

COUNTY OF CHAUTAUQUA, NEW YORK

**Communication of Matters Related to Internal Control
Over Financial Reporting and Other Matters
December 31, 2021**

July 22, 2022

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, 2021, 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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OTHER MATTERS FOR THE CONSIDERATION OF MANAGEMENT

1.) EXTENDING THE ACCRUAL LOOKBACK PERIOD

Observation

The County performs a lookback of all significant disbursements made in the first 60 days following the fiscal year to determine the necessity to record accruals as of fiscal year end. During our audit, we identified 1 significant disbursement in which expenditures paid subsequent to the 60-day lookback pertained to the prior fiscal year, but were however not accrued for as due and payable at fiscal yearend.

Recommendation

We recommend that the County extend their accrual lookback period to include March and April to ensure that all expenditures are captured through the recording of accruals at year end.

2.) INVESTMENT REPORTS

Observation

The Audit and Control Committee may discuss the investment program at quarterly meetings, but the discussion is not documented in the meeting minutes.

Recommendation

We recommend that the County Legislature document reviews of the investment program such as noting such reviews in meeting minutes.

3.) STATE AID INDIGENT LEGAL SERVICES FUND

Observation

During our preliminary procedures we noted that the County may be potentially missing out on revenues as the public defender is behind in submitting an approved program budget with New York State and therefore cannot submit claims for eligible expenses.

Recommendation

We recommend that the County have a plan to ensure program budgets are submitted timely, allowing the County to claim all eligible reimbursable expenses.