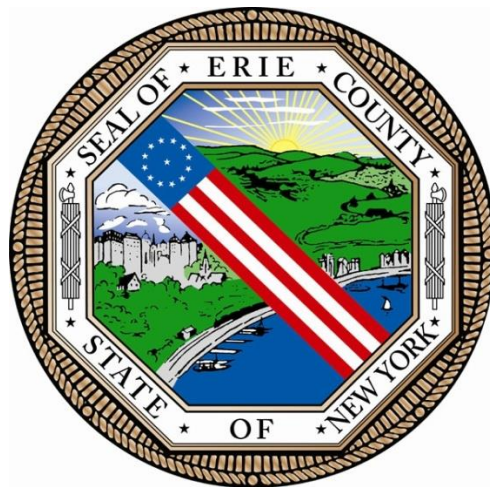


December 2019

**Erie County Department of Mental Health
Audit of Internal Controls for
Operating Budget Revenue
July 1, 2018 through December 31, 2018**



**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**



December 2, 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 Erie County Department of Mental Health ("Mental Health") for the period July 1, 2018 through December 31, 2018.

Management of Mental Health 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. Due to 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 operating budget revenue. We believe that the evidence obtained provides a reasonable basis for our findings and recommendations based on our audit objectives.

Opinion

In our opinion, the internal controls over the accounts tested are adequately designed and are operating effectively.

BACKGROUND

The Erie County Department of Mental Health (“Mental Health”) provides access to behavioral health services. Mental Health receives funding from multiple sources including the New York State Office of Mental Health (“OMH”), New York State Office of Alcohol and Substance Abuse Service (“OASAS”), and the New York State Office for People with Developmental Disabilities (“OPWDD”). The funds from the various State agencies are allocated to local agencies that provide services based on the type and eligibility of services needed by various consumers.

AUDIT RESULTS AND RECOMMENDATIONS

Audit results were discussed with the Acting Commissioner of Mental Health (“Acting Commissioner”) and the Director of Fiscal Administration (“Director”) after fieldwork was completed. The details of the significant results and findings are presented in this section.

1. *Monthly SAP Revenue Accruals* – Twenty out of twenty SAP transactions from July 2018 to November 2018 were tested. Each month, the revenue for OMH State Aid (GL Account 406830), OASAS (GL Account 406860), and OPWDD (GL Account 406880) was accrued then was reversed the following month.
2. *Year-End SAP Revenue Accruals* – Four out of four SAP year-end revenue accrual transactions for OMH State Aid (GL Account 406830), OASAS (GL Account 406860), and OPWDD (GL Account 406880) were tested against the award letters from each agency. The total year end accrual amount for each State Agency’s Revenue GL account did not exceed the amount of the corresponding agency’s award letter.
3. *SAP Accrual Journal Entry Supporting Documentation* – Twenty-four out of twenty-four accrual journal entry amounts were tested against the amounts of the supporting documentation provided by Mental Health for the accounts tested. The amounts for all twenty-four transactions matched the amounts of the supporting documentation.

RESULTS OF EXIT CONFERENCE

An exit conference was held with the Acting Commissioner, the Director, a member of his staff, and a representative from the Division of Budget and Management on December 10, 2019. The audit draft report was reviewed and discussed. Minor changes were made to the language of this report.

The Erie County Comptroller’s Office would like to thank the Department of Mental Health for the cooperation extended to us during the audit.

ERIE COUNTY COMPTROLLER’S OFFICE

Cc: Hon. Mark C. Poloncarz, County Executive
John Grieco, Acting Commissioner of the Department of Mental Health
Robert W. Keating, Director of Budget and Management
Erie County Fiscal Stability Authority

APPENDIX A

Auditee Response to Audit Report

The management of Mental Health stated during the exit conference that they are in general agreement with the results of this report.