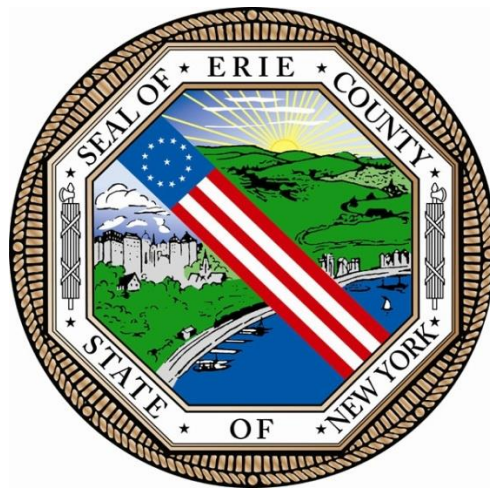


November 2019

**Erie County Central Police Services
Audit of Internal Controls for
Aid to Crime Labs Grant Revenue
July 1, 2018 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 13, 2019

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

Dear Honorable Members:

The Erie County Comptroller's Office has completed an audit of the Aid to Crime Labs Grant (165AIDCRLAB1819) administered by the Erie County Department of Central Police Services ("CPS") for the period July 1, 2018 through June 30, 2019.

Management of CPS 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. Our objective was to test and evaluate the internal controls over the revenue accounts for the Aid to Crime Labs Grant administered by CPS. We believe that the evidence obtained provides a reasonable basis for our findings and recommendations based on our audit objectives.

In our opinion, the internal controls over revenue for the Aid to Crime Labs Grant are adequately designed and operating effectively.

BACKGROUND

The Erie County Central Police Services Forensic Laboratory (“Crime Lab”) provides crime laboratory services to local police agencies. The purpose of the Aid to Central Police Crime Lab Grant, 165AIDCRLAB1819 (“Crime Lab Grant”), is to help provide local assistance funding to crime labs.

The Erie County Department of Central Police Services (“CPS”) receives reimbursement for various operating expenditures at the crime lab from the New York State Division of Criminal Justice Services (“the State”). The program year for the grant is from July 1, 2018 to June 30, 2019.

AUDIT RESULTS AND RECOMMENDATIONS

Audit findings were discussed with the Commissioner after fieldwork was completed. The details of the significant results and findings are presented in this section.

- 1) *Ineligible Expenditures* – All claim expenditures were tested for eligibility. Three out of four reimbursement claims included expenditures that were not eligible for reimbursement in the period which it was claimed.
 - a. Claim #1 and Claim #3 were submitted with salary expenditures which were not eligible during the reimbursement period, since the salaries were not paid within the claiming period.
 - b. Claim #2 and Claim #3 were submitted with travel expenditures which were not eligible during the reimbursement period, since the travel expenditures were not paid within the claiming period.

We recommend that CPS claim expenditures paid during the claiming period.

- 2) *Customer Invoices* – A customer invoice in SAP, Erie County’s financial reporting system, records the amount of the State Aid to be received from the State. Four out of four customer invoices in SAP agreed to the amount of the corresponding reimbursement claim submitted to the State.

RESULTS OF EXIT CONFERENCE

An exit conference was held with the Commissioner of CPS, a member of his staff, and a representative from the Division of Budget and Management on October 24, 2019. The audit draft report was reviewed and discussed. A written response to the audit report from the Commissioner was received by the Comptroller’s Office on November 7, 2019.

ERIE COUNTY COMPTROLLER’S OFFICE

Cc: Hon. Mark C. Poloncarz, County Executive
James Jancewicz, Commissioner Central Police Services
Robert W. Keating, Director of Budget and Management
Erie County Fiscal Stability Authority

APPENDIX A

Auditee Response to Audit Report



County of Erie
MARK C. POLONCARZ
COUNTY EXECUTIVE

DEPARTMENT OF CENTRAL POLICE SERVICES

JAMES A. JANCEWICZ
COMMISSIONER

October 31, 2019

Honorable Stefan I. Mychajliw
Erie County Comptroller
95 Franklin Street, Suite 1100
Buffalo, NY 14202

Dear Mr. Mychajliw:

I am in receipt of your draft audit report dated September 13, 2019 regarding the audit of the Aid to Crime Labs Grant (164AIDCRLAB1819) administered by the Department of Central Police Services (CPS) for the time period of July 1, 2018 through June 30, 2019. The audit reported the CPS procedures and internal controls to be adequately designed and operating effectively. The audit report noted that all customer invoices were properly reported in SAP.

Although the audit findings noted three out of four expenditures which were tested were not eligible for reimbursement, the audit later went on to indicate that the expenditures were indeed eligible for reimbursement, but were just claimed in the incorrect New York State reporting period. For clarification purposes, and as discussed during the audit, all of the expenditures were eligible for reimbursement from New York State; however, at question was the exact date of reporting for the expenditures on the claim. Overall, no reimbursements were found to be inappropriately claimed and none were denied by New York State. The reimbursements may have been claimed in a different reporting period which was a result of the dates used by the Erie County payroll system not occurring within the specific New York State quarterly grant reimbursement period. The audit interpreted expenditures as when the salaries covered under the grant were paid as opposed to when earned, which are generally just a few days apart. In short, the County was entitled to claim these expenditures, but, per the audit, the expenditures should have been claimed during the following New York State fiscal quarter claim.

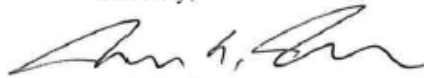
PUBLIC SAFETY CAMPUS, 45 ELMSTREET, BUFFALO, NEW YORK 14203. (716) 858-6365 – FAX (716) 858-6039 www.erie.gov

Please note, in the past decade of receiving this grant, New York State has never indicated grant expenditures should only be claimed after payment, which in essence is the date when a vendor deposits their check or equivalent.

In the absence of specific State and County policy guidance on this matter, CPS will implement the recommendation of the audit and start the process to claim expenditures deemed as paid under the grant during the State claiming period. Please be assured CPS management will ensure full compliance with the recommendation of your audit.

I would like to thank you and your staff for your work in completing this audit. Feel free to contact me at (716) 858-7483 for any other assistance.

Sincerely,



James A. Jancewicz
Commissioner