

COUNTY OF CHAUTAUQUA, NEW YORK

**Communication of Matters Related to Internal Control
Over Financial Reporting and Other Matters
December 31, 2020**

July 22, 2021

To the Honorable County Executive and members of the County Legislature
County of Chautauqua, New York:

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Chautauqua, New York (the County) as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the County Executive and members of the County Legislature, others within the County, and is not intended to be, and should not be, used by anyone other than these specified parties.

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Home Energy Assistance Program

Observation

During our testing of the eligibility compliance requirement for the Home Energy Assistance Program (HEAP) under Uniform Guidance, it was noted that two participants were not paid at the proper rate for their income levels. Both instances resulted in the individuals being underpaid by \$14 each within their one time HEAP payments. Additionally, during our testing of the controls over compliance, we noted one instance in which the paper application did not indicate review by a Social Welfare Examiner had been completed.

Recommendation

The Department of Health and Human Services (DHHS) does have an internal control process in place that requires each case to be signed off on by a Social Welfare Examiner once it has been entered into the BICS system. Additionally, in the DHHS, the Senior Social Welfare Examiner will perform reviews of applicant information entered by new Social Welfare Examiners and will also sample the applications throughout the course of the year. Therefore, not 100% of the cases are secondarily reviewed under the County's current process. The instances that were noted above are not considered to be material to the HEAP program as a whole. Based on our discussions with DHHS personnel and examination of other cases, we do not believe that these findings related to the eligibility compliance requirement are pervasive. Therefore, we recommend that the DHHS review these instances with the individuals involved and submit the required corrections to New York State.