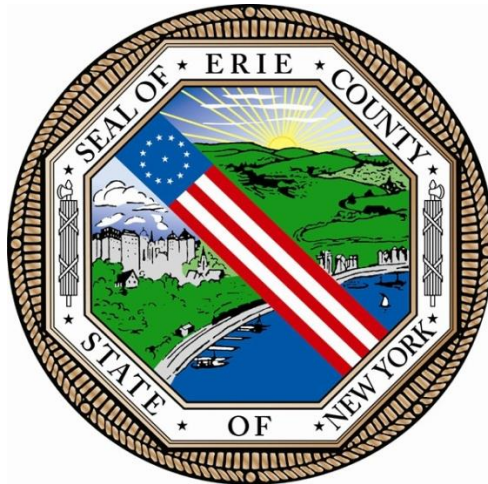


**April 2019**

**Senior Services Congregate Dining Nutrition  
Grant 163III-C-12018 for the period  
January 1, 2018 to 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 27, 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 has completed an audit of the Erie County Department of Senior Services Congregate Dining Nutrition Grant 163III-C-12018 for the period January 1, 2018 to December 31, 2018.

Our objective was to test the internal controls over participant contributions.

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. We believe that the evidence obtained provides a reasonable basis for our findings and recommendations based on our audit objectives.

The scope of our audit included the testing of internal controls over participant contributions and entries in SAP, Erie County's accounting software.

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

In our opinion, internal controls over participant contribution cash handling are adequately designed and operating effectively.

## **BACKGROUND**

The purpose of Congregate Dining Nutrition Grant 163III-C-12018 is to help elderly persons maintain their nutritional well-being and social independence. The grant receives funding from three sources including Federal funds, Erie County (County) funds, and participant contributions. The New York State Office for the Aging (NYSOFA) oversees the Senior Services congregate dining program and provides program and reporting guidelines.

The congregate dining program, known as the Stay Fit Dining Program, provides a hot midday meal at congregate meal sites throughout the County on most weekdays. To be eligible for the program, an individual or his or her spouse must be 60 years of age or older. Eligible participants are asked to make a suggested voluntary contribution. Persons under the age of 60 are allowed to purchase a meal from the program for a specified fee.

## **AUDIT RESULTS**

### **1. Participant Contributions and Meal Service**

We observed the Stay Fit Dining Program at one of the program's sites. The processes observed included the meal service and collection of participant contributions. Cash contributions were always attended by and in the custody of two (2) volunteers.

### **2. Revenue Reporting**

We tested a sample of general ledger account transactions posted in SAP for February 2018 for the participant contributions. The selected sample was not intended to be representative of the population. We compared the SAP revenue transaction data to deposit documentation, Weekly Reports, and nutrition bank statements for all 284 transactions for February 2018. We found no material errors.

Additionally, we compared deposit dates and deposit amounts to each site's deposit documentation, bank statements and Weekly Reports. No material errors were noted.

All dining sites, except Akron and Alden, deposit participant contributions into the M&T Bank (M&T) Nutrition account. The deposits are posted to SAP from a BAI (Bank Administration Institute) upload file from M&T. The Comptroller's Office Accounting Division transfers balances from the M&T Nutrition Account into the M&T General Fund account.

The Akron and Alden dining sites deposit participant contributions into the Bank of Akron and Alden State Bank, respectively, into dedicated nutrition accounts. Senior Services staff prepares journal entries to record the revenue activity at Akron and Alden into SAP.

### **3. Bank Reconciliations**

We compared the February 2018 record of contribution deposits prepared by Senior Services to revenue transactions recorded in SAP. Senior Services performed bank reconciliations for each dining site. The February 2018 bank reconciliations for each site were traced to revenue transactions recorded in SAP. No material differences were noted.

## **AUDITOR COMMENTS**

### **1. Cash Balances in Bank Accounts**

Inspection of bank statements revealed cash balances in both the Bank of Akron and Alden State Bank nutrition accounts. We noted that the balances in these accounts were not transferred to the County's M&T General Fund account.

We recommend that Senior Services instruct the Comptroller's Accounting Division to schedule periodic balance transfers from the Alden and Akron nutrition bank accounts into the M&T General Fund account. The Comptroller's Office is currently in the process of making the recommended transfer.

### **2. Participant Checks**

We observed that a check submitted for meals for a group was not restrictively endorsed. We recommend that checks be restrictively endorsed as "FOR DEPOSIT ONLY THE COUNTY OF ERIE, NEW YORK" upon receipt.

## **RESULTS OF THE EXIT CONFERENCE**

An exit conference was held with the Erie County Department of Senior Services on May 6, 2019. The results of this audit were presented to management of Senior Services.

The Erie County Comptroller's Office would like to thank the Department of Senior Services for the cooperation extended to us during the audit.

ERIE COUNTY COMPTROLLER'S OFFICE

cc: Timothy Hagues, Commissioner, Erie County Department of Senior Services  
Hon. Mark C. Poloncarz, County Executive  
Robert W. Keating, Director, Budget and Management  
Erie County Fiscal Stability Authority

## **Appendix A: Audit Response**

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