

Accounts Payable Review Second Quarter 2023

BROOME COUNTY GOVERNMENT
DEPARTMENT OF AUDIT AND CONTROL



State of New York County of Broome Government Offices

Department of Audit & Control

Meaghan Klenovic, Comptroller · Daniel J. Reynolds, Chairman of the Legislature

December 8, 2023

Jason T. Garner, County Executive:

The Department of Audit and Control has completed an audit of accounts payable claims for the second quarter of 2023. The principal objective was to provide reasonable assurance that claims processed through accounts payable were for appropriate purposes; were proper in accordance with all applicable laws, regulations, and policies; and that they were supported by adequate documentation.

We conducted this audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Sincerely,

Meaghan Klenovic
Comptroller

cc: Daniel J. Reynolds, Chairman of the Legislature
Members of the Legislature
Aaron M. Martin, Clerk of the Legislature
Colleen Wagner, Deputy County Executive
Michael Ponticiello, Deputy County Executive
Department Heads
Fiscal Contacts

Background and Methodology:

For the Second Quarter of 2023 Broome County processed 5,484 vouchers and disbursed \$95,531,600 through the accounts payable system.

The Department of Audit and Control is responsible for protecting Broome County funds. This responsibility includes establishing and maintaining a control structure to provide reasonable assurance that resources are safeguarded against loss from unauthorized use and that transactions are proper, in accordance with all applicable laws, regulations, and policies.

In accordance with the Broome County Charter and Code, Article IV, it is the duty of Audit and Control to review all claims or charges against the County. We reviewed all disbursements for the period of April 1, 2023 – June 30, 2023.

In reviewing disbursements to ensure that they are appropriate use of County funds, a two-step process is used. First, an electronic version of every payment request is examined to ensure that it is appropriate, properly classified, and made in accordance with applicable laws, regulations, and policies. If these criteria are satisfied, the disbursement is approved. Subsequently, a sample is selected from these disbursements for detail testing. For the sample selected, supporting documentation is evaluated to verify that it is adequate, correct, and complete.

Any instances of non-compliance identified are as follows in this report.

REPORTABLE CONDITIONS

FINDING 1: HIGHWAY DEPARTMENT: VOUCHER 00408083 – TAX PAID

An invoice from JEGS High Performance shows that tax in the amount of \$28.13 was charged to Broome County Highway Department.

NYS Publication 843 states that under sections 1116(a)(1) and (2) of the Tax Law, governmental entities are exempt from payment of sales tax on their purchases and uses.

Broome County incurred unnecessary costs by paying sales tax.

RECOMMENDATION:

We recommended that the Highway Department contact JEGS High performance and attempt to have the tax reimbursed or a credit posted to our account.

MANAGEMENT RESPONSE:

We (Highway Department) requested that the tax paid be refunded. JEGS High Performance denied that request (August 15, 2023)

We (Highway Department) requested that we be credited for the tax paid. As of today November 17, 2023 – No Response from JEGS High Performance.

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FINDING 2: SHERIFF’S OFFICE: VOUCHER 00406381 – TAX PAID

Payment was made on voucher #00406381 in which tax was paid to Hampton Inn in the amount of \$159.60.

Two employees from the Sheriff’s Office traveled to Albany, NY for training, the hotel invoice shows that tax was charged in the amount of \$79.80 for each employee.

NYS Publication 843 states that under sections 1116(a)(1) and (2) of the Tax Law, governmental entities are exempt from payment of sales tax on their purchases and uses.

Broome County incurred unnecessary costs by paying sales tax.

RECOMMENDATION:

We recommended that the Sheriff’s Office contact the hotel and attempt to have the tax reimbursed.

MANAGEMENT RESPONSE:

The Sheriff’s Office reached out to Hampton Inn on 9/1/2023 supplying a tax-exempt letter and requested a credit for the sales tax charged. Credit had not been received as of 8/31/2023, the Sheriff’s Office reached out to the hotel again requesting credit. Credit had not been received as of 9/15/2023, the Sheriff’s Office reached out to the hotel again requesting credit.

FINDING 3: SHERIFF’S OFFICE: VOUCHER 00408609 – TAX PAID

Payment was made on voucher #00408609 in which tax was paid to DoubleTree by Hilton.

Personnel from the Sheriff’s Office traveled to Utica, NY for training. The hotel reservation shows that tax was charged in the amount of \$162.48.

NYS Publication 843 states that under sections 1116(a)(1) and (2) of the Tax Law, governmental entities are exempt from payment of sales tax on their purchases and uses.

Broome County incurred unnecessary costs by paying sales tax.

RECOMMENDATION:

We recommended that the Sheriff’s Office contact the hotel and attempt to have the tax reimbursed.

MANAGEMENT RESPONSE:

The reservation for the Double Tree Utica was made using a third-party reservation service. This service does not allow tax exemption. The Sheriff’s Office requested a refund of the taxes from both the hotel and the reservation service. The hotel would not refund the taxes since booking was done through the third-party service. The reservation service also refused to refund the taxes.

We have discussed this with all pertinent staff and reservations will no longer be made via online, only through a phone call directly with the hotel.