



## grossman st. amour

CERTIFIED PUBLIC ACCOUNTANTS PLLC

To Board of Directors and Management of  
the County of Oswego Industrial Development Agency

In planning and performing our audit of the basic financial statements of the County of Oswego Industrial Development Agency (the Agency) as of and for the year ended July 31, 2018, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the comptroller General of the United States, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

We did not identify any deficiencies in internal control that we consider to be material weaknesses.

During the course of the audit, we became aware of certain opportunities for strengthening internal controls that are summarized in schedule A.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

*Grossman St. Amour CPAs*

Syracuse, New York  
October 18, 2018



**Schedule A**  
**Control Deficiencies**

**Segregation of Duties**

As expected at an Agency of a small size, there are a limited number of staff available to establish an internal control system that has significant segregation of duties. We noted for example, that one staff has complete access to print checks, access the signature stamp, enter data into the QuickBooks general ledger and perform bank reconciliations.

In addition, we noted that cash receipts are opened at the front desk and a log is made of the daily cash receipt activity. A second log is then generated by the staff who prepares the bank deposit. The use of these logs is a positive control over cash receipts and we recommend the logs be compared with each other daily by an independent person and any differences are resolved.

**Review of Debtor's Financial Information**

According to the Office of the New York State Comptroller, Industrial Development Agencies must monitor the ongoing activities of the businesses benefited by Agency involvement to ensure that they are financially capable to repay their debts and that they are either creating new jobs or retaining existing jobs. During our testing, we noted instances where the Agency had not yet received supporting documentation for the current year financial activities of the businesses benefited by the Agency, despite documented attempts to collect such information. We recommend ongoing pursuit of remaining financial information to ensure compliance with the Office of the New York State Comptroller.