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CORRECTIVE ACTION PLAN
FOR THE COUNTY OF ERIE CONTROLLER'S AUDIT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2012

- Finding #1: Control of Overtime – Both ELT and Public Safety overspent their overtime line items.
- Recommendation: The Directors of OCY and Public Safety should ensure that funds are transferred to the overtime appropriation to cover these expenses in the future.
- Response: We agree that budget transfers should be made whenever any line item is over budget, including wage and fringe line items. Total expenditures in both departments were under budget, with sufficient line items available for the transfer.
- Steps to be Taken: Departments will make needed transfers and monitor and control overtime. The Finance Department has already reiterated the transfer policy to both departments. In addition, the 2014 budget will be prepared with a better projection of overtime based upon past performance.
- Finding #2: Planning Investment Interest
- Recommendation: The Planning Accountant should receipt the interest earned in PA Invest.
- Response: We agree with the recommendation.
- Steps to be Taken: The interest was receipted shortly after the issue was discussed with the Planning Accountant. Steps have been put into place so that the interest earned by Planning from PA Invest will be included with interest earned in other PA Invest accounts and receipted monthly.

Finding #3: Erie County Retirement Fund

Recommendation: Contracts with relationship managers are not necessary expenses of the Retirement Fund and these contracts should be re-examined and eliminated.

Response: The decision to re-examine and or eliminate the contracts of relationship managers is made solely by the Retirement Board of which the Controller is a member. We ask that the Controller bring these issues to the attention of the Retirement Board.

Steps to be Taken: Any action is at the discretion of the Retirement Board.

Finding #4: Inadequate Audit Coverage

Recommendation: Restore a Senior Auditor position to the Controller's Office.

Response: As the finding indicates, the Administration proposed the restoration of the position in the 2013 budget. County Council chose not to restore this position as well as most of the requested positions by departments. Over the last few years, many departments have lost positions due to budget constraints.

Finding #5: Security Review in Tax Claim/Revenue

Recommendation: Tax Claim Revenue needs to control the area behind the counter. The Director of Finance should request that the Sheriff's Department perform a review of the Tax Claim/Revenue work areas and implement any recommendations.

Response: A gate had been previously made for the area to prevent unauthorized individuals from stepping behind the counter. The office is waiting for the hardware to be installed. Additionally, cameras are already in place which record the activity of the entire counter area. Panic buttons monitored by the Sheriff's office are also installed in case of emergency. With these safeguards in place, we feel there are adequate security measures for the office.

Steps to be Taken: Installation of the gate.

Finding #6: Accounting Procedure Manual

Recommendation: The Finance Department should review the Accounting Procedure Manual and make any updates due to technology or other changes that have been made since the last update in 2005. Employees in Finance should have a copy of the manual. The manual could be placed on the County's website so that all County employees have access and can better understand the County's financial systems.

Response: The Finance Department adds new policies to the manual as they are adopted. Each employee knows where the manual is kept and has a copy of the policies in the manual that relate to their duties. That being said, one of our long term goals is to subdivide the manual. The part of the manual that deals with policies would be available to all employees on the employee portal, which has not been developed yet. The part of the manual that deals with how to enter data into our various systems will be placed on a shared drive in Finance since it would confuse and not be relevant to other employees. In Accounting we have lost three employees and have taken on two large technology projects: a new payroll/personnel system with time and attendance and software that will allow accounts payable to become paperless. We would like both projects to be complete by the end of 2014 upon which time we can update the manual.

Steps to be Taken: See above.

Finding #7: Investigative Report on Prison

Recommendation: Prison and the Administration should formally respond to the Controller's report on the prison, detailing what procedures have been implemented.

Response: A response to the report will be completed in the near future. The Warden wanted the new Deputy Warden of Security to be part of the process of drafting new policies since he is responsible for these areas in the report.

Steps to be Taken: Prison Administration to draft a response to the Controller's office.