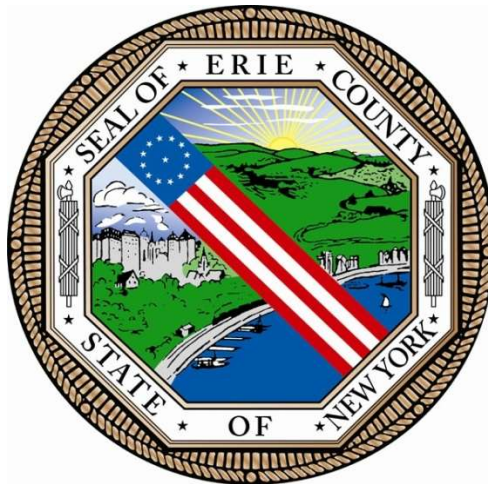


December 2020

**Audit of the Personnel Department
Civil Service Exam Fee Revenues
July 1, 2019 through December 31, 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**



October 9, 2020

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 Personnel Department's Operating Budget of Civil Service Exam Fee Revenues for the period of July 1, 2019 through December 31, 2019.

Management of the Personnel Department 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 the 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 objectives were to test and evaluate civil service exam fee revenue transactions in the operating budget and to evaluate the internal controls over such transactions. 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 civil service exam fee revenues 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.

BACKGROUND

The Personnel Department (“Personnel”) administers civil service exams and maintains eligible lists for Erie County and municipalities, as well as manages Erie County’s personnel programs, payroll, and insurance. This audit focused on revenue transactions for Personnel in General Ledger (“GL”) Account 415200 Civil Service Exam Fees. GL Account 415200 is budgeted in fund 110, cost center 16110, and recorded in fund 110, cost center 1611010.

In order to be considered to sit for a civil service exam (“exam”), candidates must complete an exam application (“application”) and pay the application fee (“fee”). The fee is recognized as a filing fee, not a guarantee that an applicant will be invited to sit for the exam they had applied for. The fee payment guarantees that an employee in Personnel will review the application and determine if the applicant meets the qualifications to sit for the exam. Fees can be paid by credit card or with a personal check. Applications and fee payments can be submitted by mail or in person at Personnel. Cash is not accepted.

AUDIT RESULTS AND RECOMMENDATIONS

1. Fee Payments

During the audit period of July 1, 2019 through December 31, 2019, Personnel completed 11 bank deposits, which included 4,167 personal checks, and processed 58 credit card transactions in SAP for civil service exam fees. All 11 of 11 bank deposits and a random sample of 20 of 58 credit card transactions in SAP were selected for testing of fee payments.

- a. 11 of 11 bank deposits were tested by tracing all dollars from source documents to bank statements and SAP. No discrepancies were noted.
- b. 20 of 20 credit card transactions were tested by tracing all dollars from source documents to SAP. No discrepancies were noted.

2. Civil Service Exam Applications

A sample of 10 applications whose fees were paid for by personal check was selected for testing. A sample of 6 applications whose fees were paid for by credit card was selected for testing.

- a. 10 of 10 applications whose fees were paid for by personal checks were tested by reperforming the procedures from the “Exam Application Collection Instructions” (“Instructions”), and tracing all dollars from source documents to the M&T Remote Check Deposit Report. No discrepancies were noted.
- b. 6 of 6 applications whose fees were paid by credit card were tested by reperforming the procedures from the Instructions, and tracing all dollars from source documents to the EZNETPAY Credit Card Report. A minor discrepancy was found. The applications did not have the credit card authorization number written on them, which is a procedure within the Instructions.

We recommend that Personnel develop and maintain a payment log for personal checks and credit card payments to easily link fee payments and their corresponding applications. Also, the procedures within the Instructions should be followed by employees collecting applications.

RESULTS OF EXIT CONFERENCE

An exit conference was held on November 18, 2020 with the Commissioner and the Chief of Classification and Compensation of Personnel. The draft of the audit report was reviewed and discussed. The Commissioner reviewed the draft report and is in general agreement with our findings and had no further questions or concerns.

The auditee stated that their written response to the draft report would serve as the Personnel's response to the audit. A copy of the letter is included in this report as Appendix A.

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

ERIE COUNTY COMPTROLLER'S OFFICE

Cc: Timothy Hagues, Commissioner of Personnel
Hon. Mark C. Poloncarz, County Executive
Robert W. Keating, Director of Budget and Management
Hon. Stefan I. Mychajliw, Erie County Comptroller
Erie County Fiscal Stability Authority

Appendix A

Auditee's response to the audit report.

