

Audit Report:

Onondaga County Division of Environmental Health



*Issued By
The Onondaga County
Comptroller's Office
December 2007*

Cash Handling Procedures

1. The Typist II who opens the mail for all sections within Environmental Health is not stamping the checks “For Deposit Only” or recording these payments on a check log before forwarding them to the employee responsible for posting to the ledger.

It is recommended that any employee(s) responsible for opening the mail immediately stamp checks “For Deposit Only” and then complete a check log including date, check number, company/organization, amount, and applicable section. This practice will provide stronger internal controls over revenue received.

2. Current practice of the Division of Environmental Health reveals a lack of segregation of duties in reference to cash and check collection. For all programs within the division, individuals receiving the permit fees are also posting to the database which functions as the subsidiary ledger. It was also noted on some occasions the same employee was receiving payments, posting to the ledger, and preparing the Cash Report (CR74643 / CR76569). Standard internal control practices prescribe the segregation of cash/check receiving from ledger posting functions.

It is recommended that all programs within the Division of Environmental Health segregate the responsibilities of individuals receiving cash and check(s) from individuals posting to the ledger and from those preparing Cash Reports to enhance and strengthen the division’s internal controls.

3. According to the Cash Management & Revenue Collection Practices memo dated November 1, 2004, “all county funds should be hand delivered to the Finance Department (15th floor – Civic Center) or deposited in a bank within 24 hours of receipt during business days. For deposits that exceed \$10,000, efforts should be made to deposit the same day. Amounts up to \$250 can be held for a maximum of one week by the department in a secure, locked desk or cabinet and accumulated for deposit.” The following table reveals cash reports #68405, #70177, #70840, and #76569 had a total of \$67,044.00, or 79% of \$84,541.00, submitted to the Finance Department beyond the 24 hour policy.

Division of Environmental Health							
Cash Reporting Analysis							
Cash Report #	Date	Total Amount on CR	# of Days Late				Total
			1	2	3	4	
CR 68405	12/19/2006	\$ 17,312.00	\$ 6,195.00	\$ 1,030.00	-	-	\$ 7,225.00
CR 70177	1/9/2007	20,778.00	2,238.00	310.00	13,255.00	310.00	16,113.00
CR 70840	2/6/2007	38,341.00	1,755.00	12,232.00	23,794.00	-	37,781.00
CR 76569	10/3/2007	8,110.00	310.00	2,208.00	3,035.00	372.00	5,925.00
Totals		\$ 84,541.00	\$ 10,498.00	\$ 15,780.00	\$ 40,084.00	\$ 682.00	\$ 67,044.00

It is recommended the Division of Environmental Health take necessary steps to ensure that all money received for payment of permit fees be reported and delivered to the Finance Department in accordance with the above policy. Other employees within the

division that are not responsible for posting payments to the ledger should be cross-trained so that making deposits are not wholly dependent upon one employee's schedule.

Temporary Facilities – General

4. Local Law 16-2002 provides for the establishment of fees to be collected by the Department of Health. Within this fee schedule is a late fee of \$60.00 under the subtitle, "Food Service Establishments & Machinery Issuance". It is the interpretation of the Division of Environmental Health that this \$60.00 late fee can only be assessed for those delinquent accounts directly related to Food Services. Therefore, late fees are not assessed on delinquent accounts regulated by Temporary Facilities or Public Health Engineering. A Senior Deputy County Attorney has reviewed Local Law 16-2002 and agrees with Environmental Health's interpretation that the local law intended for late fees can only be applied to delinquent food service accounts. In order to assess late fees to other accounts, an amendment would have to be made to the local law. It was noted that the division is not having major issues related to late fees/delinquent accounts in other areas beyond Food Services but this may become an issue in the future.

Consideration should be given for the Division of Environmental Health to formally request an amendment to Local Law-16-2002 to include a late fee, which can be universally applied to all delinquent accounts.

Temporary Facilities - Hotels/Motels

5. During a review of the 2007 Food Service Permit Renewal Form, inspection report and attached notes, it was determined that inconsistencies existed in the food service capacity amounts for permit number 6. The 2007 Food Service Permit Renewal Form states a capacity of 75, the inspection report reveals no data for capacity, and the notes outline an overall capacity of 314, which was confirmed on 03/12/96.

It was also noted that the capacity stated on the 2007 Food Service Permit Renewal Form (75) does not correlate with the Facility Permit Fee charged in the amount of \$360.00. A capacity of 75 for food service incurs a charge of \$273.00 per the fee schedule effective 2003.

It is recommended that Temporary Facilities take appropriate steps to ensure that food service capacity be verified by the inspector and therefore charge the appropriate amount per the fee schedule. Each application should be reviewed to ensure there are no inconsistencies and the amounts charged to the facility reflect their current capacity. Supervisors are recommended to give due diligence in reviewing the permit renewal forms and inspection reports to verify capacity and applicable fees.

6. Temporary Facilities' fee schedule is based upon Local Law no.16-2002 and outlines charges dependent upon the seating capacity for hotel/motel food service. In order to ensure the correct fee is assessed, each permit application for food service requires the applicant provide an accurate seating capacity. Per the Sanitarian IV that oversees the Temporary Facilities section, the inspectors must verify the seating capacity during each inspection. It was determined that 4 of 6 (67%) hotel/motel food service inspection reports reviewed were incomplete as the seating capacity was unverified by the inspector.

This does not provide adequate verification that the proper fee was collected. In addition, one food service permit application was unsigned by the applicant.

It is highly recommended that Temporary Facilities ensure that all submitted permit applications for hotel/motel food services are complete, including applicant signatures and accurate amounts for seating capacity. In addition, all inspection reports must verify the stated amount on the application as accurate during their routine inspections. Supervisors are encouraged to give due diligence in their review of applications and inspection reports. These practices will ensure that the County will collect the correct fee and the hotel/motel will be charged the proper amount.

7. Temporary Facilities' fee schedule is based on Local Law no.16-2002 and outlines charges dependent upon the number of rooms for hotels/motels. In order to ensure the correct fee is assessed, each permit application for hotels and motels requires the applicant provide an accurate amount for the number of rooms. Per the Sanitarian IV that oversees the Temporary Facilities section, the inspectors must verify the number of rooms during each inspection. Permit 868 did not include capacity on either the application or the inspection report, leaving the capacity unverified.

It is highly recommended that Temporary Facilities ensure that all submitted applications for hotels/motels and food services be complete and include an amount for capacity. In addition, all inspection reports must verify the stated amount on the application as accurate during their routine inspections. This practice will ensure that the County will collect the correct fee and the hotels/motels will be charged the proper amount.

8. Upon a comparison of the Room Occupancy Tax Listing dated November 2, 2007 from the Finance Department and the 2007 Hotel/Motel Listing provided by Temporary Facilities, several inconsistencies were found related to the inspection, regulation, and permitting of Bed & Breakfast operations. Regulations state that if a Bed & Breakfast accommodates 3-9 guests, it may be permitted as a rooming house. If it accommodates 10 or more guests, it is permitted as a hotel/motel. Fifteen (15) Bed & Breakfasts within Onondaga County were not included on Temporary Facilities list. Therefore no documentation was available to determine the accommodations and the potential need to permit these establishments. It was apparent that Temporary Facilities was unaware of the existence of these facilities. It should be noted that Temporary Facilities and its management has been informed of these inconsistencies and are working toward a resolution.

It is recommended that Temporary Facilities and its management do a thorough investigation in an attempt to locate, inspect, and permit bed & breakfast operations that are regulated by the State Sanitary Code. Temporary Facilities must give due diligence to verifying the number of guests each bed & breakfast can accommodate via routine inspections so these facilities are assessed the correct fee. The section should develop a strategic methodology to develop and maintain awareness of all existing and newly developed regulated facilities in Onondaga County. Consideration should be given to communicate, at least annually, with the Department of Finance to compare the Room

Occupancy Tax Listing with their yearly hotel/motel listing to ensure consistency and that all regulated facilities are inspected and permitted.

Temporary Facilities – Mobile Home Parks

9. Local Law no. 16-2002 provides for the establishment of fees collected by the Department of Health, which includes the permitting of mobile home parks based upon the number of occupancy spaces. During a review of 2007 Mobile Home Park Permit Renewal forms, permit number 680 reveals an ongoing inconsistency for the number of occupancy spaces. In 2005, the inspection report indicates the number of mobile homes as about 32 for a fee of \$310.00. In the next year (2006), the application states the number of spaces as 70, which would normally incur a fee of \$378.00 per the local law. However, only \$310.00 was charged for the occupancy fee in 2006. The 2006 inspection report indicates about 35 spaces. The 2007 application states that only 28 occupancy spaces are available. There are obvious inconsistencies on both inspection reports and permit applications that exist in reference to the amount of occupancy spaces at this mobile home park.

It is recommended that Temporary Facilities determine the exact amount of occupancy spaces for all mobile home parks to ensure the correct permit fee is applied. All inspection reports should verify the amount of occupancy spaces reported on the corresponding application. Supervisors are recommended to give due diligence in reviewing the permit renewal forms and inspection reports to verify occupancy and applicable fees.

Public Health Engineering—Public Water Supply

10. Local Law no. 16-2002 provides for the establishment of fees collected by the Department of Health, which includes the fees for Special Service Water Sample(s). Per the Local Law, this fee for Special Service Water Sampling is \$50.00 per sample. State regulations require non-municipal community water suppliers to have twelve samples taken on a yearly basis to monitor bacteria levels in the water supply. Public Health Engineering currently charges \$50.00 per quarter and \$5.00 for each of the remaining eight samples. This \$5.00 fee was not outlined in either the Local Law or the Division's Fee Schedule.

It is recommended that the Division of Environmental Health charge fees according to Local Law no. 16-2002 as adopted or take necessary steps to amend the Local Law to incorporate the \$5.00 fee currently being charged.

Weights and Measures

11. Payments for inspections are due 30 days after the inspection. Procedures for collecting fines were reviewed with the department. Fines are based on the amount due for inspection. Fines start at \$25.00 for companies owing less than \$100.00 and go as high as \$200.00 for companies owing \$600.00 or more. Currently, the department sends 3 letters to delinquent parties. However, the fine is not assessed until the third letter is sent. The first of 3 letters is sent 45 days after the inspection and is simply a warning. If payment is not received, a second letter is sent 30 days later. This letter lists what the fine will be if payment is not collected by a certain date. If the company still has not

paid, a third (final) letter is sent 2 weeks after the second letter. At this point the fine is actually assessed to the company. Therefore, the fine is not assessed until 59 days after the initial 30 days granted for payment.

It should be noted that the testing of 10 payments for Weights and Measures revealed no delinquent payments.

In order to reduce the number of letters sent, it is recommended that only 1 delinquency letter be sent. This letter should inform the company the fine is being assessed instead of threatening the company with a fine.

12. When the Typist II receives a payment from the employee who opens the mail, she will post payment to the ledger and write out a receipt. This receipt is not issued to the paying company. Both copies of the receipts are kept in the Weights and Measures file. The writing of these receipts appears to be unnecessary.

Consideration should be given to eliminating this procedure. Writing a receipt but not issuing it does not provide any additional control in the payment collection process. Implementing the use of the check log as described in finding #1 is sufficient.

Rabies--State Aid

13. According to the Rabies Work Plan, expenses related to the operation of vaccination clinics are reimbursable by the state. County staff normal work hours cannot be included in calculating these reimbursable amounts. However, staff overtime necessary to conduct the clinic(s) is a reimbursable expense. In reviewing the documentation supporting the 1st quarter State Aid Claim, the following two issues came to our attention:
 - A. Ten hours claimed, based on the description of the activities, appear to be performed during the employees' normal workday. Although the description of the activities provided do relate to rabies, they do not appear to be specifically related to conducting a clinic, as stated in the Rabies Work Plan.
 - B. The current salary and fringe benefit calculation omits the cost of the Health & Dental fringe benefit component.

It is suggested that the Program Coordinator and fiscal staff review and obtain an understanding of the allowable costs as detailed in the Rabies Work Plan and consideration should be given to including the cost of the Health & Dental fringe benefit.

Rabies--Clinic Donations

14. The following items came to our attention regarding the collection of donations at the rabies clinics:
 - A. A fiscal unit employee collects the donations at the clinics and places these funds (cash and checks) in an apron upon receipt. The current procedure represents a lack of accountability, as it is impossible to determine if all cash donated was actually submitted to the County. It places the employee in a position to perpetrate and conceal errors or irregularities in the normal course of their duties. Issuing receipts under these circumstances will not strengthen the controls as cash may be collected without issuing a receipt. During 2007, the department was

responsible for the cash collections at 11 clinics. It is estimated that approximately 94% or \$5,900 were cash donations.

We strongly suggest the department revisit its cash handling practices and implement proper controls. The cost/benefit of any internal control improvements should be taken into consideration.

- B.** An individual in the Fiscal Office obtains the rabies clinic's start-up cash from the safe but he/she is not the authorized custodian of these respective funds. This individual is also responsible for collecting the donations at the clinics.

Only the individual designated as the authorized petty cash custodian should access and issue these funds. Proper sign-off procedures should be followed each time cash is exchanged between employees.

- C.** The County's fiscal employee pays the technicians and pet handlers a nominal predetermined hourly rate for their services at the clinics from the donations collected. To recognize the expense and true up the donations, low-cost petty cash funds are used to reimburse the service fee.

To stream line the cash payment to the technicians and handlers, consideration should be given to obtaining the cash directly from the low-cost petty cash fund. (These individuals should still sign-off the "Cash Summary & Payout" form documenting their receipt.) This will streamline their payment by eliminating the need to access the donations and then truing up the donations collected at a later date.

- D.** When the SPCA and the Towns sponsor clinics, they are responsible for donation collections. The County is entitled to 50% of the net proceeds. A County Sanitarian I assigned to these clinics oversees the vaccination aspect of the clinic. At the end of the clinic, a sponsoring representative gives the Sanitarian I a signed "Tally Sheet" for the amount of donations remitted to the County. The Sanitarian I signs, dates the bottom of the form documenting the exchange and receives a copy. These donations are then turned into the Fiscal Office for depositing purposes. Based on the signed "Tally Sheet" documenting the amount of donations (cash) received, it would appear reasonable that the Sanitarian I could make a bank deposit and then forward the deposit slip and "Tally Sheet" to the Fiscal Office.

The Fiscal Office should determine the feasibility of allowing the Sanitarian I to deposit donations received from non-County sponsored clinics. It is suggested the Accountant I in the Finance Department be contacted for specific details.



COUNTY OF ONONDAGA HEALTH DEPARTMENT

NICHOLAS J. PIRRO
County Executive

John H. Mulroy Civic Center
421 Montgomery Street
Syracuse, New York 13202
315-435-3155 - phone
315-435-5720 - fax

CYNTHIA B. MORROW, MD, MPH
Commissioner of Health

To: Donald Colon, Comptroller
From: Cynthia Morrow, MD, MPH, Commissioner of Health *CM*
Date: December 26, 2007
Re: 2007 Environmental Health Audit

Thank you for the recent audit for the Division of Environmental Health within the Health Department. Attached please find a document that provides responses to your office's findings and recommendations. I greatly appreciate the opportunity this audit affords the Health Department to review and improve some of our practices. Please do not hesitate to call me if you have any questions.

It has been a pleasure working with you.

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Onondaga County Health Department Response to 2007 Environmental Health Audit

Cash Handling Procedures

1. *It is recommended that any employee(s) responsible for opening the mail immediately stamp checks "For Deposit Only" and then complete a check log including date, check number, company/organization, amount, and applicable section. This practice will provide stronger internal controls over revenue received.*

Environmental Health staff responsible for opening the mail will stamp all checks "For Deposit Only." The Department will explore options to strengthen internal controls over revenue received.

2. *It is recommended that all programs within the Division of Environmental Health segregate the responsibilities of individuals receiving cash and check(s) from individuals posting to the ledger and from those preparing Cash Reports to enhance and strengthen the division's internal controls.*

To the extent possible based on current staffing, an effort will be made to segregate responsibilities of individuals posting to the ledger from those preparing cash reports.

3. *It is recommended the Division of Environmental Health take necessary steps to ensure that all money received for payment of permit fees be reported and delivered to the Finance Department in accordance with the above policy. Other employees within the division that are not responsible for posting payments to the ledger should be cross-trained so that making deposits are not wholly dependent upon one employee's schedule.*

To the extent possible based on current staffing, an effort will be made to ensure that deposits are not wholly dependent upon one employee's schedule. Two additional Environmental Health employees, cross-trained in making deposits, also share some responsibility for posting payments to the ledger. Department policy will restrict an employee handling current monies for deposit from making the Division deposit on that day. The Typist 2 who reports to the Division Director and does not post payments to the ledger continues to be responsible for maintaining a master ledger of all deposits made and for reconciling revenues to FAMIS on a quarterly basis under the oversight of the Division Director.

Temporary Facilities – General

4. *Consideration should be given for the Division of Environmental Health to formally request an amendment to Local Law-16-2002 to include a late fee, which can be universally applied to all delinquent accounts.*

The Department will pursue establishment of a late fee for all delinquent accounts at the time amendments are made to the fee schedule.

Temporary Facilities - Hotels/Motels

- 5. It is recommended that Temporary Facilities take appropriate steps to ensure that food service capacity be verified by the inspector and therefore charge the appropriate amount per the fee schedule. Each application should be reviewed to ensure there are no inconsistencies and the amounts charged to the facility reflect their current capacity. Supervisors are recommended to give due diligence in reviewing the permit renewal forms and inspection reports to verify capacity and applicable fees.*

All inspectors have been instructed to verify food service capacity at the time of inspection. The supervisor will confirm this at the time of review of inspection reports. In the future, food service capacity will appear on the permit issued and posted at the facility making it easier to verify actual capacity against permit capacity.

- 6. It is highly recommended that Temporary Facilities ensure that all submitted permit applications for hotel/motel food services are complete, including applicant signatures and accurate amounts for seating capacity. In addition, all inspection reports must verify the stated amount on the application as accurate during their routine inspections. Supervisors are encouraged to give due diligence in their review of applications and inspection reports. These practices will ensure that the County will collect the correct fee and the hotel/motel will be charged the proper amount.*

The Temporary Facilities supervisor will verify that there is consistency between the seating capacity indicated on the application and inspection reports and that the appropriate fee is charged.

- 7. It is highly recommended that Temporary Facilities ensure that all submitted applications for hotels/motels and food services be complete and include an amount for capacity. In addition, all inspection reports must verify the stated amount on the application as accurate during their routine inspections. This practice will ensure that the County will collect the correct fee and the hotels/motels will be charged the proper amount.*

The Temporary Facilities supervisor will verify that there is consistency between the number of rooms indicated on the application and on inspection reports on file, and that the appropriate fee is charged. In the future, room capacity will appear on the permit issued and posted at the facility making it easier to verify actual capacity against permit capacity.

- 8. It is recommended that Temporary Facilities and its management do a thorough investigation in an attempt to locate, inspect, and permit bed & breakfast operations that are regulated by the State Sanitary Code. Temporary Facilities must give due diligence to verifying the number of guests each bed & breakfast can accommodate via routine inspections so these facilities are assessed the correct fee. The section should develop a strategic methodology to develop and maintain awareness of all existing and newly developed regulated facilities in Onondaga County. Consideration should be given to communicate, at least annually, with the Department of Finance to compare the Room*

Occupancy Tax Listing with their yearly hotel/motel listing to ensure consistency and that all regulated facilities are inspected and permitted.

Initial review of the Room Occupancy Tax Listing indicates that under current Onondaga County Health Department policy, only two of the fifteen facilities are subject to regulation by the Department. Onsite inspections will be conducted to make a final determination. Temporary Facilities will develop and maintain a file that includes documentation of the basis for excluding any facility identified from regulation. This file will be reviewed annually and checked against the Department of Finance records.

Temporary Facilities – Mobile Home Parks

- 9. It is recommended that Temporary Facilities determine the exact amount of occupancy spaces for all mobile home parks to ensure the correct permit fee is applied. All inspection reports should verify the amount of occupancy spaces reported on the corresponding application. Supervisors are recommended to give due diligence in reviewing the permit renewal forms and inspection reports to verify occupancy and applicable fees.*

All inspectors have been instructed to verify the number of occupancy spaces at the time of inspection. The Temporary Facilities supervisor will confirm this at the time of review of inspection reports. The supervisor will verify that there is consistency between the occupancy spaces indicated on the application and inspection reports and that the appropriate fee is charged. In the future, the number of occupancy spaces will appear on the permit issued.

Public Health Engineering—Public Water Supply

- 10. It is recommended that the Division of Environmental Health charge fees according to Local Law no. 16-2002 as adopted or take necessary steps to amend the Local Law to incorporate the \$5.00 fee currently being charged.*

The fees charged by Public Health Engineering for water sampling are reflective of the costs incurred based on the manner in which this activity is conducted. The Department will pursue establishment of additional fee categories at the time amendments are made to the fee schedule.

Weights and Measures

- 11. In order to reduce the number of letters sent, it is recommended that only 1 delinquency letter be sent. This letter should inform the company the fine is being assessed instead of threatening the company with a fine.*

The system for collecting fines was first implemented in 2006 in an effort to improve timeliness of payments and reduce referrals to collection. The Department will review this system to determine appropriate adjustments as to when the fine is imposed and the number of days allowed for payment. It should be noted that issuance of three letters prior to referral for collection is the standard practice for Environmental Health.

12. *Consideration should be given to eliminating this procedure. Writing a receipt but not issuing it does not provide any additional control in the payment collection process. Implementing the use of the check log as described in finding #1 is sufficient.*

The Department will review the basis for issuing receipts for Weights and Measures fees and eliminate this procedure if it is determined to be unnecessary.

Rabies--State Aid

13. *It is suggested that the Program Coordinator and fiscal staff review and obtain an understanding of the allowable costs as detailed in the Rabies Work Plan and consideration should be given to including the cost of the Health & Dental fringe benefit.*

New York State (NYS) guidance and further research confirmed that 10 hours of normal workday hours should not have been claimed. Clarification from NYS also indicated that Health and Dental fringe benefits may be claimed. An adjustment will be made to adjust these two categories for the current contract period and future claims will reflect these changes.

Rabies--Clinic Donations

- 14-A. *We strongly suggest the department revisit its cash handling practices and implement proper controls. The cost/benefit of any internal control improvements should be taken into consideration.*

The Health Department will review rabies clinic cash handling practices and determine the cost benefit of any internal control improvements prior to implementation.

- 14-B. *Only the individual designated as the authorized petty cash custodian should access and issue these funds. Proper sign-off procedures should be followed each time cash is exchanged between employees.*

The Health Department will designate and complete the paperwork for an alternate custodian who will have full responsibility for the rabies petty cash fund during the rabies clinic season, and who will follow proper sign-off procedures each time cash is exchanged between employees.

- 14-C. *To streamline the cash payment to the technicians and handlers, consideration should be given to obtaining the cash directly from the low-cost petty cash fund. (These individuals should still sign-off the "Cash Summary & Payout" form documenting their receipt.) This will streamline their payment by eliminating the need to access the donations and then triuing up the donations collected at a later date.*

In 2008, animal handlers and technicians will be paid using a prepared check from the low-cost petty cash fund. The handlers and technicians will continue to sign the “Cash Summary & Payout” form at the end of the clinic before receiving their checks. In case a scheduled handler/technician is not able to work at the clinic, the replacement will sign the form and a check will be mailed to him/her the next business day.

- 14-D.** *The Fiscal Office should determine the feasibility of allowing the Sanitarian I to deposit donations received from non-County sponsored clinics. It is suggested the Accountant I in the Finance Department be contacted for specific details.*

The Health Department is currently using the county courier secure cash bag system in order to ensure safe delivery of clinic proceeds from the Sanitarian to the Fiscal Office, and will look into the feasibility of having the Sanitarian deposit the proceeds directly into the bank.