



County of Erie

NEWS RELEASE

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COMPTROLLER

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POLONCARZ RELEASES AUDIT OF ERIE COUNTY SENIOR SERVICES

*Audit Finds Some Non-Compliance and Deficiencies in Written Procedures and
Internal Control Problems in Senior Citizen Asset Program*

Protective Services for Adults Program Receives Overall 'Clean' Audit

Erie County Comptroller Mark C. Poloncarz today released an audit of Erie County's Department of Senior Services' ("Senior Services") internal controls and management of its Protective Services for Adults program ("PSA") for the period January 1, 2006 to May 31, 2008 (the "Audit"). The Audit specifically examined Senior Services' management and controls over cash and the assets of those senior citizens who are clients of the PSA program.

The Erie County Comptroller's Office commenced the Audit in part due to the PSA program's prior status in which its financial records were off-line of the Erie County's SAP financial accounting and reporting system.

"Our auditors have completed the audit of Senior Services' PSA program and have identified several internal control issues involving non-compliance with written procedures that must be addressed going forward. That being said, our Audit found that Senior Services properly administered the PSA program and client assets are being adequately safeguarded," said Poloncarz.

The Audit found that some deficiencies exist in Senior Services' internal controls, including the following significant findings:

- Senior Services' payment requests for checks made payable to their case managers from client accounts contained errors on forty-four percent (44%) of the transactions tested. The errors were due to a lack of proper written procedures, a bypass of procedures, or a failure to adhere to standard operating procedures on the part of PSA case managers and their supervisors, and PSA fiscal personnel. Payment requests usually resulted in the delivery of cash from the case managers to the clients, therefore the risk created by these transactions is considered to be high.

- Detailed inventory records of client assets are not maintained by the PSA staff. The lack of such records prevented an assessment of whether reasonable value was obtained from the sale of client-owned personal property by Senior Services' employees. The existing practices in PSA related to checks made payable to case managers provides an opportunity for misplacement, theft, or embezzlement of client funds, though no such malfeasance was identified.

Poloncarz noted that Senior Services has initiated corrective measures to address the Audit's findings. He concluded by stating, "It is vitally important that we safeguard the assets of those who rely on Senior Services to pay their bills, and I am glad to say that, over the period examined by my auditors, Erie County's Department of Senior services is doing exactly that."

A copy of the Audit can be found at: http://www.erie.gov/comptroller/county_audits.asp