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# ERIE COUNTY COMPTROLLER

## KEVIN R. HARDWICK

February 4, 2026

Ms. Sarah Bonk  
Commissioner of Mental Health  
Department of Mental Health  
95 Franklin Street, Room 1237  
Buffalo, NY 14202

Re: Performance Audit of the Erie County Department of Mental Health – Mental Health Service Providers

Dear Commissioner Bonk:

The Erie County Comptroller’s Office, Division of Audit and Control, is commencing a performance audit of the Department of Mental Health, with a focus on mental health service providers contracted by Erie County, to be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and to include an assessment of compliance and internal controls relevant to the audit objectives.

The audit will primarily focus on transactions and activities from January 1, 2023, through December 31, 2024, and may review 2025 activity at a high level for trend or benchmarking analysis.

The objectives of this audit are to evaluate whether the Department of Mental Health provide reasonable assurance that contracted mental health service providers operate in compliance with contractual, policy, and regulatory requirements. Specifically, the audit will:

- **Assess contracted agencies’ scope of services and performance expectations**  
Review defined services and performance standards to determine whether services provided align with contractual obligations and expected outcomes.
- **Evaluate compliance with contracts, County policies, and applicable New York State laws and regulations**  
Examine agency operations and records to assess adherence to contract terms, County requirements, and State regulatory standards.
- **Evaluate recordkeeping practices supporting service delivery and payment**  
Review documentation such as progress notes, service logs, billing records, and other supporting materials used to substantiate services provided and payments requested.
- **Review financial records related to contracted services**  
Examine financial ledgers, invoices, receipts, and other fiscal records to assess completeness, accuracy, and proper accounting for contracted services.

- **Verify the accuracy and validity of claims submitted for payment**  
Compare claims or invoices submitted by contracted agencies to supporting service records and contract terms to determine whether amounts billed are accurate, allowable, and adequately supported.
- **Assess the Department of Mental Health's process for submitting claims to New York State**  
Evaluate whether claims submitted to New York State are properly documented, reviewed, approved, and submitted in accordance with State requirements.
- **Review reconciliation procedures for State and County funding**  
Evaluate the year-end reconciliation process to determine whether State and County funding is accurately reconciled to amounts recorded and budgeted, how unspent funds are handled, and whether the local share is properly calculated and recorded.
- **Conduct site visits to contracted agency locations, as appropriate**  
Perform on-site observations to verify reported service delivery, assess internal controls, and determine compliance with contractual and regulatory requirements.

We will contact your office to schedule an entrance conference to discuss the audit scope and objectives and to review relevant policies and procedures. Please include any personnel who may assist our auditors. If there are specific concerns you would like us to consider, please feel free to bring them to our attention at that time.

The Division of Audit and Control recognizes the sensitive nature of information obtained during the audit and will take appropriate steps to safeguard confidential and privileged information in accordance with County policies and professional standards.

Kindly advise us of any required procedures for notifying contracted agencies of the audit and whether such notifications will be handled by your Department.

If you have any questions or concerns, I may be reached at 716.858.6927 or by email at [Mary.Nytz-Hosler@Erie.gov](mailto:Mary.Nytz-Hosler@Erie.gov). Thank you for your assistance and cooperation.

Sincerely,



Mary K. Nytz-Hosler  
Deputy Comptroller for Audit and Control

cc: Hon. Mark C. Poloncarz, Erie County Executive  
Hon. Erie County Legislature  
Hon. Kevin Hardwick, Erie County Comptroller  
Erie County Fiscal Stability Authority