit		4	-2	3	5	4	2.20
Transfer Operations	Parts Inventory of Transfer Stations		4	-2	2	5	2	1.70
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Transfer Operations	Stormwater Management Plan (SWPPP)		5	-2	3	1	5	2.30
WTE Facility	Business Practice / Contract Compliance		4	-3	3	5	4	1.90
WTE Facility	Covanta Billing		5	-3	3	3	4	2.00
WTE Facility	Monitoring of Covanta's reports to the DEC & EPA		5	-4	2	5	5	2.00
WTE Facility	Special Services (Supplemental Waste)		5	-3	2	5	5	2.30
WTE Facility	Verification of Covanta's testing through an independent consultant		5	-4	2	5	4	1.80
WTE Facility	WTE Capital Improvements		5	-3	2	5	3	1.90

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For the Control Environment risk factor - a higher score would mean stronger controls are in place

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Budget	Budget Amendments		1	-1	1	5	2	1.00
Information Technology	Fixed Asset Software		3	-2	2	1	2	1.00

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ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

AUDIT REPORT

TO: Kevin Spillane, Executive Director

FROM: Maria Cirino, Confidential Internal Controls Compliance Officer

AUDIT: Fixed Assets Software

DATE OF ISSUE: March 7, 2022

PURPOSE

The purpose of this audit is to ensure the Onondaga County Resource Recovery Agency (OCRRA) employees have appropriate access to Agency software programs as defined by their job duties and that access is limited to protect data against unauthorized use, damage, loss or modifications. The purpose is also to determine if audit trails are available, turned on and reviewed by management.

SCOPE

Agency policies and procedures with regards to information systems were reviewed. Both information system administration and software user personnel were interviewed about the fixed asset software programs. Employee access to the fixed asset software programs was reviewed. Both programs were examined for audit trails involving access, additions, deletions, and updates.

DISCUSSION WITH MANAGEMENT

The results of the audit were distributed to Kevin Spillane, Executive Director, on March 7, 2022. Management's written response was received on March 7, 2022 and is attached to this report.

RESULTS

I. Fixed Asset Software Programs

The Agency uses two software programs with regards to its fixed assets. Truck & Trailer Equipment Maintenance Software (TATEMS) is used to track the maintenance on the Agency's equipment and Bassets eDepreciation (Bassets) is used to financially track the fixed assets and calculate depreciation.

Both software programs are "out-of-the-box software" meaning there is no customization for the Agency and it is used as it comes from the manufacturer. TATEMS is developed, maintained and offered by TATEMS International in Las Vegas, NV. Bassets is

developed by a privately held company named Decision Support Technology founded in 1989 and has a New Jersey mailing address.

II. Access Controls

Bassets was selected by the Business Officer and has been used at the Agency for many years. The software is installed on a server and has one user account that is used by the Accountant II. Access to this software is restricted to those that need to access it to perform their job duties.

The Network Technician has access to the program to install necessary updates. Access to the Bassets program is password protected. This software is used mainly to calculate equipment depreciation.

TATEMS was selected by the Director of Transfer Operations and mechanics at the Agency's transfer stations and is used daily to track maintenance on the equipment. The software is stored on a separate server and there are currently six employees that have access: Network Technician, Plant Supervisor, Typist 1 (orders parts for transfer stations), Director of Transfer Operations/Executive Director, one Mechanic and me, the Confidential Internal Controls Compliance Officer (CICCO). Access to this software is restricted to those that need to access it to perform their job duties.

Passwords are not utilized to access the TATEMS software. Access to the server, which is set up by the Network Technician, is how the employees access the software. This software is used mainly to track the maintenance performed on the equipment and does not pose a major risk to the Agency if the information is lost or modified.

Access to program documentation was not tested during this audit because program documentation is not stored at the Agency for non-customized software.

III. Audit Trails

Staff reported no audit trails are present in either software program. The user documentation for the TATEMS software was reviewed as well as the reports in the TATEMS software and no audit trails were found. Reports showing additions and deletions of equipment were found in the Bassets software, however the software does not have logs showing user access.

Recommendation

Audit trails (activity logs showing access, additions, deletions, and updates to data) would assist in detecting if data has been lost, modified, or an error as been made. Although the information contained in these software programs is a low risk to the Agency, it is recommended to examine other software programs that have sufficient audit trails in order to better protect the data contained within.

CC: Audit Committee

Memo

To: Maria Cirino, Confidential Internal Controls Compliance Officer

From: Kevin Spillane, Executive Director

CC: Mike Mokrzycki, Deputy Director

Date: March 7, 2022

Re: Fixed Asset Software Audit

Thank you, Maria, for giving me the opportunity to review and comment on your most recent audit of the Fixed Asset Software. Based on your review, and my own experience using the TATEMS program, that although there are no audit trails available in these canned software systems, I regularly see that TATEMS is being utilized and updated by the mechanic and by the Supervisor I have assigned to help with fleet maintenance. Some parts of the software could be better utilized but for the purposes of tracking preventative maintenance hours and costs associated with repairs, I believe that the system has functioned as desired. In addition, hard copies of the depreciation calculations, from Bassets, is provided to the auditors each year, so we have an external check on that system as well.

That being said, I do support your thought that we should look at other software programs and systems that may be available to us. It never hurts to update. However, the Board has recently added the position of Equipment Maintenance Supervisor, which we are currently recruiting, and I would want to wait for that person and the new Transfer Director to have a say in any new software to replace TATEMS and perhaps they will make a recommendation of software that can accomplish both tasks covered by TATEMS and Bassets with just one replacement.

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

AUDIT REPORT

TO: Kevin Spillane, Executive Director

FROM: Maria Cirino, Confidential Internal Controls Compliance Officer

AUDIT: Department of Environmental Conservation (DEC) Report for
Compost Sites

DATE OF ISSUE: September 9, 2022

AUDIT OBJECTIVE

The objective of this audit is to ensure the Onondaga County Resource Recovery Agency (“OCRRA” or “the Agency”) has completed and filed the annual required report for the Agency’s compost facilities to the New York State Department of Environmental Conservation (“NYS DEC”).

BACKGROUND

In September 1990, the Agency Board passed a resolution for Onondaga County to locate four suitable properties which may be used by the Agency for composting facility sites. In May 1991, the Onondaga County Legislature voted to make the Jamesville and Amboy sites available for OCRRA to use.

Organics recycling facilities (composting, land application & storage, anaerobic digestion, mulch processing, fermentation, animal feed and other organics recycling technologies) are regulated under 6NYCRR Part 361: Material Recovery Facilities in one of three ways: exempt, registered or permitted. The Jamesville site is a registered facility and the Amboy site is a permitted facility.

SCOPE

NYS DEC annual reporting requirements for compost sites was reviewed. Agency Engineers and the Executive Director were interviewed regarding the annual required reports for the compost sites. Annual reports were obtained from the Executive Director as well as filed reports from prior years stored on the NYS DEC’s website were reviewed. Verification of site regulation applications was also performed.

DISCUSSION WITH MANAGEMENT

The results of the audit were distributed to Kevin Spillane, Executive Director, on September 9, 2022. Management’s written response is found at the end of this report.

RESULTS

The Agency completed and filed the 2021 composting report for registered or permitted facilities for both Jamesville and Amboy compost sites on February 22, 2022. The report must be filed no later than March 1st. No exceptions noted.

The Agency completed and filed the 2020 composting report for registered or permitted facilities for both Jamesville and Amboy compost sites. These documents was found on the NYS DEC's website and was signed by the former Executive Director on February 24, 2021. No exceptions noted.

Other reports submitted to the NYS DEC are the Amboy and Jamesville compost test results for 2020 and the Amboy Temperature Data for 2020. These reports and reports from 2019 can be found on the NYS DEC's website.

MANAGEMENT'S RESPONSE

Thank you for this audit. I would like to emphasize that the annual report has been a team effort and I have had significant assistance from both Cristina Albinio and Mike Mokrzycki with these reports over the years, gathering all the reporting data and supplementary information that is required, especially this year.

CC: Audit Committee

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

AUDIT REPORT

TO: Kevin Spillane, Executive Director

FROM: Maria Cirino, Confidential Internal Controls Compliance Officer

AUDIT: **Agency Drivers in NYS LENS Program**

DATE OF ISSUE: September 19, 2022

AUDIT OBJECTIVE

The objective of this audit was to verify that all Onondaga County Resource Recovery Agency (“Agency”) drivers of tractor trailers, dump trucks, the recycling box truck, and those that drive on behalf of the Agency for 50% or more of their work-week, are enrolled in the New York State License Event Notification Service (“NYS LENS”) offered by the New York State Department of Motor Vehicles (“DMV”). The validity of their licenses as well as the procedure for receiving notifications and the continuation of the quarterly review of drivers is also reviewed during this audit.

BACKGROUND

The Agency operates a comprehensive recycling and solid waste management system which uses commercial trucks (tractor trailers and dump trucks) to haul solid waste to the Waste-to-Energy facility as well as solid waste and ash to area landfills. The Agency picks up used batteries at stores within the County using a box truck that is typically driven by the Agency’s recycling team. Due to employees’ driving these large vehicles on the road, it is important for the Agency to know when the status of an employee’s license has changed. These drivers, and the employees that drive Agency pickup trucks/vans (light trucks) or even their own vehicles for at least 50% or more of their work-week, are entered into the LENS program for verification and updates on their driving privileges.

SCOPE

A recent payroll register, a list of all Agency employees, the list of drivers enrolled in the NYS LENS program and the quarterly review of the list of drivers were obtained from the Agency’s Personnel Analyst with no warning about this audit. A test was conducted to determine that the Agency’s commercial drivers, light truck operators and those that drive over 50% of their work-week on Agency business were enrolled in the NYS LENS program and that they had valid driver’s licenses. Testing was conducted to ensure the quarterly review of enrolled drivers and the validity of their license had been conducted over the past year. The back-up procedure was reviewed for when the primary contact for the NYS LENS notification is out of the office.

DISCUSSION WITH MANAGEMENT

The results of the audit were communicated to Kevin Spillane, Executive Director, on September 19, 2022. Management's written response is found at the end of this report.

RESULTS

The payroll register and list of employees from the Personnel Analyst were reviewed to identify the employees in the transfer and recycling departments. The Agency's commercial drivers, box truck drivers and Enforcement Officer were verified with Agency Managers.

A spreadsheet was created of all Agency commercial drivers which was compared to the list of drivers in the NYS LENS report. All Agency commercial drivers, box truck operators and those that drive their cars for half of the work week on Agency business have been enrolled in the program and have valid NYS driver's licenses as of August 31, 2022.

A quarterly review of the drivers enrolled in the program has been conducted since the first quarter of 2017. This review ensures that all commercial and box truck operators, as well as those that drive on behalf of the Agency for 50% or more of their work-week, are enrolled in the NYS LENS program and that their license is still in good standing. Management's quarterly reconciliation of the drivers enrolled in the LENS program was reviewed for the past year and there were no material findings.

The procedure for receiving notifications from the NYS LENS program was reviewed and is unchanged from last year's audit. When the status of an enrolled person's driver's license changes, an email notification is sent to the registered user of the online NYS LENS program. The Agency has one staff member, the Personnel Analyst, as the registered user of this system. Management had inquired with the NYS LENS program and found the program only allows notifications to be sent to one email address. Management said this duty, as well as other duties related to the Personnel Analyst, will be covered by appropriate staff. The back-up procedure is to change the email address to the Business Officer if the Personnel Analyst will be out of the office for a period longer than two weeks. Email notifications within the two-week period the Personnel Analyst is out, will be reviewed by her upon her return. Within the past year, the Personnel Analyst was not out of the office for a period longer than two weeks, therefore this procedure could not be tested at this time.

MANAGEMENT'S RESPONSE

The program is very effective, and I am glad that you are keeping an eye on it for us to make sure we are using and monitoring it. Thank you for performing this audit.

CC: Audit Committee