

**Nassau County
Office of the Comptroller**



**Nassau County Department of Social Services
Limited Review of Timekeeping and Personnel Practices**

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OFFICE OF THE COMPTROLLER

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Executive Summary

Background

The Department of Social Services (the “Department”) states on its website that its mission is to provide financial assistance and supportive services to eligible individuals and families in Nassau County, consistent with Federal and State laws.

The Department was staffed by 906 full-time and 145 part-time employees as of April 1, 2007. The primary staff locations are 60 Charles Lindbergh Boulevard in Uniondale and the Nassau County Juvenile Detention Center (“JDC”) at 61 Carman Avenue in Westbury.

Audit Scope, Objective, and Methodology

Our Office conducted a limited review of the employee timekeeping and personnel practices of the Department for the audit period January 1, 2005, through March 29, 2007, comprising 59 payroll periods. The objective of our audit was to examine the Department’s internal controls over employee timekeeping and personnel policies and procedures to determine whether they were operating effectively.

We reviewed the Department’s time and leave policies and procedures, its compliance with the Civil Service Employees Association, Inc. (“CSEA”) collective bargaining agreement (“the Agreement”) and the County ordinance covering non-union employees, supporting documentation, and the recording of Department employees’ time and leave in the Nassau Unified Human Resources System (“NUHRS”), the County’s timekeeping and payroll system. We examined evidence, on a randomly selected sample basis, to support the time and leave reported in NUHRS by the Department.

The time and leave records of employees located at the JDC are separately administered from those who are located at 60 Charles Lindbergh Boulevard. Therefore, separate tests were performed for each location.

An audit includes examining documents and other available evidence that would substantiate the accuracy of the information tested, including all relevant records. This includes testing for compliance with applicable laws and regulations, and other auditing procedures necessary to complete the examination. We believe that our audit provides a reasonable basis for the audit findings and recommendations.

Significant Audit Findings

In general, the audit of the Department’s timekeeping and personnel practices noted that the Department was not following County policies and procedures on a consistent basis.

Policy and Procedure Manuals

The Department needs a written policy and procedure manual outlining the steps to be followed to ensure compliance with County time and leave policies. In addition, the Department did not have written documentation that clearly designated responsibilities by employee for timekeeping and personnel responsibilities, such as the authorization of leave or overtime, as required by the Office of Compliance.

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Use of Timesheets

The audit noted numerous cases where County policies with regard to timesheets were not followed, including a lack of segregation of duties for the timekeeper and supervisor, employees not signing in/out or certifying their time and leave, and cases where leave taken was not noted on the timesheets.

The Department's part-time employees use a timesheet different than the County approved Form 3024, used by the Department's full-time employees. This timesheet, which was not formally approved by the County's Human Resource Department, does not prevent employees from recording multiple payroll periods on one timesheet, nor does it provide adequate controls to prevent an employee from being paid for the same days on multiple timesheets.

Use of Employee Request and Authorization for Leave Forms

Leave forms were not correctly completed including cases where leave slips omitted the type of leave requested, the leave indicated on the form did not agree to the leave indicated on the corresponding timesheet and the employee did not sign the slip. We also found that the Department did not require the timekeeper to sign and date the form to indicate that the leave had been posted to the timesheets. In addition, several of the leave slips requested as part of the audit testing could not be found.

Posting of Leave to NUHRS

Numerous errors were detected in the posting of employee leave to NUHRS, including examples where the leave posted had the incorrect date or leave type, leave reported on the timesheet was not posted at all, and cases where leave was erroneously posted multiple times.

Overtime

The most significant finding with respect to overtime was the regular accrual of overtime by Department employees who were also using other leave entitlements on the same day. One employee had accrued over 200 days of compensatory time by manipulating the overtime rules. The audit also noted several exceptions with regard to the approval and recording of overtime, including examples where the authorization forms were incomplete and improper segregation of duties in the approval of overtime existed.

Employee Mileage Reimbursement

The audit noted numerous examples where employees were reimbursed for mileage that included their daily commute to work. County policy requires an employee to deduct his or her normal daily work commute from any mileage reimbursement.

Other Findings included:

- Overtime compensatory time balances exceeded the cap as defined in the CSEA Agreement;
- Departmental procedures for requesting bereavement leave by employees were not followed;

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- Family Medical Leave, Donated Leave and Supplemental Leave at Half Pay were incorrectly calculated and/or granted;
- Inactive employees, although not paid, still appeared on the JDC roster;
- Employees were paid for holidays for which they were not entitled; and
- Part-time employees worked more than the 34.75 hours limit per payroll period as directed by County policy.

On June 27, 2008, we submitted a draft report to the Department with a request for comments. The matters covered in this report have been discussed with the Department during this audit and at an exit conference held on July 17, 2008. After reviewing the Department's comments, which were received on August 1, 2008, we submitted a revised draft report to the agency on September 8, 2008, and October 7, 2008. The Department's revised comments, received on September 19, 2008, and our responses to those comments, are included as an appendix to this report.

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Audit Finding (1):

Lack of Documentation of Time and Leave Procedures and Responsibilities

Written policies and procedures contribute to an effective internal control environment. A management-approved policy and procedures manual should address significant activities, employee responsibilities, authorization levels and limits, control procedures, reporting responsibilities and performance standards. Policy and procedure manuals can also be helpful to a department in ensuring that business is uninterrupted should an employee be absent for a lengthy period.

The Department did not have written policies and procedures covering its processes to be followed to ensure that the Department complies with the time and leave policies promulgated by the County's department of Human Resources and the Office of Compliance. This included procedures surrounding the verification of timesheets and leave requests and the review of County Information Technology ("IT") payroll reports.

The Office of Compliance determined that it is critical to the timekeeping and leave authorization process that each department/agency identify and document the personnel in the agency that have timekeeping and/or leave authorization functions. This documentation provides a basis for authenticating signatures. The Office of Compliance provided each department with a Microsoft Excel template, *Time and Leave Functions Chart*, for this purpose; it was to be completed and returned by August 25, 2005¹.

The Department did not complete the required template or provide the required information to the Office of Compliance in another format. We found that while the Department gathered signatures of supervisors, alternate supervisors, timekeepers and alternate timekeepers, it did not indicate who is responsible for functions such as authorizing leave, requesting overtime, authorizing overtime, verifying overtime, certifying timesheets, and inputting time and leave data into NUHRS. The lack of clearly designated responsibilities increases the risk that overtime and leave may be paid without authorization or verification.

Audit Recommendations:

The Department should:

- a) work with the Comptroller's Office and Human Resources to compile the County-approved written policies and procedures outlining:
 - i. steps to be taken to ensure compliance with County-wide time and leave policies and procedures; and
 - ii. the review of all IT payroll reports; and
- b) comply with the Office of Compliance's requirement by completing the *Time and Leave Functions Chart*. The chart should be updated as responsibilities are

¹ *Documentation of Staff Responsible for Time and Leave Functions*, Office of Compliance Inter-Departmental Memo July 25, 2005.

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reassigned and should be used by the Department's Payroll Unit to verify that documents were properly authorized.

Audit Finding (2):

Use of Timesheets

Departments are required to use County-approved timesheets. These timesheets were designed so that when properly completed, adequate internal controls exist to help ensure that employee's time worked and leave time taken are accurately recorded and verified.

Full-Time Employees

The Department did not always complete timesheets properly. We randomly selected one biweekly timesheet from each of the 126 units in the Department along with three timesheets from the Juvenile Detention Center and found that:

- There was an inadequate segregation of duties. Ten of the timesheets had the same person as an employee, the timekeeper and the supervisor. As such, these employees are attesting to and certifying their own hours. We also noted that the supervisor did not certify two timesheets.
- Timekeepers are required to initial the timesheet daily to attest to employee attendance. Thirteen of the timesheets were missing the timekeeper's initials from one to nine instances on each timesheet.
- Employees are required to record the hours they work and then to attest to the hours they have recorded by signing each timesheet. There were 13 occurrences on four timesheets where the employees either did not sign in or sign out. Seven of the timesheets were missing anywhere from one to four signatures.
- The type of leave taken by employees who are absent should be recorded on the timesheet. We found eight instances on three timesheets that did not note either that leave was taken or the type of leave used.

The Department's failure to ensure that all timesheets are properly completed and that duties are segregated negates the internal controls built into the forms and procedures. This increases the risk that time and leave records are inaccurate and that errors will be undetected.

Part-Time Employees

The Department used unapproved timesheets for part-time employees. An internal control weakness of the timesheet is that it, unlike the full-time employee timesheets, does not require a daily attestation as to the time worked by each employee.

Rather than using a timesheet that groups each unit's part-time employees on a single timesheet for each pay period, the Department used an individual timesheet for each part-time employee that must be signed by the part-time employee's supervisor. The employee manually completes the timesheet and unlike the County-approved timesheet

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used by the full-time employees, the part-time employee timesheets do not require a timekeeper to review for accuracy and to attest to the employee's attendance. Also, rather than each timesheet covering a specific pay period, some employees submitted more than one timesheet listing dates within the same pay period or which included dates on one timesheet that encompassed more than one pay period. The payroll department files these timesheets by date paid instead of by pay period. This filing system makes it difficult to retrieve timesheets related to specific pay periods.

The timesheet used has a line "Entered into NUHRS" that the timekeeper is required to sign and date as a verification that the employee's hours were posted to NUHRS. Posting hours to NUHRS is not the responsibility of the timekeeper; rather it is the responsibility of the payroll clerk, who must certify that the hours were posted. Although the apparent intent of the form was for employees to verify that hours were posted to NUHRS, the Department, with the exception of the JDC, does not require the payroll clerk to sign and date the timesheet to indicate that the hours were entered.

These practices make it difficult to detect the entry and resultant payment of duplicate hours. It does not fix accountability for ensuring that part-time employees' hours are properly posted to NUHRS. For example, we found one part-time employee submitted two timesheets with the same the days appearing on both (September 5 and September 12, 2006), even though two different pay periods were written on the timesheets. The days worked and leave time taken conflicted between the two timesheets. Upon further investigation, we noted that the employee was paid twice for each of these days; consequently, the employee may have been overpaid \$419 as NUHRS does not prohibit entries made to the same day. The lack of adequately designed controls on the part-time employee timesheet may result in duplicate payments to employees.

Audit Recommendations:

The Department should:

- a) segregate duties of the timekeeper and the supervisor;
- b) ensure that the timekeeper initials the timesheet each day to attest to employee attendance;
- c) require employees to sign in and sign out each day and to sign each timesheet to attest to its accuracy;
- d) require the timekeeper to note on the timesheet the type of leave taken by employees;
- e) adopt the County-approved timesheet for use by part-time employees or alternatively, develop a timesheet for part-time employees that incorporates all the necessary internal controls and obtain approval for its use by the County;
- f) ensure that the payroll clerk verifies that part-time hours are entered into NUHRS;
- g) require part-time employee timesheets to correspond to County pay periods; and
- h) determine if the employee who filed two timesheets for the same pay period was overpaid, and if so, recover the overpayment.

Audit Finding (3):

Use of Employee Request and Authorization for Leave Forms

Departments are required to use leave slips to document an employee's request for leave, the supervisor's approval of the leave, timekeeper's recording the leave on the departmental timesheet, and the payroll clerk entering the leave into NUHRS. We found that the Department did not properly use leave slips, thereby negating the internal controls built into the procedures.

As a test sample, we randomly selected 14 units within the Department and then selected seven pay periods that included holidays, out of a total of 59 pay periods covering the entire audit period. After finding 87 leave incidences for the first eight units reviewed within the first pay period, we reduced the sample and examined one unit for each of the six remaining pay periods. In total, we tested 168 leave entries for full-time employees and 51 leave entries for part-time employees and found 34 exceptions, an error rate of approximately 16%.

We also tested a random sample of leave slips for employees who work at the JDC, which has its own payroll clerk. The sample consisted of 197 leave incidents from three pay periods, each including a holiday. We found 20 exceptions, representing an error rate of over 10%.

The exceptions noted included:

- leave slips that included full days and partial days, nonconsecutive days, wrong dates, compensatory time listed in days rather than hours and single slips that included more than one type of leave;
- leave slips that were inconsistent as to the type of leave requested, such as the use of a floating holiday indicated in the box reserved for supplemental leave half pay;
- a leave slip where the type of leave requested differed from the type of leave posted on the timesheet;
- leave slips that did not include the number of days, hours or type of leave requested; and
- leave slips not signed by the employee requesting time off.

The JDC could not provide the auditors with leave slips for 19 of the 197 leave incidents; without the leave slips, we cannot be assured that all leave taken was properly authorized and entered into NUHRS.

These errors occurred because supervisors are not carefully reviewing leave requests before approving them and the payroll unit does not return improper leave slips to the units for correction prior to posting them.

We also found that the Department did not require the:

- timekeeper to sign and date the form to indicate that the leave had been posted to the timesheets; or the

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- payroll clerk to sign and date the form to indicate whether the posting of the leave usage was accepted into NUHRS system.

Requiring timekeepers and payroll clerks to sign-off on their work and requiring leave slips to be correctly completed, helps ensure that the timesheets accurately reflect employees' use of leave, that accumulated leave balances are charged for the leave used, and helps prevent leave from being entered into NUHRS more than once.

Audit Recommendations:

The Department should ensure that:

- a) employees properly complete leave slips;
- b) supervisors review leave slips and reject those that are improperly completed;
- c) all leave slips are attached to the timesheets when filed; and
- d) timekeepers and payroll clerks complete leave slips to ensure that postings are made to timesheets and to NUHRS and to prevent duplicate entries from being made to NUHRS.

Audit Finding (4):

Posting Timesheets and Leave Slips to NUHRS

Our audit scope included several tests to ensure that employee leave slips and timesheets were properly posted to NUHRS. Units of the Department selected for testing, included the JDC unit, which had its own payroll clerk. These tests included a review of the selected unit's leave slips and employee timesheets.

Using the same sample cited in Audit Finding (3), *Use of Employee Request and Authorization for Leave Forms*, we tested 219 leave slips (JDC leave slips were not included in this sample) to determine if the leave usage was properly posted on the timesheets and in NUHRS. We also tested leave slips as part of our testing for correct use of Bereavement Leave (see Audit Finding (7), *Bereavement Leave*). Exceptions included:

- leave usage was posted to NUHRS with the wrong leave date on two instances;
- a leave progression and longevity date were not adjusted for an employee on unauthorized leave without pay;
- an employee's leave of 2.25 hours was not posted to NUHRS;
- an employees timesheet reflected the use of three days bereavement, however, there was no leave slip and the usage was not posted to NUHRS;
- an employee's leave slip requested 0.5 sick days and posted it as such to the timesheet. It was posted to NUHRS as usage of bereavement leave;

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- an employee's use of three days bereavement leave was posted to NUHRS twice. Upon further investigation, we noted that 15 of 16 leave usages in the employee's unit for the period September 1-14, 2006 were entered into NUHRS twice,
- an employee was credited with and used two Veterans Day floating holidays in the same year; and
- an employee who took off 0.75 of a day was charged for only 0.6 of a day.

IT provides each department with payroll reports to assist payroll clerks in detecting overpayments and incorrect postings. A review of the IT reports would have alerted the payroll clerks to these errors.

Testing of JDC Leave Slips

We tested three pay periods at the JDC that included 197 incidents of leave usage and found that:

- there were five leave usages totaling 30.25 hours, and valued at \$1,311 that were not posted to NUHRS.
- the former JDC director's timesheet was included in the sample and we noted that for one four-day period, vacation leave was shown for the first and fourth day with no notation as to time worked or leave taken for the second and third day. As the Department could not locate leave slips for any of these days, we could not determine if leave time was used. Leave time used by the former director during January through April of 2006 was not posted until the May 25, 2006 pay period. Untimely posting of leave may have contributed to the Department not detecting this error.
- one instance of leave usage was posted to NUHRS with the wrong leave date.

As a result of these errors, the official time and leave records for these employees are incorrect and may reflect an incorrect leave balance. Those on unauthorized leave without pay may have been paid longevity bonuses to which they are not entitled.

A separate test was performed to ensure that part-time employees were properly paid for the hours they worked. We randomly selected a sample of 232 timesheets consisting of 45 employees for 6 pay periods and 14 employees for four pay periods. We found three instances where the employees may not have been properly paid:

- an employee was not paid \$86 for five hours recorded on his on February 25, 2006 timesheet;
- an employee's timesheet shows that he worked 12 hours on February 20, 2006, however, he was paid for only six hours, resulting in an underpayment of \$228; and
- another employee was paid for five hours for September 12, 2006 (a regularly scheduled workday) even though the timesheet did not include any hours worked for that day.

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The first two exceptions occurred due to clerical error. The third exception occurred because the supervisor approved an incomplete timesheet and the payroll clerk apparently assumed that the employee worked all her scheduled hours.

Audit Recommendations:

The Department should:

- a) establish procedures to ensure:
 - i. that timesheets are fully completed;
 - ii. the accurate and timely posting of leave and part-time hours worked into NUHRS, including the timely review of IT payroll reports; and
 - iii. that leave progression and longevity dates are adjusted when employees are absent without pay;
- b) correct accumulated leave balances for:
 - i. the employee who used 0.75 of a day leave, but was only charged for 0.6 of a day;
 - ii. the employee who was not charged for three days bereavement leave;
 - iii. the employee who was charged 0.5 bereavement leave rather than the 0.5 sick leave taken;
 - iv. the duplicate postings of 15 employees' leave usage for the September 1-14, 2006 pay period; and
 - v. the five unposted leave usages at the JDC totaling 30.25 hours;
- c) determine if the director, who has since retired, used leave for the second and third day of the four-day period, and if so, termination payments must be adjusted or overpayment recovered;
- d) pay the part-time employees for the unpaid hours recorded on the timesheet;
- e) determine if the employee worked on September 12, 2006, and if not, charge five hours leave balance to that day; and
- f) determine if corrections should be made to leave posted to incorrect dates.

Audit Finding (5):

Overtime

Overtime should be earned only for work necessary, authorized and incurred. To test the controls regarding overtime, we randomly selected a sample of nine units out of 126, and examined two pay periods from each of the years 2005, 2006 and 2007. The sample included 185 incidences of overtime. We found 65 exceptions (approximate error rate of 40%) in the 164 authorization forms examined; the Department could not locate 21 authorization forms.

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To help ensure that overtime is necessary, the County requires that an employee's supervisor obtain written authorization for the overtime from a higher-level supervisor. The employee's supervisor is also required to verify that the employee worked the overtime prior to entering the hours into NUHRS. We found an inadequate segregation of duties at the Department in that:

- the same employee requested, verified and authorized overtime in 40 instances;
- a supervisor requested and verified her own overtime in three instances. We expanded our test for this employee and found an additional 11 instances where this occurred.

Our review of employees who earned overtime found that four of them earned overtime and used leave entitlements on the same day. One employee, whose compensatory leave balance was 1,452 hours (207 work days), earned overtime on 77 days in 2006 and on 62 days in 2005 while using leave accumulations on those same days. This same practice occurred eight times during the first quarter of 2007. This process manipulates the time and leave system in favor of the employee, by allowing the employee to work less than the required seven-hour day but still earn overtime at one and one-half the rate of regular pay, resulting in an overcompensation to this employee. In addition, this represents an inefficient use of staff by the Department.

We also found that in nine instances one supervisor neglected to date his/her signature. We reviewed signature dates on the forms at the JDC and found that more than 50% of the requesting and authorizing signatures were dated three or more days after the overtime was worked. Requiring overtime to be requested and approved in advance reduces the risk that unnecessary overtime is incurred.

In addition to our findings from the sample, we noted during our tests that one employee's authorization forms were signed by using a facsimile stamp. We randomly selected five overtime authorization forms for the employee and found that the "requested by", "authorized by" and "verified by" spaces were all rubber-stamped with the same supervisor's name. None of the signatures were dated. The employee was paid overtime and meal allowances totaling \$287 based on the five stamped forms. The use of original signatures helps protect against abuse and fraud in requesting, approving and verifying overtime. We could not be assured that the supervisor was aware of, requested, or verified the overtime.

We used the same sample to determine if the overtime was noted on the employee's timesheets and posted to NUHRS. We found five instances where employees were either paid overtime or granted compensatory time and the overtime hours were not recorded on their timesheets. In one instance, the employee was authorized to work one hour, however the employee was credited with 1.5 hours. The employees were compensated \$233 for time that was unsupported by timesheets.

Additionally, we tested all 192 overtime slips submitted at the JDC for randomly selected three bi-weekly periods. In our separate tests of the JDC overtime slips, we found eight instances where overtime totaling \$291 was overpaid (two in cash and six in compensatory time). In seven of the instances, the same overtime was claimed on more than one slip. In the other instance, the employee was approved for 2.25 hours overtime,

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but was paid for 2.5 hours. We also found that accountability for inputting the same overtime more than once or inputting the incorrect number of hours could not be fixed, because the payroll clerks did not sign and date each form, as it was input. Instead, they only signed one form per batch.

Our review of the JDC overtime slips noted that the overtime was requested and authorized by the same individual, and that there was no verifying signature. The JDC procedures require overtime slips to be verified to daily logs and timesheets to ensure that overtime hours claimed agree to the time recorded. Policy requires supervisors to sign off on the overtime request forms to show they have performed this verification. There was no evidence that this verification was performed.

Audit Recommendations:

The Department should require:

- a) overtime be approved on a timely basis;
- b) overtime authorization forms to be retained as supporting documentation for payrolls and compensatory leave balances;
- c) the supervisor requesting overtime to obtain the written authorization of an employee higher in the chain of command;
- d) independent verification that an employee worked overtime;
- e) supervisors to date their signatures;
- f) all forms to be personally signed;
- g) supervisors to verify that the JDC's overtime is not duplicated by evidencing their review of the daily log, and have supervisors evidence on the JDC's overtime request form that the hours claimed have been verified;
- h) payroll clerks to ensure that the number of hours are entered accurately;
- i) an adjustment to reverse \$30 (one hour) of compensatory time and \$53 in cash overtime payments erroneously paid to employees at the JDC (\$208 in compensatory time was reversed upon informing the JDC of our finding); and
- j) a review to determine if the five instances of overtime that were not supported by timesheets were actually worked. If worked, the timesheets should be corrected. If not worked, the overtime pay should be recovered.

The Department should investigate all occurrences where employees are earning overtime and recording leave usage for the same day and determine if employees' schedules need to be adjusted to better meet the needs of the Department.

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Audit Finding (6):

Compensatory Time Balances

Employees may accumulate overtime hours as compensatory time. Those employees below a certain grade and step level have an option to use the accrued time as leave or annually elect to cash in all or part of their accumulated balance. Those over the grade and step level, may only use the accrued time as leave. When the employee is paid for, or uses, the compensatory time as leave, they are paid at their current rate of pay, which may be a higher rate than when it was earned.

The County's agreement² with the Civil Service Employees Association, Inc. ("CSEA") limits the amount of compensatory time that employees may accumulate to 240 hours with the exception that accumulated compensatory time earned prior to January 1, 2004, may be grandfathered.

We found that the Department did not implement this provision of the agreement. At each year-end, the Department should have reviewed each employee's compensatory time balance and, if it was higher than the contractual cap, adjusted the balance downward. As of December 31, 2007, the Department had 14 employees who exceeded their compensatory time balances caps. One of the employees had accrued 1,637 compensatory hours as of this date, with 803 hours accumulated subsequent to January 1, 2004.

Audit Recommendations:

The Department should work with the County's Office of Labor Relations to ensure that it complies with the provision of the CSEA agreement with regard to compensatory time caps.

Audit Finding (7):

Bereavement Leave

We obtained a report of all Bereavement Leave usage by DSS employees for 2005 and 2006 as recorded in NUHRS. We randomly selected three responsibility centers for testing and found that 186 employees used Bereavement Leave during the period. We tested compliance with the CSEA agreement for the employees who used three or more days of Bereavement during the period. The 26 employees who met the criteria had 64 incidences (leave slips) of bereavement leave. All were CSEA members.

Under the CSEA agreement, the number of Bereavement Leave days depends upon the relationship of the deceased to the employee. Department procedures require employees using Bereavement Leave to note on the leave slip the name, relationship and place of interment of the deceased to verify the validity of the request and the entitlement. The Department did not always require compliance with this policy.

² CSEA Agreement § 28.2.2 c.

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We found that eight of the 64 leave slips reviewed, representing five employees, did not indicate the deceased's relationship to the employee. In five of these instances, the employee was granted more than one day. One of the five employees was granted 4.25 consecutive bereavement days based on three separate leave slips spanning two pay periods. We could not determine if the 4.25 days granted were the result of more than one death in the family.

Audit Recommendations:

The Department should:

- a) enforce its policy and require employees to provide the deceased's name, relationship, and place of interment on the leave slip; and
- b) determine if the 4.25 consecutive bereavement days granted to the one employee was correct. If not, change the employee's leave usage for the time not permitted under the agreement to a different type of leave.

Audit Finding (8):

Family Medical Leave, Donated Leave and Supplemental Leave at Half Pay

The County's agreement with the CSEA and Federal law provide benefits to employees under certain hardship conditions:

- Supplemental Leave at Half Pay ("SLHP") - may be granted to employees who have used up all their sick leave, vacation time, personal time, and compensatory time and are still too ill to work. Employees are eligible for two bi-weekly pay periods for each year of completed service
- Donated Time - at the discretion of a department head, employees may volunteer to transfer vacation leave, sick leave, personal leave, compensatory time, or catastrophic sick leave accrual to any County employee who has exhausted all leave entitlements, and has been deemed to be in an extreme "hardship" situation as certified by the employee's physician.
- The Family Medical Leave Act of 1993 requires the County to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons. Employees are eligible if they have worked for their employer for at least one year and for 1,250 hours over the previous 12 months.

We randomly selected three responsibility centers for testing compliance with these provisions and found that 17 employees used SLHP, 24 employees used family medical leave ("FML"), and four employees used donated leave during the audit period. We judgmentally selected for testing 12 of the 17 employees who used SLHP. We tested all four employees who used donated leave and 13 of the 24 employees who used family medical leave. NUHRS records and documentation were reviewed for compliance with the provisions of the CSEA agreement.

We noted the following:

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- Four employees who used SLHP and one employee who used donated leave still had accumulated leave balances available totaling ten days. Leave balances should have been exhausted before being granted supplemental and donated leave.
- One employee's use of SLHP was overstated in NHURS by three days. These additional days were posted to weekend days for which the employee was not paid. As a result, the employee's entitlement to additional SLHP days is understated.
- An employee who had completed three years of service was granted 80 days of SLHP even though he was only entitled to 60 days. These additional days cost the County \$1,794.
- An employee on SLHP received her regular pay of \$223 for May 13, 2005 in addition to SLHP.
- An employee on SLHP received her regular pay of \$2,836 on November 24, 2005 covering 10 workdays. She was also paid for nine SLHP days for the same period instead of the ten days to which she was entitled. The net result was an overpayment of \$2,695. In addition, she was credited with ½-day sick leave and ½-day vacation leave to which she was not entitled.
- An employee who had sufficient leave balances available was granted 21 days Family Medical Leave (FMLV). The employee was paid \$2,911 for 17 days not worked, without leave entitlements being charged. This was corrected by the Department upon notification by the auditors.
- NUHRS balances of SLHP were not kept up to date. Seven of the 12 employees tested had their usage of SLHP posted a month or more after the effective date of receiving SLHP. These delays may result in the employee's pay status remaining as "active" rather than "inactive"; an inactive status would prevent an unearned paycheck from being issued. It may also result in delays in the employee's receipt of SLHP paychecks.
- We found that DSS incorrectly adjusted leave progression dates of four employees who used SLHP. Three employee's adjustments were overstated by a total of 81 days while another employee's adjustment was understated by eight days. The longevity date of an employee who used FML on an unpaid basis for three days was adjusted for 22 days.

These errors may have occurred because there are no controls in place to require that existing leave balances are exhausted first or supervisory review and approval of the payroll clerk's calculations for accuracy and compliance with the CSEA agreement.

We also reviewed documentation to support the 13 incidences of FML selected for testing. This documentation included an employee request form, physician's certificate, departmental approval, and return to work certificates. DSS did not provide any documentation to support two of the 13 incidences. As a result, we could not determine if the FML was properly granted.

Audit Findings and Recommendations

Audit Recommendations:

The Department should:

- a) establish controls to ensure that all leave balances are exhausted prior to granting SLHP or the use of donated leave;
- b) recover the overpayments made in connection with the use of SLHP;
- c) reverse the ½ sick day and the ½ vacation day that was erroneously granted;
- d) require a supervisor to review and approve the payroll clerk's calculations and entries;
- e) enter SLHP into NUHRS in a timely manner;
- f) correct the improperly adjusted longevity and leave progression dates in NUHRS;
- g) retain in a retrievable manner all documentation regarding the granting of FML;
- h) reverse the incorrect SLHP dates posted to NUHRS; and
- i) establish procedures to ensure that employees do not receive regular paychecks while on SLHP.

Audit Finding (9):

Authorized Absence with Pay

Nassau County's agreement with the CSEA permits officers of a volunteer firefighter's association time off with pay to attend conferences, conventions, or schools in such organizations. The agreement permits a total of five days leave in each calendar year for two officers in each association. The agreement also provides volunteers up to four days leave each year for engaging in emergency missions such as firefighting, rescue or other related support services, which endeavor to protect the safety and welfare of the community. A bank of four working days of emergency compensatory time (ECOMP) is established for each qualifying employee. We tested both employees who were shown in NUHRS as using ECOMP during the audit period.

We found that one employee, a volunteer firefighter, took three days off in June 2006 and two days off in July 2006 to attend two different conferences, in his capacity as an officer of the fire department. Even though the employee's June timesheet reflected the absence, he was paid for regular hours worked rather than for authorized absence with pay. The time off taken in July was improperly posted to the timesheet and to NUHRS as ECOMP when it should have been posted as authorized absence with pay.

The posting of the June time off with pay as regular work hours increases the risk that employees may be granted more time off than permitted by the agreement. The posting of the time off with pay taken in July as ECOMP incorrectly reduced the employee's bank of ECOMP days. As a result, there was a chance that the employee could be denied ECOMP to which he was entitled.

Audit Findings and Recommendations

Audit Recommendations:

The Department should ensure that:

- a) the type of leave approved by the supervisor on the leave slip is properly posted to the timesheet ; and
- b) leave is properly posted to NUHRS.

Audit Finding (10):

Military Leave

The County's agreement with CSEA affirms that employees shall have the benefits and protections afforded them under applicable State and Federal laws in relation to military leave. The Military Law of New York §242 (5) requires that the County pay employees their salary or other compensation while performing ordered military duty, for a total of 30 days or 22 working days, whichever is greater, in any one calendar year or in any one continuous period of absence. Section 243(17) of New York's Military Law places a duty on the commander of a military division to furnish a signed certificate stating where and when individuals performed military service, as well as the rank, branch, and unit of service. This law provides a mechanism for employers to verify that employees who are excused for military service actually served.

The Department had two employees who used military leave during the audit period. We tested both employees' absences to determine if the military leave was properly documented and approved.

A part-time employee was paid 25 days salary for military leave during 2006, three days in excess of the 22 working days maximum. The cost to the County of these three days was \$399.

We tested 15 of the military leave days used by the part-time employee during the audit period and found that thirteen of them were unsupported as to the dates of military service. For example, the employee was absent on military leave:

- June 10, 11 and 12, 2005, however the supporting documentation provided was a certification that the employee participated in military training on June 4 and 5, 2005; and
- November 4 and 5, 2006, however the Department could not provide the employee's leave slip or the military orders certifying that the employee served.

We also found that the supporting documentation was deficient because it did not indicate the time of day or place the employee was required to serve. Therefore, we could not determine if the service coincided with his scheduled work hours.

A full-time employee who used one day of military leave was paid for the day even though his supervisor did not approve the leave.

Audit Findings and Recommendations

Audit Recommendations:

The Department should:

- a) require supervisors to evidence their approval of leave requests by signing and dating the request and authorization for leave slips;
- b) ensure that military leave is properly documented by requiring documentary evidence from the employee's commanding officer that the employee served on the days and times military leave was granted;
- c) ensure that employees' are not paid for more than required by law per year;
- d) for the employee granted 25 days military leave in 2006, investigate if the \$399 should be recovered or charged to his accumulated leave balances for an equivalent amount, if it is determined that the maximum was exceeded ; and
- e) maintain files of leave slips and other supporting documentation in a retrievable manner.

Audit Finding (11):

Employee Tardiness

The County's agreement with CSEA calls for employees' tardiness to be charged against their leave accumulations. It states, "a department head shall accumulate such tardiness and shall charge such tardiness against vacation leave, personal leave or compensatory time, in that order, in increments of one-quarter (1/4) days. Such accumulations shall be for a period of not more than one year."

We found that the Department did not adequately enforce this provision of the agreement. We randomly selected for testing 22 units for varying pay periods. A review of the unit's timesheets showed 94 instances of tardiness. Six instances pertained to a retired employee whose records were expunged and could not be tested. Of the remaining 88 instances, we found that 20 incidences of tardiness, totaling 378 minutes, were not input into the Wang system³ for tracking. As a result, employees who exceeded 105 minutes of lateness are not charged leave entitlements for tardiness as permitted by the agreement.

We also found that the employee who retired was not charged for lateness accumulations. We reviewed the September 26, 2006 lateness report and found that the employee had a tardiness accumulation of 40 minutes. The employee's post-September 26, 2006 timesheets showed that she was late an additional 294 minutes before retiring. As a result of not updating tardiness accumulations, the employee was paid \$135 for ¾ of a day that she did not work.

The workday for CSEA employees at DSS is 7 hours, or 420 minutes. Therefore, a quarter day is 105 minutes. We reviewed the Department's lateness report dated March

³ The Department uses a Wang system to generate internal reports.

Audit Findings and Recommendations

2, 2007 and noted that 164 employees were charged for lateness accumulations. We found that the Department:

- charged employees for tardiness when their accumulated tardiness balances reached 100 minutes rather than the required 105 minutes; and
- reduced employees' accumulated tardiness balances by only 100 minutes for each quarter day charged.

As a result, employees' accumulated leave balances may have been inappropriately charged and accumulated tardiness balances were not properly reduced when employees' leave balances were charged.

Audit Recommendations:

The Department should:

- a) uniformly enforce the terms of the agreement and properly accumulate lateness balances;
- b) charge employees for a quarter day when their accumulated tardiness has reached 105 minutes;
- c) ensure that employee tardiness records are updated upon employee's retirements; and
- d) recover the \$135 paid to the retiree for time not worked.

Audit Finding (12):

Employee Mileage Reimbursement

The County reimburses employees who use their own vehicles for County business, and the Department reimburses approximately \$278,000 in mileage each year. Reimbursement is based on the prevailing IRS rate per mile. For travel within the County, reimbursement is based on a mileage chart issued by the Comptroller's Office. Mileage reimbursement for travel outside the County is based on actual miles traveled. Employees are reimbursed only to the extent that the miles they travel exceed the miles they would have traveled in their normal commute to work. For example, if an employee leaves from and returns to their normal workstation, the mileage is reimbursed from the workstation to the destination and back to the workstation. If the employee travels directly to the off-site destination from home, mileage is only reimbursed to the extent that the distance from home to the destination exceeds the distance the employee would have traveled from home to the normal workstation.

The Department did not have sufficient controls to ensure that employees were properly reimbursed in accordance with County policy and that employees were only reimbursed for travel that actually occurred. We selected a random sample of 47 trip reimbursement claims from 25 employees within 13 randomly selected units that performed fieldwork and compared them to field log information and mileage charts.

Audit Findings and Recommendations

The unit supervisors did not properly review mileage claims to ensure that employees who traveled to or from their homes to client locations were excluding the mileage they would have driven had they reported to the office. We reviewed employee timesheets for two pay periods for these same 25 employees. Employees' timesheets are marked "9F" when they start work at 9 a.m. at a field location. We found 92 instances where the timesheets were marked "9F". However, full mileage from DSS offices was claimed without deduction for normal commuting mileage in 76 of these instances, an 83% error rate. Seventeen employees were over reimbursed a total of \$120 for the 92 instances tested. These errors occurred because employees are claiming mileage incorrectly and supervisors are not carefully reviewing claims for adherence to policy.

We found that mileage claims were not properly reviewed by supervisors to determine if employees actually traveled on the days mileage was claimed. Units maintain logs where employees record their names, the time they left the office, the client's name address and telephone number, information about the visit, and the time they returned to the office. The adoption unit did not maintain a field log. Of the 43 trips taken by employees in units where field logs were kept, we found that the field logs could not support 16, or 37%. We are uncertain whether the logs were inaccurate, or whether the mileage was incorrectly claimed.

These errors may have gone undetected, in part because the Department did not always require the approval of the claims by the employee's direct supervisor. We found that supervisors of units other than the unit in which the claimant worked approved two of the 25 mileage claim forms reviewed. These supervisors are less likely to have direct knowledge of the claimants day-to-day activities and increases the risk that employees may be incorrectly reimbursed.

Mileage claimed did not always agree with the mileage allowed on the chart or as calculated by a mapping program, such as Yahoo Maps. Five of the 47 trips reviewed claimed inaccurate mileage. The most significant difference was between the 290 miles claimed for a round trip to Hudson, N.Y. against the 265 miles calculated by Yahoo maps. The other differences were nominal; however, they show that the mileage claims are not carefully verified before being approved for payment.

We also found that the Department disseminated mileage charts to be used for reimbursement for out-of-County trips to frequently claimed locations. This chart had not been reviewed or approved by the preparer's supervisor and contained inaccuracies. For example, mileage from the DSS office in Uniondale to Auburn, New York is listed as 341.4 miles. An internet-based mapping program plots the distance between the two locations as 290.6 miles, a difference of approximately 50 miles. Use of the chart for a round trip would result in an overpayment to the employee of about \$50.

Audit Recommendations:

The Department should:

- a) require employees to claim mileage in accordance with County policy and the provisions of the CSEA agreement;
- b) submit any department generated mileage charts to the Comptroller's Office for review and approval;

Audit Findings and Recommendations

- c) ensure that mileage claimed is independently verified;
- d) require all departments to maintain field logs. This will enhance employee safety and provide a means to verify the legitimacy of mileage claims; and
- e) require an employee's direct supervisor to verify travel claimed against field logs and employee timesheets, and certify claim forms.

Given the high error rates, the Department should review mileage claims for 2005 and forward and recover overpayments in those cases where employees failed to deduct their normal commuting mileage from mileage claimed. The Department should also determine if travel occurred in those instances where mileage was claimed in contradiction of the field logs.

Audit Finding (13):

Termination of Inactive Part-Time Employees

A review of the JDC's roster showed that it contained the names of six individuals who no longer work at the JDC and should have been placed on a terminated status and eliminated from the roster. These six employees last worked in 2000 (one employee), 2002 (one), 2004 (two) and in 2005 (two). The agreement with CSEA § 10-6.1 states that "the County shall have the right to terminate employees who have been absent, without authorization, from their jobs without notification to, or contact with, the County for a 90 day continuous period." The failure to terminate these employees results in authorized roster positions being filled even though the positions are not staffed. These positions cannot be refilled until the employee who stopped working is terminated. This may result in increased overtime as other employees are used to meet staff coverage requirements.

Audit Recommendation:

The Department should work with Human Resources to terminate any person currently classified as an active employee who meets the criteria of the agreement for termination due to unauthorized absence.

Audit Finding (14):

Unauthorized Leave without Pay

The JDC paid two employees for holiday pay to which they were not entitled. The CSEA agreement § 27-8 states "An employee who is absent from work on the employee's scheduled work day immediately before or after a holiday shall not receive pay for such holiday unless the absence is pre-authorized or is due to the employee's illness. The foregoing provision shall not affect the pay an employee receives if the employee actually works on an observed holiday."

Audit Findings and Recommendations

We tested a sample of three pay periods, each containing a holiday and found that two JDC employees had unauthorized absences without pay the day before a holiday. JDC paid the employees a total of \$426 to which they were not entitled.

When employees are absent without pay, their leave progression and longevity dates should be adjusted to reflect the number of days not worked. We found that the JDC did not adjust these dates for two employees. As a result, the employees might receive leave time or longevity pay to which they are not entitled.

Audit Recommendations:

The Department should require that the JDC:

- a) recover the \$426 by charging the employees accumulated leave balances or docking their pay; and
- b) adjust the longevity and leave progression dates of the employees who were on unauthorized absent without pay.

Audit Finding (15):

Excessive Hours Worked by Part-Time Employees

A September 26, 2006 directive from the Director of Human Resources prohibited part-time employees from working more than 34.75 hours per pay period. Prior to that, part-time employees were permitted to work up to 35 hours per pay period.

We reviewed 232 timesheets from a sample of 59 employees and found that:

- 19 post-September 26, 2006 timesheets reflected employees working *more* than 34.75 hours per pay period; and
- 12 pre-September 26, 2006 timesheets reflected employees working *more* than 35 hours per pay period.

Allowing part-time employees to work more than the permitted hours may expose the County to part-time employee's claims to entitlement to benefits, such as health insurance.

Audit Recommendation:

The Department should prohibit part-time employees from working more than 34.75 hours per pay period in accordance with the Human Resources directive.

Appendix

**Department of Social Services Time & Leave Audit Response
September 19, 2008**

Overview:

Please take the following items into account, with respect to the department's response to the audit findings.

- Department will provide the Nassau County Office of the Comptroller with all of the backup documentation under separate cover. The Department recognizes the backup will not be included in the Department's response.
- The County is in process of implementing an automated time and leave system, Project INTIME. The implementation of this system for the Department of Social Services is for Dec. 2008 and as such a few corrective action plans are dependent on this implementation. The department will reassess if the project is delayed.
- Each corrective plan that has been identified "in process" has been assigned a timeframe for follow up; 30, 60 or 90 days from the date of the final audit report.
- Furthermore, the department will forward the necessary backup documentation indicating the completion of the corrective action plan.

Audit Finding (1):

The Department agrees with all of the Auditors recommendations and the following corrective action steps have been completed.

- a) i. **Completed** – Please see the memo dated May 2, 2006 that was sent to all Dept. Heads, HR reps., Timekeepers & Supervisors. The Department will re-distribute reports above within 60 days and as changes occur or at least annually.
- a) i. **Completed** - Attendance Sheet Training completed by HR Mgr. and Payroll Supervisor in July and August 2006
- a) i. **Completed** – Please note, each DSS employee during their new employee orientation receives the DSS Policy & Procedure regarding Sick Leave, Vacation Leave, and Personal Leave. However, the Department will re-issue within 90 days to all current employees as a reminder, as changes occur or at least annually.
- a) i. **Completed** - Payroll staff refer to CSEA CBA - Entire Sec 42; 43; and 44 in addition to the aforementioned bullet when reviewing determining employee time & leave if not covered in DSS Policy & Procedures
- a) ii. **Completed** – Training completed as per letter dated Nov 27, 2002 - CA Dispatch
Note: On 3/22/07, Auditor indicated to hold off until she was able to provide guidance to the department on how to access the CA Dispatch. Training on procedure was done County-Wide and dept attended on Oct 11, 2007. Began following procedure on payroll dated Oct 25, 2007.
- a) ii. **Completed** – please see memo from Payroll Supervisor, dated June 8, 2007- confirming the review of the Pending Pay & Pending and Duplicate Data Report Procedures with the payroll department

- a) ii. **Completed** – Review and insure Signatures are completed for Authorized Signatures for Attendance Time Sheets, Leave Slips & Overtime Slips, at the time of the field audit this was completed in the summer of 2005
- b) **Completed** – DSS timesheet approval hierarchy approval is part of Project INTIME rollout in Dec. 2008, please see the DSS Master List to be in compliance.

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department.

The supporting documentation provided by the Department included revised written policies and procedures on leave usage by employees. However, there were no procedures describing the payroll clerk's responsibilities for the recording of time and leave. We recommend that the Department promulgate written procedures for the payroll clerk's responsibilities to ensure that the recording of time and leave is properly reported in NUHRS.

The Department has not completely addressed recommendation "a) ii" which refers to the Department reviewing all IT payroll reports. The documentation provided by the Department was a memo outlining the steps to be implemented for the review of the JDC unit's IT reports; there was no mention of a review of the IT reports related to the Department's other 126 units. Therefore, we reiterate our recommendation that the Department promulgate written policies and procedures outlining the review of all IT payroll reports.

In addition, recommendation "b" states that the Department should comply with the Office of Compliance Time and Leave Functions Chart. The support provided by the Department in its response to this recommendation was the same documentation provided to the auditors during the audit and does not specifically indicate the authority granted to each level of approval, as requested in the Office of Compliance Time and Leave Functions Chart. In addition, as INTIME is not yet operational, the Department's reliance on INTIME does not provide the necessary interim controls. We reiterate our recommendation that the Department should comply with the Office of Compliance's requirement by completing their Time and Leave Functions Chart.

Audit Finding (2):

The Department agrees with all of the Auditors recommendations and the following corrective action steps have been completed.

- a) **Completed** - As per memo from HR Manager, dated March 29, 2007 – Time Sheet Update sent to Directors, AD's & Supervisors. (Note: This memo was e-mailed to Comptroller's office staff on March 29, 2007.)
- a), b), c) **Completed** - Attendance Sheet Training completed July and August 2006
- b), d) **Completed** – as per Memo from Payroll Supervisor, dated March 22, 2007 – Leave Slips & Timesheet-Update. (second and third paragraph) (Note: This memo was e-mailed to Comptroller's staff on March 22, 2007.)

- b), c), d) **Completed** – A departmental memo from the Payroll Manager was sent on September 18th, 2008 to all DSS staff directing the staff to review the Time Sheet Instructions for properly completing the Nassau County Time Sheet.
- e) **Completed** – The department was utilizing a Part-time Time Sheet – Confirmed by Office of H.R. in April 2007. PT Time Sheet was approved for use County-Wide
- e) **Completed** – Further tightened existing control Part-time Time Sheet – Revised by Office of Human Resources and revised Time Sheet will be implemented by DSS payroll ending Aug 28, 2008.
- e) **Completed** – please see memo dated Sept 26, 2006 from Central HR – Part-time Work Schedules also,
- e) **Completed** – Training by HR Mgr, on Sept 27 & 28, 2006 for Supervisors - Part-time Time Work Schedules
- f) **Completed** – Further tightened existing internal control with effective pay period ending March 29, 2007, to include payroll clerks initialing the Part-Time Time Sheet on the line marked, ‘Entered into NUHRS’.
- g) **Completed** - Effective for pay period ending August 28, 2008; the Department has included a “Pay Period Beginning date” on the fourth line from the top of the worksheet. Therefore, the Part time worksheet will now have both the “the beginning and ending dates of the pay period included on the timesheet.
- h) **Completed** – Researched and determined the employee erroneously indicated time worked was for September when it was actually October. The employee has corrected the timesheet and the Supervisor initialed corrected timesheet as well. NUHRS has also been corrected

Auditor’s Follow-up Response:

We concur with the corrective actions taken by the Department with the exception of the use of revised timesheets for part-time employees (Recommendation “e”).

We reviewed a sample of the revised part-time employee timesheet provided by the Department. The revisions the Department made to the existing part-time employee timesheet still do not contain all the necessary internal controls, such as the daily attestation by the timekeeper of the daily attendance to ensure proper payment of salaries to part-time employees, or pre-printed dates within the pay period. We reiterate our recommendation that the department amend its timesheet for part-time employees to incorporate all the necessary internal controls (as contained in County Form 3024) and obtain written evidence of approval for its use by the County, or alternatively, adopt the County-approved timesheet for use by part-time employees.

The Department’s response “h” above regarding the two part-time timesheets that were submitted for the same days worked reinforces our recommendation that the internal controls for the part-time timesheet are not adequate; the revised timesheet provided by the Department does not provide any additional control to prevent a similar occurrence.

Audit Finding (3):

The Department agrees with all of the Auditors recommendations and the following corrective action steps have been completed.

- a), b) d) **Completed** – A Department Memo was issued from the Payroll Manager on September 10th, 2008 to all DSS Staff on the proper completion of Nassau County Leave Slips.
- b), c) **Completed** – Please see the memo dated May 2, 2006 (Item B, C, and F 1, 2 & 3) that went to all Dept. heads, HR reps., Timekeepers and Supervisors.
- c) **Completed** - Attendance Sheet Training done July and August 2006 (Sec II, bullet 5; Sec III, bullet 2; and Sec IV, bullet 3).
- d) **Completed** – please see memo from Payroll Supervisor, dated March 22, 2007 – Leave Slips & Timesheet-Update (second paragraph) sent to Directors, AD's and Supervisors Please note, also covered in Attendance Sheet training in July 2006 and August 2006

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department. However, the Department has not responded to our recommendation "d" that the payroll clerks sign and date leave slips to help ensure that postings are made to NUHRS and to prevent duplicate entries. Therefore, we reiterate this recommendation.

Audit Finding (4):

The Department agrees with all of the Auditors recommendations and the following corrective action steps have been completed or in process

- a) i. **Completed** - Attendance Sheet Training done July and August 2006 (Sec II, III, and IV)
- a) i. **Completed**- Nassau County Time Sheet Instructions are now posted in a conspicuous location by all Unit's Time Sheets.
- a) ii. **In Process** – Project INTIME rollout Dec. 2008, will automate and further reduce errors
- a) iii. **Completed** – Please see instructions from OLR memo, dated Aug 1, 1993 – Leave Progression Date (Adjusted Anniversary Date)
- b) i. **Completed** – Based on correspondence from O.L.R. on August 1st, 2008, the Department will initiate correcting this procedure effective August 1, 2008 and forward, and not historically.
- b) ii. **Corrected** - As a result of the employee's pay check of 1/5/06 being re-deposited, the three (3) Bereavement days were reversed and erroneously not posted to the following pay check. This was corrected on 7/30/08.
- b) iii. **Corrected** - employee's usage on 7/28/08 - from .5 bereavement leave to .5 sick leave.
- b) iv. **Completed** - The duplicate postings of leave usage for Unit 4126 during period 9/1 – 9/14/06 were reversed.
- b) v. **Completed** – Payroll staff corrected all leave balances except for former Director (see explanation c)
- c) **Completed** - Letter was mailed on September 10th, 2008 to recover money from the former Director via adjustment of remaining payout.

- d) **In Process** - Payments to be made to the two former part-time employees. Paperwork sent to OMB for approval on September 3rd, 2008.
- e) **Completed** – Reviewed Part-time employee terminated 9/10/07. It appears the employee signed in at her normal start time of 6pm, but failed to sign-out for that day. The employee was correctly paid her normal 5 hours.
- f) **Completed** Employee time sheet for 11/9/06 indicated Martin Luther King Holiday (MLK) which was entered into NUHRS. The payroll clerk erroneously reversed the entry as 11/19/06 and then erroneously re-entered time used as Sick for 11/19/06. Additionally, since the Martin Luther King Holiday was reversed, thereby appearing as still having the accrual in NUHRS, on 12/8/06 the MLK holiday was used. The corrective action was for the payroll clerk to correct the dates and usage. Also, corrected and reversed the date in NUHRS from 11/19/06 to 11/09/06

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department. However, as INTIME is not yet operational, the Department's reliance on INTIME does not provide necessary interim controls. Therefore, we reiterate our recommendation that the Department establish procedures to ensure the accurate and timely posting of leave and part-time hours worked into NUHRS.

Audit Finding (5):

The Department agrees with all of the Auditors recommendations and the following corrective action steps have been completed or in process

- a) **In Process**- INTIME will remedy upon rollout in Dec. 2008
- b) **In Process**- Payroll clerk in process of locating missing OT Request & Authorization forms, will be completed within 60 days of the audit report date.
- c), d), e), f) **Completed** – Payroll Supervisor issued a Departmental Memo on September 16th, 2008, outlining the proper completion of O.T. slips. The memo was sent to all Directors and Assistant Directors instructions to ensure dissemination to all Supervisors.
- g) **Completed** - as per memo from Payroll Supervisor, dated 6/8/07 which indicated she instructed and implemented the tighter control.
- h) **Completed** - Attendance Sheet training by HR Mgr. at JDC, on 8/1/06.
- i) **In process** - Employee was paid for 2.3 hrs OT but should have been paid for 2.12 OT. Payroll clerk will recover 18 minutes, within 90 days of the audit report date.
- i) **In Process** - Employee waiting to get time sheet from archives will correct if necessary within 60 days of the audit report date.
- i) **In Process**- Department received paperwork from Comptroller's field auditor on employee will correct if necessary within 60 days of the audit report date.
- j) **In Process** - Employee comp time was overstated by 1 ½ hrs. Recovery in process.
- j) **In Process** – Department received paperwork from Comptroller's field auditor on the employees and will correct if necessary within 60 days of the audit report. In addition, the Department will instruct via memo to the Directors regarding cease and desist occurrences where employees are earning overtime and recording leave usage for the same day, with the exception of emergency sick or personal leave.

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department. However, as INTIME is not yet operational, the Department's reliance on INTIME does not provide necessary interim controls. We reiterate our recommendation "a" that the Department should require overtime be approved on a timely basis.

The Department's current control of reviewing the duplicate payment reports, in response to recommendation "g", will not detect errors when the payments are made in different pay periods. Therefore, we reiterate our recommendation that the supervisors evidence their verification of overtime to the daily log by initialing both the daily log and the overtime request form.

Audit Finding (6):

The Department agrees with the Auditors recommendation and the Department is currently researching.

In Process - The Department received an MIS report from County IT to assist in the review. The report details indicate total comp hours earned for all employees that exceeded the cap of 240 hours for the year endings: 2003, 2004, 2005, 2006 and 2007.

In addition, please note, the Department is working with OLR to ensure compliance, will be completed within 90 days of the audit report date.

Please note there is currently no automated systemic NUHRS solution. Therefore, the department has been reviewing manually. This internal control will be tightened with the introduction of the aforementioned report coupled with a formal annual review by the payroll staff regarding the earning of comp hours.

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department.

Audit Finding (7):

The Department agrees with all of the Auditors recommendations and the following corrective action steps are in process

- a) **In process** – The Department will review and forward, via e-mail, the departments policy to all staff and ensure ongoing compliance within 90 days
- b) **In process** – The Payroll Department will contact employee to obtain paperwork within 90 days.

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department.

Audit Finding (8):

The Department agrees with all of the Auditors recommendations and the following corrective action steps have been completed or in process

- a) **Completed** – the Payroll Supervisor completed development of a check list to be attached to an employee’s benefit paperwork (i.e. SLHP, Donated Leave, etc.), whereby each step will be initialed and dated to establish controls, will be completed within 30 days
- b) **Completed** - Employee was notified that she was overpaid and recovery will began on pay check dated 9/13/07, via letter dated 8/15/07. However, since all paperwork was at Comptroller’s the Comptroller initiated deductions on pay check dated 8/30/07, which is when the first recovery was made. Subsequently, there have been consistent payroll deductions for recovery and the current remaining balance owed to the County is \$226.62 with full recovery on or about October 23rd, 2008.
- c) **Completed** - Employee ½ sick day accrued and ½ vacation day accrued for 11/24/05 was reversed on 7/28/08.
- d) **Completed** - DSS has a worksheet to calculate SLHP. During the field audit, per recommendation of field auditor revision was made adding a line to calculate # of pay periods times 10 days throughout the worksheet; and also adding a line for ‘Reviewed by’ along with ‘Date’ (see AF 8, d, 1). This revised worksheet was e-mailed to field auditor, on 4/10/07. Subsequently, on 7/22/08, we further tightened internal controls by adding a line for ‘Prepared by’ along with ‘Date’ and under the line ‘Reviewed by’ we added that the signature should be ‘P/R Supv or H.R. Supv’ (see AF 8, d, 2).
- e) **Completed** – Department agrees however the untimely return of medical documentation from employees is generally the cause for delay in entering into NUHRS in a more timely manner.
- f) **In process** - of correcting employee within 90 days
- g) **In process** - of correcting dates as indicated within 90 Days
- h) **In process** - of correcting dates as indicated within 90 Days
- i) **Completed** - Payroll Supervisor developed a check-off list to ensure that employees do not receive regular paychecks while on SLHP (please see checklist mentioned in Audit Finding 8 a).

Auditor’s Follow-up Response:

We concur with the corrective actions taken by the Department. However, the Department did not address our recommendation “g”: “the Department should retain in a retrievable manner all documentation regarding the granting of FML”. We reiterate our recommendation.

Audit Finding (9):

The Department agrees with all of the Auditors recommendations and the following corrective action step is in process

a) b) **Completed** – The Payroll Manager verbally reviewed the correct procedures with staff and sent a memo on August 1st, 2008 to all Payroll Staff regarding the proper usage of ECOMP, AWIP and how to properly post the aforementioned items to NUHRS.

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department.

Audit Finding (10):

The Department agrees with all of the Auditors recommendations and the following corrective action steps have been completed or in process

- a) **Completed** - Payroll Supervisor has forwarded another copy of the memo, dated May 2, 2006 and another copy of the 'Attendance Training' memo to JDC supervisors ('Time and Leave Practices & Supervisor's Timekeeping Responsibilities) for clarification for adherence. Furthermore, the policy will be reviewed with JDC Supervisors. Lastly, the Payroll Supervisor has reviewed the policy with the payroll clerks to ensure appropriate leave slips accompany time sheets. Please note, Project INTIME will remedy in the future.
- b) c) **Completed** – H.R. Mgr, had hand delivered a copy of the Military Ordinance to the JDC payroll clerk and discussed the policy with her at the time the field auditor brought it to dept's attention.
- d) **In Process**- Review of overpayment/recovery of military leave in 2006 is in process and will be completed with in 90 days.
- e) **Completed** – Currently files are stored at JDC and are retrievable. Operational and financially impractical to move to 60 CLB. As of Dec. 2008, INTIME will fully automate this process eliminate the need for paper records.

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department. However, we have not recommended that the JDC files be moved. We reiterate our recommendation that the Department maintain files of leave slips and other supporting documentation in a retrievable manner.

Audit Finding (11):

The Department agrees with all of the Auditors recommendations and the following corrective action steps have been completed or in process

- a) **Completed** - DSS has an automated computer program whereby the payroll clerk data enters the employee's late minutes from the time sheets.
- b) **Completed** - The automated system was updated to correctly accumulate 105 minutes to deduct as a ¼ day on 8/13/07, rather than 100 minutes that were previous the accumulated and deducted amount. (please see notification, via e-mail on 6/08/07, to the Comptroller's Office.

- c) **In Process** – completed with the exception of one employee. Timesheets are in process of being ordered to obtain the correct number of late minutes, which will subsequently be entered into the late minutes. Will be completed in 90 days
- d) **In Process** - Letter in process of being written to recover \$135.00 from retiree for time not worked due to lateness will add this step as part of check off list (see reference to check list 8 a). Best efforts will made to recover within 90 days.

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department. However, the Department has not addressed recommendation "c", that the Department ensure that employee tardiness records are updated upon an employee's retirement. The Department's response "c" and the supporting documentation that it provided address our recommendation "a".

Audit Finding (12):

The Department mostly agrees with all of the Auditors recommendations.

However, for example, the trip to Hudson, N.Y. was reimbursed at 145 miles each way from 60 Charles Lindbergh Blvd, Uniondale to 401 Union St. Hudson, NY. According to Google Maps the trip is 136 miles taking the Taconic Parkway or 152 miles taking the New York State Thruway. MapQuest calculates the mileage at 143.43 miles taking the George Washington Bridge. As you can see there are multiple routes to take to Hudson New York and the worker was reimbursed within range of all calculated routes.

A trip to Auburn, NY was listed as 341.1 miles in the mileage chart, which according to Google Maps lists the trip as 344 miles taking the NY State Thruways I-87 & I-90. This chart is only used as a guide and any trip that had significant mileage claimed would be verified against a[n] internet mileage program

The following corrective action steps have been implemented.

- a) **Completed** – The Director of Accounting sent a memo via e-mail to all Program Directors on August 1st, 2008 to remind all employees to follow the instructions in accordance with Nassau County's mileage policy which is on the back of Employee Mileage Allowance Certificate Form and the instructions contained in Section 33 of the CSEA Agreement. PDF copies of the Mileage form instructions were attached to the memo.
- b) **In process** - Department will submit the DSS Out of County Mileage Chart Guidelines to Comptroller's Office for approval on September 21st, 2008. Attached to the chart will be the documentation on how the mileage was calculated. DSS Accounting staff can refer to this chart guidelines for efficiency purposes, which saves staff valuable time by listing the most common out of county places traveled and the mileage from 60 Charles Lindbergh Blvd, Uniondale. Using an approved chart will increase the department's operational efficiency by saving time, money and errors versus looking up each individual occurrence on an internet map.

c) **Completed** – Department is in agreement with the Comptroller’s recommendations up to a certain point. As per the CSEA agreement The Department is required to reimburse for actual mileage traveled As indicated in the response b) the department will use an approved chart for efficiency purposes. .

d) **Completed** – A memo was sent on August 1st, 2008 by the Director of Accounting to all Directors, detailing the importance of maintaining accurate and up to date field logs.

The memo also explained the role of the logs in validating employee mileage claims

e) **Completed** – see prior explanation in d)

The Department agrees with the recommendation to review prior year’s claims where the Field Workers and Supervisors did not properly deduct for mileage versus field logs.

The Department will need to balance the cost of the hours to review and collect versus the actual monetary benefit of the recovery. The initial review will begin within 90 days and continue until such time the cost – benefit becomes nominal.

Auditor’s Follow-up Response:

We concur with the above corrective actions taken by the Department. Based upon the Department’s response to Recommendation “c”, we have revised the recommendation; mileage claimed should be independently verified.

The Department should establish a consistent method for claiming and verifying out-of-County mileage reimbursements. We commend the Department for preparing a mileage chart for recurring out-of-County travel and submitting it to the Comptroller’s Office for review and approval. The County’s mileage policy is currently under review.

Audit Finding (13):

The Department agrees with all of the Auditors recommendations and the following corrective action step is in process

In Process - Of the 6 part-time employees who were listed as active at the time of the field audit, one (1) individual was terminated from employment in NUHRS on 7/31/07; three (3) individuals were terminated from employment in NUHRS 8/1/07; and one (1) individual resigned on 9/18/07. Pursuant to OLR, termination of inactive part-time employees is to be reviewed on a case-by-case basis in order to verify that the department did not take action that would be in violation of the Collective Bargaining Agreement. Will be completed within 90 days

Auditor’s Follow-up Response:

We concur with the corrective actions taken by the Department.

Audit Finding (14):

The Department agrees with all of the Auditors recommendations and the following corrective action step is in process

a) b) **In process** - of reviewing both employees timesheets for pay period ending 3/2/06 and will make appropriate corrections with in 90 days.

b) **Completed** - In June 2008, the Payroll Supervisor reviewed the process of adjusting longevity and leave progression dates with the JDC payroll clerk. Will make the changes to above (a) accordingly.

Auditor's Follow-up Response:

We concur with the corrective actions taken by the Department.

Audit Finding (15):

The Department agrees with all of the Auditors recommendations and the following corrective action steps have been completed

Completed – Please see memo from Director of Human Resources, dated 9/26/06. Manager of HR, held training with DSS supervisors on 9/26/06 and 9/27/06 - Maximum hours that part time staff are permitted to work in a pay period is 34.75.

Auditor's Follow-up Response:

The instances noted in the report where part-time employees worked in excess of 34.75 hours per pay period occurred after the September 2006 training session referenced above. Therefore, we reiterate our recommendation that the Department should prohibit part-time employees from working more than 34.75 hours per pay period in accordance with the Human Resources directive.