



ERIE COUNTY COMPTROLLER
KEVIN R. HARDWICK

CO-COMPTROLLER 24-125-11210

March 24, 2026

Mr. Brian Bray
Commissioner of Personnel
95 Franklin Street, 6th Floor
Buffalo, NY 14202

Re: Erie County Comptroller's Office Performance Audit of the Personnel Department, Division of Payroll

Dear Commissioner Bray:

The Erie County Comptroller's Office, Division of Audit and Control, is commencing a performance audit of the Personnel Department, Division of Payroll with an emphasis on time entries, policies, and procedures for certain wage types. By a letter dated October 23, 2024, this Office notified the Personnel Department of the opening of an analysis of the same subject matter. Following that announcement, changes in staffing and audit resources led this Office to expand the scope of that analysis into a full performance audit. Preliminary work conducted in connection with the prior analysis has informed the scope, objectives, and testing approach of this audit. The audit will be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and will include an assessment of internal controls relevant to the audit objectives.

The scope of the audit will include examining the policies, procedures, and systems in place to grant, approve, verify, and process payments resulting from employee time entries related to work from home (WFH), offsite, shift differential, overtime premiums, compensatory time, and other wage types as identified during the course of the audit. The audit period is January 1, 2019, through December 31, 2025. The period January 1, 2019, through December 31, 2022, will serve as a baseline and comparative reference period, with detailed transactional testing focused on the period January 1, 2023, through December 31, 2025, unless audit findings or emerging risk indicators warrant examination of transactions outside that primary testing window. Specifically, the audit objectives include:

- **Trend Analysis and Baseline Comparison**
 - Conduct a comprehensive trend analysis of WFH, offsite, shift differential, overtime premium, compensatory time, and other relevant wage type entries for the full audit period January 1, 2019, through December 31, 2025, disaggregated by department, to identify patterns, concentrations, and anomalies warranting further examination. This analysis will evaluate overtime utilization patterns or concentrations necessitating additional review.
- **WFH and Offsite Entry Compliance and Overtime Authorization**
 - Verify the eligibility and propriety of WFH and offsite time entries, including entries recorded in sub-threshold durations, and assess whether associated overtime premiums were supported by documented prior written supervisory approval as required by applicable policy and collective bargaining provisions.
- **WFH and Offsite Classification Integrity and Policy Framework**
 - Evaluate whether a clear and authoritative policy distinction exists between WFH and offsite wage type

classifications, assess whether time entries are consistently and appropriately categorized between the two wage types, and identify policy gaps or definitional ambiguities that impair the County's ability to ensure accurate classification and oversight.

- **Shift Differential Premium Eligibility**

- Verify the eligibility of recorded shift differential premium entries by assessing whether employees held eligible classifications, worked qualifying shifts meeting applicable time-of-day or duration thresholds, and whether entries were recorded consistently with the requirements of the applicable County policies and collective bargaining agreements.

- **Time Increment Utilization**

- Evaluate the utilization of time increments across all wage types under review, analyzing the frequency distribution of recorded increments to identify patterns, including concentrations at specific sub-hour values, that may indicate systemic rounding practices, habitual entry behavior, or control weaknesses that allow small increment entries to accumulate without adequate supervisory review.

- **Policy and Procedural Framework, Internal Controls, and Oversight Adequacy**

- Assess the adequacy and clarity of County policies governing the use of the timekeeping system and the recording of time entries for WFH, offsite work, shift differentials, and overtime, including review of policy versions in effect across the pre-pandemic, pandemic, and post-pandemic phases of the audit period, and evaluate adherence to established procedures during the primary testing period. This objective will further assess whether management has established adequate oversight mechanisms to detect and prevent noncompliance with payroll policies on a systematic basis.

- **Recommendations**

- Based on audit findings, provide actionable recommendations to strengthen internal controls, address identified policy gaps and ambiguities, improve compliance with applicable collective bargaining provisions and County policies, and enhance the accuracy and integrity of payroll processing for the wage types under review.

The Division of Audit and Control recognizes the sensitive and confidential nature of payroll matters and will take appropriate steps to safeguard privileged and confidential information obtained during the audit, consistent with applicable laws, professional standards, and County policies.

We will contact your office to arrange an entrance conference to discuss the audit scope, process, and objectives, and to review relevant County 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.

Kindly contact me at 716.858.6927 or by email at Mary.Nytz-Hosler@Erie.gov, if you have any questions or concerns. Thank you in advance 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