

ONONDAGA COUNTY RESOURCE RECOVERY AGENCY

AUDIT REPORT

TO: Warren Simpson, Business Officer

FROM: Maria L. Cirino, Internal Auditor

AUDIT: Investments

AS OF DATE: December 31, 2009

DATE OF ISSUE: March 24, 2010

PURPOSE

Onondaga County Resource Recover Agency (“the Agency”) 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 the Agency is governed by and restricted by a number of requirements, including New York State laws. Included in the investments of the Agency are the Bonds which have all its investments in US Treasury Bills, 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, 2009 and included compliance with the Public Authorities Law Section 2925 and Section 98a of State Finance Law. The audit included review of the Agency's investment guidelines, the annual investment report, and reporting of investments to the Board, County Executives and the State Comptroller, and the review of investments as of December 31, 2009.

Internal Audit also reviewed the collateral agreements and/or municipal resolutions to determine if appropriate personnel from the Agency have authorization to approve wire transfers.

Verification of receipt of the 2008 annual investment report by Onondaga County Executives and the NYS Comptroller was examined during this audit, as well as verification that the Agency investment guidelines were followed during the purchase process.

AUDITOR'S OPINION ON CORRECTIVE ACTION

The results of the audit were discussed with Warren Simpson, Business Officer, on March 24, 2010.

FINDINGS AND RECOMMENDATIONS

I. Authorized Signers

Internal Audit reviewed the collateral agreements and/or municipal resolutions to determine if appropriate personnel from the Agency have authorization to approve wire transfers. Internal Audit found that all collateral agreements contained the names of current Agency employees. No exceptions noted.

II. Compliance with Public Authorities Law Section 2925

Internal Audit reviewed the Public Authorities Law Section 2925 which addressed investments of Public Authorities. The law requires specific language in the Agency's investment guidelines, as well as the Agency's annual investment report. The Agency made changes to both documents in 2009 per recommendation in the prior audit report.

Internal Audit reviewed the most recent versions of both documents and the Board meeting minutes from January 2009 through January 2010 for the requirements set forth in this law. Internal Audit concluded that the Agency is in compliance with Public Authorities Law Section 2925 with its written documents, as well as its actions as documented by the Board meeting minutes. No exceptions noted.

Internal Audit reviewed the return receipts from the mailing of the 2008 investment report to required parties as part of Public Authorities Law Section 2925 and found no exceptions.

III. Compliance with Internal Policy

Internal Audit reviewed the Agency's investment guidelines and determined that procedures were followed for all investment decisions during 2009. No exceptions were noted.

IV. Review of Investments

Internal Audit reviewed the year-end bank statements and tied the amount of the investments to the Agency's 2009 investment report. No exceptions were noted.

Internal Audit would like to thank Tom Rhoads, Executive Director, Warren Simpson, Business Officer, Vince Latorre, Accountant, for their assistance and cooperation throughout the course of this audit.

CC: Tom Rhoads, Executive Director
Audit Committee