



ONONDAGA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
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**Audit Committee
Meeting Agenda
February 9, 2021**

8:00AM Call to Order the Meeting of the OCIDA Audit Committee

A. Approval of the December 8, 2020 minutes

ACTION ITEMS

1. Preliminary Audit Review

The Agency Auditor will discuss the upcoming audit of the Agency.

Representative: Mike Lisson, Agency Auditor, Grossman St. Amour

Call to Adjourn the Meeting of the OCIDA Audit Committee

Onondaga County Industrial Development Agency
Audit Committee Meeting Minutes
December 8, 2020

An Audit Committee meeting of the Onondaga County Industrial Development Agency was held on Tuesday, December 8, 2020, at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Chairperson Janice Herzog called the meeting to order at 8:09 am with the following:

PRESENT:

Janice Herzog
Susan Stanczyk
Patrick Hogan

ALSO PRESENT:

Robert M. Petrovich, Executive Director
Nancy Lowery, Secretary
Nate Stevens, Treasurer
Karen Doster, Recording Secretary, Agency
Carolyn Evans-Dean, Onondaga County Economic Development
Amanda Fitzgerald, Barclay Damon Law Firm
Jeff Davis, Barclay Damon Law Firm
Victor Ianno, Board Member
Kevin Ryan, Board Member
Christopher Andreucci, Harris Beach Law Firm
Kevin McAuliffe, Barclay Damon Law Firm
John Switzer, Summit Solar
David Spotts, Summit Solar
David Muraco, 629 LeMoyne Manor
Alexis Muraco, 629 LeMoyne Manor
Mark Arbon, Sarofeen & Arbon, LLC
Brad Farrin, Milton CAT
Tony Mancuso, Milton CAT
Jeremy Speich, Harris Beach Law Firm

APPROVAL OF AUDIT MEETING MINUTES – MARCH 17, 2020

Upon a motion by Patrick Hogan, seconded by Janice Herzog, the OCIDA Audit Committee approved the minutes of the March 17, 2020 meeting. Motion was carried.

SELF-EVALUATION OF THE COMMITTEE

Upon a motion by Susan Stanczyk, seconded by Patrick Hogan, the OCIDA Audit Committee approved a resolution to transmit the summary evaluation without comment to the Governance Committee for review and recommendation to the Board. Motion was carried.

REVIEW OF COMMITTEE CHARTER

Janice Herzog stated there are no changes to the Committee Charter.

Upon a motion by Patrick Hogan, seconded by Susan Stanczyk, the OCIDA Audit Committee approved a resolution to transmit the Committee Charter without comment to the Governance Committee for review and recommendation to the Board. Motion was carried.

DRAFT ANNUAL REPORT (2020 FISCAL YEAR)

Nancy Lowery stated the date under Annual Self Evaluation should be changed from November 10, 2020 to December 8, 2020.

Upon a motion by Patrick Hogan, seconded by Susan Stanczyk, the OCIDA Audit Committee approved a resolution to transmit the 2020 Committee Annual Report with the date change to the Governance Committee for review and recommendation to the Board. Motion was carried.

PRELIMINARY AUDIT REVIEW

Robert Petrovich stated the audit review will be done in 2021. He stated on the regular Agency agenda there is a recommendation by staff and IDA leadership that contracts be awarded for audit services in 2021 and after an organizational meeting on January 12 we will be in a position to do that. He stated there is no Agency action on this matter until the new year.

ADJOURN

Upon a motion by Patrick Hogan, seconded by Susan Stanczyk, the OCIDA Audit Committee adjourned the meeting at 8:14 am. Motion was carried.

Nancy Lowery, Secretary



Onondaga County Industrial Development Agency

Auditor's Communication with Those
Charged with Governance during planning

February 9, 2021
Mike Lisson, Partner
Mark Ciaralli, Partner

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Agenda

- PROFESSIONAL STAFF
- RESPONSIBILITIES
- PLANNED SCOPE
- WHATS GOING ON IN THE ACCOUNTING AND REGULATORY WORLD

Professional staff

- Audit Partners – Mark Ciaralli, CPA, CFE & Michael Lisson, CPA, CITP
 - Mark is the lead partner and is responsible for reviewing the audit. PAAA requires a change in partner once every 5 years
 - In addition, due to changes in governmental auditing standards, we assign two partners to all of our governmental audits

Contact Information:

- Mark (315)-701-6391 / Mike (315) 701-6430
mciaralli@gsacpas.com / mlisson@gsacpas.com
- All staff assigned need to possess adequate professional competence
 - All professionals must complete at least 80 hours of CPE to enhance professional proficiency and at least 24 hours must be specific to governmental areas every two years related to the audit

AUDITOR RESPONSIBILITIES

• Auditor's Responsibilities

- Communicated through engagement letter
- We are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (**AICPA**); with government auditing standards (**GAGAS**); and the New York State Authorities Budget Office (**ABO**)
- We form and express an opinion over the financial statements prepared by management, with your oversight, about whether the financial statements are prepared, in all material respects, with **GAAP (GASB)**. You have the ultimate responsibility for these financial statements.
- As a component unit of Onondaga County, your financial information is **included** in the County's financials. The County's independent auditors **do not take responsibility** for the financial information as they reference other auditors (GSA CPA's) in accordance with professional standards.



MANAGEMENT RESPONSIBILITIES

- Management's Responsibilities:

- Communicated through engagement letter
- Preparation and fair presentation of the financial statements with GAAP
- Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements from material misstatement from:
 - Errors
 - Fraudulent financial reporting
 - Misappropriation of assets
 - Violations of laws, governmental regulations, grant agreements or contractual agreements
- Provide unrestricted access to all records, documentation and persons necessary to obtain audit evidence
- Identifying and ensuring compliance with laws and regulations applicable to the entity's activities
- For adjusting financial statements to correct material misstatements and confirming to us in the management representation letter that uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole
- For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets

PLANNED SCOPE

- Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.
- Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements are free of **material** misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations.
- There is always a risk that material misstatements may exist that may not be detected by us.

PLANNED SCOPE (continued)

- We are required to obtain an understanding of your entity and its environment, including internal controls, to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures.
- Our audit is not designed to express an opinion or provide assurance on **internal control over financial reporting** or **compliance with provisions of applicable laws, regulations, contracts, and agreements**.
 - Although we don't express opinions over these, we will communicate our scope and results of that testing through a separate communication, titled: *"Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards"*
- One exception – the required "Investment compliance" report required by the NYS ABO. We provide an opinion over compliance with your investment policies and procedures.

WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD

Regulatory

- Authorities Budget Office (ABO) – regulation 20-01 (issued February, 2020)
 - Enforcement Powers of the Authorities Budget Office
- ABO – regulation 20-02 (issued June 2020)
 - Emergency loan/grant program reporting guidelines
- ABO continues reviewing websites of public authorities for compliance with reporting of information. Some common areas for improvement:
 - All bond documents (including refunding's) not posted on website
 - Mandatory board member training
 - Expenditures not relevant to mission of organization
- Continued focus by both ABO and NYS comptroller on transparency and reporting of information

WHAT'S GOING ON IN THE ACCOUNTING & REGULATORY WORLD

Accounting / Auditing

Auditing

- SAS No. 134 *“Auditor Reporting and Amendments, Including Amendments Addressing Disclosures in the Audit of Financial Statements”* (1/1/21 effective)
 - **Will change the look and wording of the audit opinion**, also addresses “key audit matters” if the organization wishes to have the auditor report on these.
- SAS No. 135 *“Omnibus Statement on Auditing Standards-2019”* (1/1/21 effective)
 - Addresses: **Communications with those charged with governance**, related parties and fraud considerations
- SAS No. 137 *“Auditor’s Responsibilities Relating to Other Information Included in Annual Reports”* (1/1/21 effective)
 - Addresses: Information that contains audited information, such as your required “Annual Report” for PAAA compliance requirements.
- Yellow Book 2018 (1/1/21 effective)
 - Further clarifications for independence and ethics
 - Preparation of the financial statements by your auditor is a **significant threat to independence**
 - Further expansion on your teams proficiency and competence requirements

Accounting Standards

- GASB 91 – Conduit Debt Obligations (1/1/21 effective)
 - Clarifies whether or not an asset or liability is recorded by the organization