



## 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, 2020, 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.

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.

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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. 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 27, 2020



**Schedule A**  
**Opportunities for Strengthening Internal Control**

**Oversight and Segregation of Duties**

As expected at an Agency of a small size, there are a limited number of staff available on a day to day basis to sustain an internal control system with optimum segregations of duties. We noted certain examples of this within both the cash receipt and cash disbursement cycles. We recommend that management and those charged with governance remain vigilant in their oversight and that the roles of the current outside accountant be examined as a possible way to enhance segregation and oversight.

In addition, we noted that the opening of the mail and collection of cash receipts are segregated from other accounting functions and a log is maintained, there is reconciliation of this log with the deposit or general ledger. We recommend that this reconciliation be performed by an independent individuals and differences be resolved in a timely manner.

We also noted that one employee enters invoices in the general ledger system, prints checks, gives them to the appropriate signer, and then receives the checks back to prepare them for mailing. We recommend that these tasks be segregated among employees to mitigate the risk of misappropriation of cash.