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Stephen DeGroat
Rockland County Commissioner of Finance
50 Sanatorium Rd
Building A 8th Floor
Pomona, NY 10970

Report Number: 2019M-45

Dear Mr. DeGroat:

Rockland 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 audit findings.

Pursuant to the New York State Constitution, Article V, Section 1 and further authority vested in the State of New York Office of the State Comptroller (OSC) by Section 42 of the Executive Law, we examined certain records and reports for the County's court and trust funds for the period January 1, 2013 through August 15, 2018.

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 moneys 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

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

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 County Clerk, Surrogate's Court and Commissioner. 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.

Audit Results

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

We reviewed the County Clerk's, Surrogate's Court's and Commissioner's processes, procedures and records for the receipt and management of court and trust funds as well as estates in the Commissioner's custody. We found that the records maintained by the County Clerk and Surrogate's Court were generally up-to-date and complete, and we noted no material discrepancies.

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

Sincerely,

Andrew A. SanFilippo

cc: Ed Day, County Executive
Paul Piperato, County Clerk
Honorable Keith J. Cornell, Surrogate Court Judge