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Anthony Carvelli
Commissioner of Finance, Oneida County
800 Park Avenue, 5th Floor
Utica, NY 13501

Report Number: 2023-C&T-3

Dear Commissioner Carvelli:

Oneida County (County) officials are responsible for safeguarding court and trust funds in their care. This responsibility includes establishing and maintaining an internal control structure to provide reasonable assurance that resources are safeguarded against loss from unauthorized use or disposition, transactions are executed in accordance with court orders and/or statutory authorization and are properly recorded, appropriate reports are prepared, and appropriate corrective action is taken in response to examination findings.

Pursuant to the New York State Constitution, Article V, Section 1 and further authority granted to the Office of the State Comptroller by Articles 2 and 12 of New York State Finance Law and Section 42 of New York State Executive Law, we examined certain records and reports for the County's court and trust funds for the period January 1, 2021 through October 12, 2023.

Background and Methodology

Pursuant to a court order, certain assets may be provided to the court and then delivered to the County Commissioner of Finance (Commissioner) for safekeeping. Payments made pursuant to court orders commonly involve surplus money from foreclosures and contract disputes resulting in a mechanic's lien.¹ These actions are recorded in the County Clerk's office when payments are deposited as required by court order. Additionally, in certain circumstances,² funds from estates are entrusted to the Commissioner for safekeeping by order of the Surrogate's Court. Together, the Commissioner, County Clerk and Surrogate's Court must develop sound procedures and processes which, when implemented properly and consistently, provide a system of internal controls to account for and safeguard these funds.

Our objective was to determine whether County officials have established appropriate controls to safeguard and account for court and trust funds. We examined records maintained by the

¹ Security interest in property filed to ensure payment for contracted services rendered on the property.

² When the whereabouts of any person entitled to payment from the estate is unknown.

Commissioner, County Clerk and Surrogate's Court. We interviewed County officials and reviewed relevant financial and court records. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions. The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS).

Results

Pursuant to New York State Finance Law Section 184, the Commissioner is required to submit a report on an annual basis to the State Comptroller accounting for all money, securities and other properties deposited into a court and ordered into the Commissioner's custody.

We reviewed the Commissioner's processes, procedures and records for the receipt and management of court and trust funds. The Commissioner reported court and trust fund actions with year-end balances totaling \$100,467 for 2021 and \$216,346 for 2022, and we tested actions totaling \$170,194 during our review. We determined that the Commissioner generally established adequate procedures, maintained appropriate records and properly reported court and trust funds as prescribed by statute. We also determined that the records maintained by the County Clerk and Surrogate's Court were up to date and complete and we noted no material discrepancies.

We would like to thank County officials and staff for the courtesies and cooperation that were extended to our examiners.

Sincerely,

Randy L. Partridge
Assistant Comptroller

cc: Anthony J. Picente, Jr., County Executive
Joseph J. Timpano, County Comptroller
Mary Finegan, County Clerk
Hon. Louis P. Gigliotti, Surrogate's Court Judge
Kelly A. Fuller, Surrogate's Court Clerk
Daniel R. Johnson, New York State Unified Court System, Chief Internal Auditor