



ECLEG 4PROC13 04/04/13

COUNTY OF ERIE
STEFAN I. MYCHAJLIW
COMPTROLLER

April 4, 2013

Carol Dankert, Commissioner
Erie County Department of Social Services
95 Franklin Street, 8th Floor
Buffalo, New York 14202

Dear Commissioner Dankert:

We have commenced a performance audit of the Eligibility and Recertification processes within the Public Assistance Unit of the Department of Social Services (DSS).

The scope of our audit will include but is not limited to:

- The activities associated with the eligibility process from the time an application is received to the determination and client notification of eligibility.
- The activities associated with the recertification process.
- The activities associated with the tracking, scanning, storage and disposal of original documentation.
- The review of the application controls associated with the On Base, Oracle, WMS systems or any other system not yet identified that is used in the eligibility and/or recertification processes. Application controls include but are not limited to input controls, data processing, interface controls, security administration and output controls.

We will be looking at the processes and perform testing for the period January 1, 2011 through March 31, 2013. Our objectives are to:

- Document, evaluate and test internal controls to determine if the controls are sufficient to minimize risks. Tests will be performed to confirm that identified controls are working as intended.
- Perform tests to determine if all persons that have been deemed eligible for benefits have met the eligibility and recertification requirements as prescribed by regulation and to determine if eligibility determination or recertification was completed timely.
- Evaluate the DSS systems application controls to determine compliance with policies and that the application environment is appropriately protected.

An entrance conference was held on Thursday, February 14th at 2:00pm in Room 805. We discussed working hours, access to records and met with key personnel with whom we will be working. I also explained how findings will be handled and how I will communicate our audit progress.

At that time, we also obtained the following:

1. Departmental organizational charts with a brief summary of key tasks performed by job title.
2. Copies of departmental policies and procedures.
3. Copies of regulatory guidance that prescribes procedures for determining eligibility and required documentation in files.

At the initial entrance conference, we also asked for copies of any audits performed by 3rd parties in 2011 and 2012. As these have not yet been received, we again request that copies of these audits be provided. Additionally, we would also like a copy of your responses to the recommendations in those reports if they are not already included therein.

Before we commenced fieldwork, the Audit and Control Unit provided evidence of HIPAA training obtained by the audit staff and signed confidentiality agreements to Thomas Kubiniec, Director of Legal Affairs for the Department of Social Services. Our initial walkthrough of the eligibility process commenced on March 15, 2013 with Karen Rybicki, Assistant Deputy Commissioner, Frank DeCarlo, Assistant Commissioner – Administration, Thomas Kubiniec, Director of Legal Affairs, Teresa Fraas Deputy Comptroller -Audit and Control and Ruby Jain, Accountant –Auditor.

We will shortly commence a walkthrough of the recertification process and then begin our testing and compliance fieldwork. It is expected that fieldwork will continue through the end of May but this may have to be adjusted depending on the testing procedures we develop and/or any unforeseen circumstances or delays that are encountered. A report will be issued based on the results of our audit.

For clarification purposes, please be aware that a performance audit of the eligibility and recertification processes within the Medicaid Unit will commence upon completion of our Public Assistance audit. A similar, but separate announcement letter will be issued for the Medicaid audit.

Should you have any questions, please feel free to contact me at x8430.

Sincerely,



Teresa Fraas, Deputy Comptroller – Audit and Control
Erie County Comptroller's Office

CC: Hon. Stefan I. Mychajliw, County Comptroller
Hon. Mark C. Poloncarz, County Executive
Hon. Erie County Legislature ✓
Robert W. Keating, Director, Budget and Management
Erie County Fiscal Stability Authority