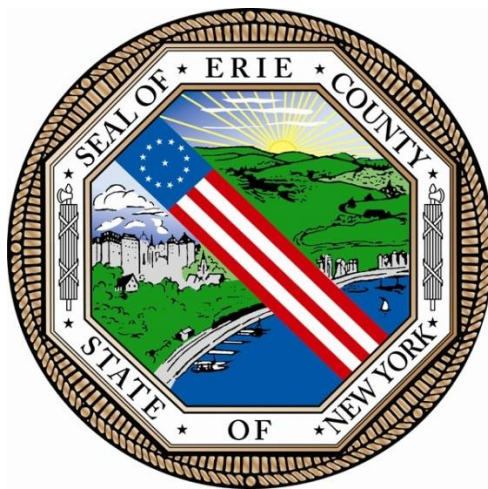


OCTOBER 2019

**ERIE COUNTY DEPARTMENT OF PROBATION
AUDIT OF REVENUE IN THE OPERATING BUDGET
JANUARY 1, 2019 THROUGH JUNE 30, 2019**



**STEFAN I. MYCHAJLIW
ERIE COUNTY COMPTROLLER**

**HON. STEFAN I. MYCHAJLIW
ERIE COUNTY COMPTROLLER'S OFFICE
DIVISION OF AUDIT & CONTROL
95 FRANKLIN STREET
BUFFALO, NEW YORK 14202**



September 10, 2019

Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

Dear Honorable Members:

The Erie County Comptroller's Office (Comptroller's Office) has completed an audit of the Erie County Department of Probation (Probation) revenue in the operating budget for the period January 1, 2019 through June 30, 2019.

Management of Probation is responsible for establishing and maintaining a system of internal control. The objectives of such a system are to provide management with reasonable, but not absolute, assurance that transactions are executed in accordance with management's authorization and are recorded properly. Because of inherent limitations in the system of internal control, errors or irregularities may nevertheless occur and not be detected.

Our responsibility is to express an opinion based on our audit. We conducted our audit in accordance with Generally Accepted Government Auditing Standards. 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 objectives. Our objectives were to evaluate and test internal controls over revenue in the operating budget. To accomplish these objectives, we tested all revenue transactions recorded within the scope of the audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the internal controls over revenue in the operating budget are adequately designed and operating effectively.

No other specific matters adversely affecting compliance and procedures came to our attention. Our audit was made for the purpose previously discussed, and would not necessarily disclose all instances of noncompliance with respect to areas of operations not audited.

REPORTING REQUIREMENTS

A draft copy of this report was provided to Probation for their review. Their comments were considered in the preparation of this report. A copy of the Probation response is included as an Appendix.

BACKGROUND

Probation provides both adult and juvenile probation services to all courts within Erie County. The Adult Division of the department is responsible for the preparation of pre-sentence reports sent to the courts for persons convicted of criminal offenses, and the supervision of any adult who is sentenced to a period of probation supervision. The Juvenile Division of the department prepares pre-dispositional reports for the family court for any youth adjudicated as a Person in Need of Supervision (PINS) or a Juvenile Delinquent (JD), as well as provides supervision of all adjudicated youths.

The department is regulated, monitored, and receives partial reimbursement and support from the New York State Division of Criminal Justice Services (NYS DCJS). On an annual basis, Probation is awarded the probation state aid block grant which provides state financial assistance for regular and / or specialized probation programming to promote offender accountability, rehabilitation, and enhance public safety. NYS requires the department to file a detailed plan with cost estimates covering all probation services for the fiscal year and allocates block grant money based upon a review of that plan. NYS distributes aid in a manner consistent with prior year distribution amounts and does not require submission of reimbursement claims.

AUDIT RESULTS

Probation records state aid for probation services in the operating budget, Business Area 126, Fund 110, Account 406000.

For the first six (6) months of 2019, a total of five (5) revenue transactions were recorded in the Erie County accounting software (SAP). We tested three (3) accrual transactions and two (2) receivable transactions, amounting to 100% of the revenue in the operating budget or \$590,976. The dollar amounts of the five (5) revenue transactions tested were in agreement with the block grant award notices received by the NYS DCJS and with amounts recorded in SAP.

We noted that a single employee is responsible for the accuracy, documentation, and recordkeeping of revenue transactions in the operating budget. Though there is a lack of compensating controls to prevent and detect errors, our testing did not identify any weaknesses in Probation's internal controls given the size of the department and low volume of transactions.

RESULTS OF EXIT CONFERENCE

An exit conference was held on October 2, 2019 with the Commissioner of Probation (Commissioner), a staff member from Probation, and a representative from the Division of Budget and Management. The contents of this report were discussed. The Commissioner was in general agreement with the results of the audit.

The Erie County Comptroller's Office would like to thank the Commissioner and staff of the Department of Probation for the courtesy extended to us during the audit.

ERIE COUNTY COMPTROLLER'S OFFICE

Cc: Hon. Mark C. Poloncarz, County Executive
Brian McLaughlin, Commissioner
Robert W. Keating, Director of Budget and Management
Erie County Fiscal Stability Authority

APPENDIX



County of Erie
Mark C. Poloncarz
County Executive
Department of Probation

Brian McLaughlin
Commissioner

Ysaías Feliz
Deputy Commissioner

October 11, 2019

To: Scott Kroll, Deputy Comptroller-Audit
David Kinda, Senior Auditor, Comptroller's Office
Ellie Stefanova, Staff Auditor, Comptroller's Office

From: Brian McLaughlin, Commissioner, Probation

Date: October 3, 2019

Re: Response to Audit of Revenue in the Operating Budget, October 2019

Finding: "We noted that a single employee is responsible for the accuracy, documentation, and recordkeeping of revenue transactions in the operating budget... there is a lack of compensating controls to prevent and detect errors..."

Department of Probation's response: We will have another staff member who is familiar with the revenue process and NYS reporting requirements act as a check on our Systems Accountant. As before, thank you for the professionalism and courtesy you exhibited throughout this process.

Sincerely,

Brian McLaughlin
Commissioner
Erie County Probation Department