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Whyte, Maria

From: LGSA-Audits@osc.state.ny.us [LGSA-Audits@osc.state.ny.us] **Sent:** Fri 3/4/2011 8:40 AM
To: Whyte, Maria
Cc:
Subject: Federal Stimulus Program - Claims Processing in the Western Region of New York State FINAL
Attachments:  Western NY Claims FINAL.pdf(1MB)

GA

Dear Honorable Whyte:

Enclosed is a report entitled Federal Stimulus Program – Claims Processing Procedures in the Western Region of New York State. This report was prepared by the Office of the State Comptroller, and is a compilation of work performed at the following seven entities in western New York State: the Cities of Buffalo, Niagara Falls, and Salamanca, the Counties of Cattaraugus, Erie and Niagara, and the Erie 2 Chautauqua-Cattaraugus Board of Cooperative Educational Services (BOCES). The report provides recommendations for improving the claims processing procedures local government entities use when they pay vendors for work on contracts funded by Federal Stimulus (ARRA) monies.

The audit was conducted, and the report prepared, in accordance with Article V, Section 1 of the State Constitution and the authority granted to the State Comptroller by Article 3 of the General Municipal Law.

I trust that this report will be helpful to you. If you require assistance, or if you have any questions, please feel free to contact Ms. Ann Singer, Chief Examiner of our Statewide Project Office, at (607) 721-8306.

Very truly yours,

Steven J. Hancox
Deputy Comptroller
Division of Local Government and
School District Accountability

Enc.

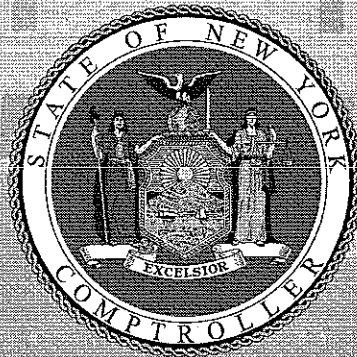
(See attached file: Western NY Claims FINAL.pdf)

8M-13



Federal Stimulus Program - Claims Processing in the Western Region of New York State

2010-MS-12



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

March 2011

Dear Local Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and municipal governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit titled: Federal Stimulus Program – Claims Processing in the Western Region of New York State. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the General Municipal Law.

This audit's results are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*

Introduction

Background

The American Recovery and Reinvestment Act of 2009 (ARRA) was enacted on February 17, 2009. ARRA, which is informally known as the Federal Stimulus Program, includes measures designed to modernize our nation's infrastructure, enhance energy independence, expand educational opportunities, preserve and improve affordable health care, provide tax relief, and protect those in greatest need.

New York State will receive approximately \$1.12 billion in ARRA funds for highway infrastructure projects. ARRA highway funds can be used on a large, defined system of roadways. This generally includes interstate highways, U.S. routes, State routes, and some rural roads and city streets. The funds also can be used on most highway and/or bridge projects on this same system of roadways. In addition, ARRA highway funds may be used for some transit Western projects or transportation enhancement projects (TEPs). As of November 29, 2010, Governor Paterson had certified millions of dollars for highway projects statewide. The following table illustrates the regional distribution of ARRA projects.

Region	Total Number of Projects	Total ARRA Amount	Projects Completed
Central New York Region	10	\$23.7 million	2
Capital Region	39	\$93.6 million	11
Hudson Valley	42	\$91.5 million	7
Long Island	18	\$79.4 million	2
North Country Region	14	\$24.5 million	1
Rochester Region	32	\$45.1 million	16
Southern Tier Region	43	\$26.3 million	26
Western Region	27	\$38.4 million	10
Total	225	\$422.5 million	75

The New York State Department of Transportation (NYSDOT) is the lead agency that receives ARRA highway infrastructure funds. NYSDOT uses the funds for State projects or distributes them to local governments or to project sponsors to fund locally

¹ These represent all local projects certified by Governor Paterson as of November 29, 2010, which have been recorded by NYSDOT (<https://www.nysdot.gov/recovery/projects>).

sponsored projects. A local government or project applicant that wants ARRA funds must submit an application to NYSDOT that details its shovel-ready project. If NYSDOT approves the application, the local government or project sponsor enters into a contract with NYSDOT for the project. The ARRA program requires that the highway project be approved in advance of the start date.

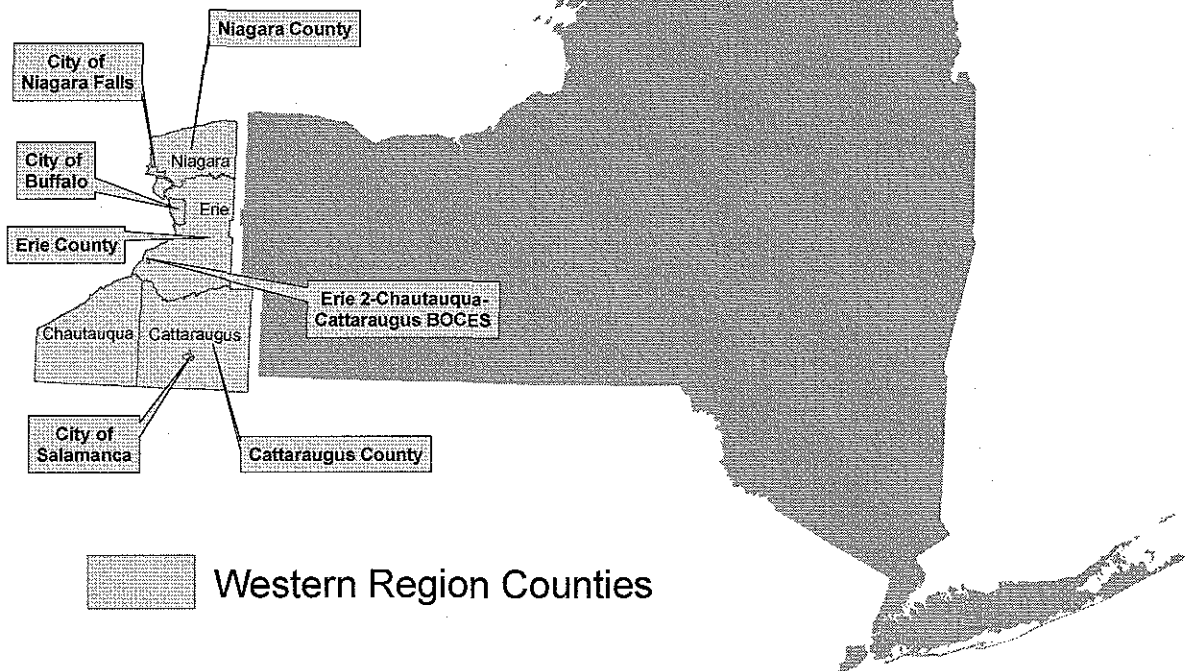
Before project work can begin, officials must seek competitive bids and enter into a contract with a vendor to complete the highway-related project. Throughout the project, the local government or project sponsor submits vouchers for reimbursement to NYSDOT. These vouchers include copies of claims from the contracted vendors who have completed work on the approved ARRA highway project and have been paid by the local government or project sponsor.

The local government's or the project sponsor's governing board is generally responsible for the audit of claims. Many governing boards have, where allowable by law, chosen to delegate their responsibility for auditing claims. In these cases, governing boards have established a claims auditor position or a position with duties that include the claims auditing function. The responsibility for auditing claims can vary depending on the type of government.

Seven local government entities in western New York State are sponsoring 22 ARRA-funded projects. We audited six local governments and one Board of Cooperative Educational Services (BOCES) that have received State reimbursements for 21² ARRA projects totaling \$19.3 million. These entities included the Cities of Buffalo, Niagara Falls, and Salamanca; Cattaraugus, Erie and Niagara Counties; and Erie 2 Chautauqua-Cattaraugus BOCES. The following map shows these entities' location.

² We tested all 21 projects for which payments had been made to a local government or BOCES as of the beginning of our audit. Therefore, while 27 projects were certified as of November 29, 2010, NYSDOT reported that payments had been made to a local government or BOCES for only 21 of them; no payments had yet been made on a City of Buffalo contract prior to the start of our audit. The remaining five projects were not sponsored by a local government because NYSDOT contracted directly with the vendor.

ARRA Western Region Federal Stimulus Projects



Objective

The objective of our audit was to answer the following question about payments using ARRA funds:

- Are local governments and BOCES following sound claims processing procedures when making payments to vendors for contracts funded by Federal Stimulus (ARRA) funds?

Scope and Methodology

We examined the claims auditing procedures and related expenditures for ARRA-funded highway projects at six municipalities and one BOCES totaling 21 ARRA projects located in the Western Region for the period March 1, 2009 to October 20, 2010.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is included in Appendix C of this report.

Comments of Local Officials

The results of our audit have been discussed with local and BOCES officials and their comments, which appear in Appendix B, have been considered in preparing this report.

Claims Processing

With limited taxpayer funding available, it is critical that a local government or project sponsor monitor claims and payments to vendors to assure the public that their funds are used to pay for project expenses that are reasonable, properly supported and appropriate. To do this, governments and project sponsors use the claims audit process to ensure that payments of goods and services are justified and accurate. Our audit of six local governments and one BOCES³ with 21 ARRA-funded highway projects found that the six local governments generally used sound claims processing procedures when making payments for the ARRA funded highway projects. We found that Erie 2 BOCES could improve its accountability for the project it sponsors by being more actively involved in verifying the project's progress through site visits. Further, by having BOCES staff audit project claims, rather than relying solely on certification by the project applicant, BOCES officials would have greater assurance that the claims they paid represented valid project costs. In addition, Erie 2 BOCES was the only entity that did not have copies of the project contracts or change orders. Without such documents, BOCES officials could not verify that the payments they were making were within the terms of project contracts or accompanying change orders.

We reviewed all 166 claims, totaling \$19.3 million, generated by these 21 projects and found that all payments made for these claimed expenses were for appropriate highway-related projects costs and were made in accordance with project specifications. As a result, taxpayers have assurance that ARRA funds are being used to pay for legitimate highway project costs.

Claims Processing Procedures

A claim is a demand presented for the payment of money due for goods that have been delivered or services that have been provided. Generally, a claim must be in writing and can be in any reasonable form prescribed by the local government, as long as it is properly itemized and provides all of the information and supporting documentation required for audit.⁴ A claim package

³ The BOCES project is a Transportation Enhancement Project (TEP) whereby BOCES is the sponsor agency for the project applicant - the Chautauqua Children's Safety Education Village, Inc.

⁴ For more information, see the publication entitled, "Local Government Management Guide: Improving the Effectiveness of Your Claims Auditing Process," issued by the Office of the State Comptroller in 2008.

is commonly a combination of original invoices, receiving slips, other relevant documentation and a standard claim form (a cover sheet). This claim package provides consistency in processing and subsequent filing of claims as public records.

Conducting a proper audit of claims prior to making payment is an integral part of any internal control system. The audit of claims should include conducting a deliberate and thorough review of each claim to determine whether it represents a valid, legal, and necessary obligation incurred by an authorized official, is in its proper form, is mathematically correct, does not include charges that were previously paid, and complies with all municipal or BOCES policies and procedures. Local governments and project sponsors should have procedures in place to review ARRA highway project claims.

For a highway project, it is common practice for a local government or project sponsor to contract with the consulting engineer to monitor the project's day-to-day activities and certify that the claims submitted by the project contractors are appropriate for payment. Once the consulting engineer certifies the contractors' invoices, he or she forwards the claims to the local government or project sponsor for payment. Local government highway or public works department staff generally review the claims received, and forward them to a responsible official (e.g., the local government's engineer) for review and approval. The treasurer or other designated official then pays the approved claims. The local government or project sponsor also receives invoices from the consulting engineer for services performed. Local officials review the amounts billed by the consulting engineer against the contract in place and process payments accordingly. We found that each of the seven entities we audited used a consulting engineer (either in-house or contracted services) to manage its ARRA-funded highway projects.

We reviewed the claims audit processes used by all seven entities to determine whether they provided for claims to be audited and approved before payment. We found that all project claims were reviewed by (depending on the type of entity) the governing body, a claims auditor or a comptroller's office prior to payment. We also found that the claims audit processes used by six of the seven entities were adequate to ensure that billed costs were mathematically correct, itemized, for authorized and approved project-related purchases, and met legal and policy requirements. However, we found that BOCES, as a project sponsor, could improve its claims audit processes by performing site visits to

assess the project's progress, by doing a detailed review of claims (rather than relying solely on the project applicant's certification of claims), and by maintaining copies of project contracts.

Site Visits – Entities that sponsor ARRA-funded projects can help ensure that project claims are correct and represent valid project costs by maintaining involvement in the project, including making visits to the worksite. Officials at the six local government entities we audited stated that an employee periodically visits the project worksite to ensure that the project is progressing as planned. For example, Cattaraugus County has established a process whereby the County Engineer visits the project work site weekly to observe, ask questions and get a project update.

BOCES was the only entity that did not visit the job site to observe the project and verify that it was progressing as planned. BOCES officials told us that BOCES is merely a “flow-through” entity for the project⁵ it sponsors, so it is not responsible for project monitoring. BOCES officials informed us that they rely solely on the consulting engineer to monitor the project. The BOCES Assistant Superintendent for Management Services (Assistant Superintendent) told us that he visited the job site only to make sure that the construction crews were not damaging BOCES property, where the site is located.⁶ By committing to a more active role in monitoring the project it is sponsoring, BOCES would have direct knowledge of the project's progress.

Claims Audit – Entities that sponsor ARRA-funded projects also typically have local government staff audit claims before they are paid to ensure the claims are correct and represent valid project costs. For example, the Cattaraugus County consulting engineer and the County Engineer both review claims to determine if the work being billed is accurate, supported and within the terms of the contract. The County's Department of Public Works Deputy Administrator also reviews the claims before forwarding them to the County Auditor's office for additional review and processing for payment. The County Auditor's office sends the checks to the Treasurer's office, which verifies the checks to the check register before mailing them to contractors, along with a copy of the voucher.

⁵ For this project, the consulting engineers are contracted with the project applicant, the Chautauqua Children's Safety Education Village, Inc.

⁶ The Chautauqua Children's Safety Education Village, Inc, the project applicant, leases the land from BOCES.

However, BOCES officials do not perform a detailed audit of claims; instead, they rely on the project applicant to certify claims for accuracy and validity before they are submitted to BOCES for payment. Although the Assistant Superintendent does review the claims before approving them and forwarding them to the BOCES finance department for payment, this review is high-level and does not involve examining supporting documents, such as invoices or receiving slips. By having a BOCES employee perform an audit of project claims, rather than relying on the applicant's certification alone, BOCES can be assured that ARRA funds are used to pay for legitimate project costs.

Contracts and Change Orders – It is essential that project sponsors verify that the project work they pay for is allowable within the terms of the contract or any change orders related to the contract. To do this, sponsors must be able to compare the claimed costs to the terms of the contract or change order.

BOCES was the only entity we audited that did not have copies of any of the project contracts or change orders. In fact, BOCES officials were unaware of the existence of change orders to one contract until we requested them. As the sponsor for an ARRA-funded project, BOCES is responsible for ensuring that payments are made only for services rendered according to project contracts. Without such documents, BOCES officials could not verify that the payments they made were allowable and within the terms of project contracts or accompanying change orders.

Appropriateness of Payments

We reviewed all 21 projects, which included 166 claims (35 consulting engineer⁷ and 131 contractor) totaling \$19.3 million related to ARRA highway projects. These claims were submitted by 31 vendors for completed consulting engineer services and contractor work. The 35 consulting engineer claims, totaling \$1.2 million, included billings for contract services that consisted of salary items, non-salary expenditures, overhead, and fees depending on the contract and work completed. The 131 contractors' claims, totaling approximately \$18 million, were made up of 1,239 individual project items that corresponded directly to the bid specifications. We compared the individual items and costs billed against the approved project item specifications. Table 2 provides details about the claims we reviewed. More information about these 21 projects can be found in Appendix A.

⁷ Of the 21 projects, 13 did not seek reimbursement for the work of consulting engineers. In some cases, the contract terms did not allow for the reimbursement of consulting engineer services; in other cases, municipalities chose to use in-house engineers instead of hiring consultants to save money.

Table 2: ARRA Western Region - Claims Testing

Local Government	Projects	Vendors Tested	Claims Tested	Contractor Items Tested	Dollar Value of Claims Tested
City of Buffalo	3	6	20	197	\$2,308,083
Erie County	1	5	22	195	\$5,531,706
City of Niagara Falls	4	4	19	221	\$3,317,045
Niagara County	8	16	42	442	\$4,487,511
Erie 2 BOCES	1	7	36	7 ⁸	\$1,507,526
City of Salamanca	1	1	10	105	\$1,061,720
Cattaraugus County	3	6	17	79	\$1,074,067
Totals	21	45	166	1,239	\$19,287,658

We found that all payments made for these claimed expenses were for appropriate highway-related projects costs and were made in accordance with project specifications. As a result, taxpayers have assurance that ARRA funds are being used to pay for legitimate highway project costs.

Recommendations

1. BOCES officials should ensure accuracy of claims by completing a claims audit prior to payment. This includes comparing the claims to the contract detail to ensure that they are accurate and necessary.
2. BOCES officials should maintain involvement in the project for purposes of monitoring progress and to obtain assurance that the certification of claims is valid and that the actual claims for payments are legitimate

⁸ The contracts for this project were not based on line item quantity and cost; rather they were service type contracts with total contract amounts.

APPENDIX A

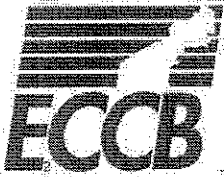
ARRA WESTERN REGION PROJECTS

Lead Agency	Project Description	Awarded Vendors (Reimbursed Contractor/Consultant)	Award Amount	Expenditures Reviewed
City of Buffalo	Milling and Resurfacing-Amherst St., Grant Street and Hertel Ave.	Destro & Brothers Concrete Inc./ Hatch Mott Macdonald	\$714,000	\$424,203
City of Buffalo	South Park Avenue Improvements and Tift Street Enhancements	Destro & Brothers Concrete Inc./ DiDonato Associates, P.E., P.C.	\$1,125,000	\$279,070
City of Buffalo	Erie Canal Harbor Historic Streets (Phase 2)	Mark Cerrone Inc./DiDonato Associates, P.E., P.C.	\$2,300,000	\$1,604,810
Erie County	Maple Road Rehabilitation	CATCO/DiDonato Associates, P.E., P.C.	\$7,000,000	\$5,531,706
City of Niagara Falls	Repaving-NY 104 (Main Street)	Yarussi Construction Inc.	\$1,204,000	\$848,109
City of Niagara Falls	Repaving-US62A	Accadia State Contracting	\$1,561,000	\$1,340,172
City of Niagara Falls	Repaving-Packard Road	Accadia State Contracting	\$959,000	\$914,558
City of Niagara Falls	Reconstruction-10th street	Sue-Perior Concrete & Paving	\$1,330,000	\$214,206
Cattaraugus Co.	Resurfacing-County Road 4, Broadway Road	D&H Excaviting/Abate Engineers	\$309,500	\$308,044
Cattaraugus Co.	Resurfacing -County Road 19	D&H Excaviting/Abate Engineers	\$620,000	\$283,813
Cattaraugus Co.	Resurfacing-County Road 83, Buffalo Road	D&H Excaviting/Abate Engineers	\$570,000	\$482,210
City Of Salamanca	Resurfacing-NY RT 417, Wildwood Ave	Sicar Management & Construction, Inc.	\$1,410,000	\$1,061,720
Erie 2 BOCES	Children's Safety Village Building Construction - two-classroom bldg and a service/storage bldg	Wm.T. Spaeder/King's Heating/ SJB Services Inc./Transit/ Ahlstrom/Abate Engineers	\$1,760,000	\$1,507,526
Niagara County	Cedar St; Bridge over Tonawanda Creek	Hohl Industrial Services	\$3,248,000	\$988,234
Niagara County	Townline Rd Reconstruction Project	Buffalo Creek Inc.	\$1,990,000	\$1,517,085
Niagara County	Guide Rail End Replacement Project	Pavilion Drainage Supply Co.	\$220,000	\$141,634
Niagara County	Hartland Rd. (CR 108) Pavement Rehabilitation Project	Suit-Kote Corporation	\$800,000	\$401,627
Niagara County	Nash Rd. (CR 89) Resurfacing Project	Yarussi Construction	\$900,000	\$564,698
Niagara County	Tonawanda Creek Rd. (CR 60) Drainage Structure Rehabilitation Project	NFP and Sons Inc.	\$82,733	\$82,283
Niagara County	Bridge Joints; Upgrades and Repair Project	Nicholas, Long & Moore Const. Corp.	\$300,000	\$145,138
Niagara County	Drum and Seaman Road; Bridges over Johnson Creek	Yarussi Construction	\$790,000	\$646,812
		Total	\$29,193,233	\$19,287,658

APPENDIX B

RESPONSES FROM LOCAL OFFICIALS

We provided a draft copy of this global report to all seven local entities – six local governments and one Board of Cooperative Educational Services (BOCES) – included in this audit and gave all of them the opportunity to respond to it. Only two of the entities submitted responses: Niagara County and Erie 2-Chautauqua-Cattaraugus BOCES. Their responses can be found on the following pages.



February 22, 2011

Ms. Ann Singer, Chief Examiner
 Office of the State Comptroller
 Division of Local Government and School Accountability
 State Office Building, Room 1702
 44 Hawley Street
 Binghampton, NY 13901

Dear Ms. Singer:

This letter is in response to the Draft Federal Stimulus Program - Claims Processing in the Western Regions of New York State, 2010-MS-12. Several times throughout the Draft it was stated that the BOCES, could have done a better job of monitoring the project process through more regular site visits and more closely monitoring the review of claims as approved and submitted by the project applicant after having the project applicant's Architectural firm ascertain the payment applications. In fact, page 9 states that "BOCES was the only entity that did not visit the job site to observe the project and verify that it was progressing as planned." I do not recall that question being specifically asked of me, however I was on the campus many times throughout the project in my regular course of duties. I also maintained regular contact with the Architectural firm to ensure the project was progressing as planned.

See
 Note 1
 Page 15

With regard to both concerns that the BOCES could have done a better job in site visits and claims processing, I provide two considerations. The first is that the BOCES Board of Education appointed attorney specifically advised that the BOCES distance itself from the project to the greatest extent possible to minimize any potential litigation that may occur between the project applicant and their consulting engineers. The second is that to have dedicated more regular time in both claims auditing and site visits may well have constituted a gift of public funds. Both the individual who processed claims and I have specific duties to oversee the internal operations of the BOCES and to support BOCES academic programs. As such, we are compensated by the contributions of 27 component school districts who purchase those BOCES services and it is our duty to dedicate our time to those services and the internal operations of the BOCES. This project, while extremely valuable, was separate and distinct from our roles as BOCES employees. In conclusion, we were very pleased to find that there were no issues with the transactions and payments.

See
 Note 2
 Page 15

Very truly yours,


 Dr. Paul M. Connelly
 Assistant Superintendent for
 Management Services

PMC/ck

- c: Dr. Robert Olezak, Interim District Superintendent, Erie 2 BOCES
- Mr. Ronald D. Catalano, President, Erie 2 BOCES Board of Education



NIAGARA COUNTY
OFFICE OF THE COUNTY MANAGER
59 PARK AVENUE
LOCKPORT, NEW YORK 14094

Jeffrey M. Glatz
Niagara County Manager
(716) 439-7006
(716) 439-7212 (Fax)

February 23, 2011

Ms. Ann Singer
Chief Examiner
Office of the State Comptroller
Division of Local Government and School Accountability
State Office Building, Room 1702
44 Hawley Street
Binghamton, NY 13901

Dear Ms. Singer,

This letter is in response to the draft audit report (2010-MS-12), which examined Federal Stimulus Program claims processing in the Western Region of New York State.

I am pleased that the policy and internal control structure in place in Niagara County met requirements for proper oversight and sound claims auditing and payment. This is accomplished through construction site visits, review and approval of change orders, and thorough review of claims for payment. The coordination between the Public Works and Financial Departments ensure that payments of goods and services are justified and accurate.

We appreciate the efforts of the Office of the State Comptroller in ensuring compliance with Federal Stimulus requirements.

Sincerely,


Jeffrey M. Glatz
Niagara County Manager

JMG/ms

CC:

William Ross
Kyle Andrews
Kevin O'Brien

APPENDIX C

OSC COMMENTS ON BOCES RESPONSE

Note 1

During the course of our audit, we asked officials at each of the entities included in the audit what their processes and procedures were for monitoring and oversight of ARRA-funded projects. The BOCES Assistant Superintendent for Management Services told us that site visits were conducted only to ensure that BOCES property was not being damaged during construction. Construction progress was not being monitored. Furthermore, BOCES officials did not possess project contracts and change orders, precluding BOCES officials from ensuring that the project was progressing as planned.

Note 2

According to the New York State Department of Transportation (DOT) Procedures for Locally Administered Federal Aid Programs and the DOT Transportation Enhancement Program (TEP) Guidebook, BOCES, as the sponsor of this federally-funded TEP, is responsible for the program's conception, planning, programming, environmental investigation, design, construction and maintenance. In addition, BOCES is responsible for making all decisions for design and construction-related activities on locally-administered Federal aid projects. Making such decisions requires administering the construction contract and performing or overseeing construction inspection. BOCES is also responsible for project documentation.

BOCES officials provided no documentation to indicate that DOT waived such responsibilities for this project. In fact, a Director in the DOT Local Programs Bureau verified that project sponsors are expected to maintain an active monitoring and oversight role in the project. While it is acceptable and typical for the project sponsor to rely on consultants to certify the work being completed, the sponsor does not serve only as a "flow-through" for funds, but continues to have responsibility for monitoring the project and overseeing the consultants to ensure that the project is being completed as planned.

APPENDIX D

AUDIT METHODOLOGY AND STANDARDS

We reviewed the claims processing procedures used by six local governments and one BOCES for ARRA funded highway projects⁹ in the Western Region¹⁰ and interviewed applicable local officials to obtain an understanding of that process. We reviewed each of these entities' ARRA Federal Stimulus highway projects for claims processing. Specifically, we reviewed invoices, claims packets, project specifications, project contracts and disbursements. We reviewed each invoice to verify that each item was billed in accordance with bid specifications and/or contract amounts and that the local governments and BOCES were paying for the items and quantities required by contract.

Our testing included tracing the items detailed in the claim for item description, quantity per claim, total cumulative quantity per project, and pricing of each item from the bid specifications to determine accuracy. We traced the consultant claims detail to the contract detail for categories such as salary rates per hour by job title, mileage rates, inspection testing, non-salary expenditures, and percentages used in calculating overhead and fees.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

⁹ Includes one Transportation Enhancement Project (TEP), of which Erie 2 BOCES was the project sponsor.

¹⁰ NYS DOT defines the following counties as the Western Region: Erie, Niagara, Chautauqua and Cattaraugus.

APPENDIX E

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Steven J. Hancox, Deputy Comptroller

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