

**AUGUST 2019**

**ERIE COUNTY DEPARTMENT OF SOCIAL SERVICES  
AUDIT OF THE BUS PASS PROGRAM  
JANUARY 1, 2018 THROUGH DECEMBER 31, 2018**



**STEFAN I. MYCHAJLIW  
ERIE COUNTY COMPTROLLER**

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



March 28, 2019

Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> 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 Social Services (DSS) bus pass program for the period January 1, 2018 through December 31, 2018.

Management of DSS 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 the receipt, distribution, return, invoicing and payment for bus passes. To accomplish these objectives, we selected a sample of monthly reconciliations within the scope of the audit. We believe that the audit evidence we obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

**Opinion**

In our opinion, the internal controls over the receipt, distribution, return, and invoicing of payments related to the bus pass program 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.

## **BACKGROUND**

The Erie County Department of Social Services (DSS) provides bus passes to eligible clients and agencies. Bus passes are provided at no charge in order to allow clients to attend medical appointments, obtain employment training, and to search for housing. DSS distributes monthly bus passes to clients and agencies up until the 15<sup>th</sup> day of each month.

The Niagara Frontier Transportation Authority (NFTA) provides two types of bus passes, including full fare and reduced fare, with unit costs of \$75.00 and \$37.50, respectively. Full fare passes are available for metro riders ages 12-64. Children ages four (4) and under ride free with an adult, with a limit of three children per fare-paying adult. Reduced fare passes are available for youth ages five (5) to 11 years old, citizens aged 65 and older, disabled adults and Medicare recipients with proper ID and proof of eligibility.

To assist in the distribution of the bus passes, DSS maintains separate agreements with agencies including Catholic Charities, Erie County Medical Center Community Mental Health, Goodwill, and others. These organizations request and distribute bus passes to eligible clients on behalf of Erie County. DSS and the contracted agencies distribute approximately 2,000 bus passes per month.

## **AUDIT RESULTS**

DSS records bus pass payments in the operating budget, Business Area 120, Fund 110, Account 503000.

In 2018, twelve (12) payments for monthly bus passes were recorded in the Erie County accounting software (SAP). We tested three (3) of the 12 total invoices for the months of January, June, and December, amounting to 20% of the \$2,066,000 expended for bus passes in 2018. The dollar amounts of the invoices tested were in agreement with SAP.

For the three (3) months tested, our audit noted that a total of 6,400 bus passes were received from the NFTA. 5,297 bus passes were distributed by DSS and the individual agencies at a total cost of \$397,275 and 1,103 bus passes were returned to the NFTA at no charge to the County. Our testing did not identify any weaknesses in the department's internal controls.

## **RESULTS OF EXIT CONFERENCE**

An exit conference was held on July 22, 2019 with the Commissioner of Social Services, members of her staff, and a representative from the Division of Budget and Management. The draft of the audit report was reviewed and discussed. The auditee was in general agreement with the report.

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

**ERIE COUNTY COMPTROLLER'S OFFICE**

Cc: Hon. Mark C. Poloncarz, County Executive  
Marie A. Cannon, Commissioner of Social Services  
Robert W. Keating, Director of Budget and Management  
Erie County Fiscal Stability Authority