



**SUFFOLK COUNTY  
OFFICE OF THE COMPTROLLER  
AUDIT DIVISION**

**Joseph Sawicki, Jr.  
Comptroller**

An Audit of the  
Suffolk County Department of Public Works'  
Payroll Procedures  
For the Period  
January 1, 2010 through June 30, 2011

**Report No.: 2014-09  
Date Issued: August 5, 2014**

**SUFFOLK COUNTY  
OFFICE OF THE COMPTROLLER**

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Comptroller

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## **EXECUTIVE SUMMARY**

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### **Introduction:**

The Suffolk County Comptroller's Office has reviewed the payroll procedures of the Suffolk County Department of Public Works (Department) for the period January 1, 2010 through June 30, 2011. This audit report is one of a series of reports to be issued relative to the County's payroll procedures.

### **Purpose:**

The purpose of our review of the Department's payroll procedures was to determine if the Department's time and accrual sheets were properly processed in accordance with applicable contracts, SOPs, Directives of the Office of Labor Relations and related payroll documentation; to determine if the Department's time and accrual sheets accurately reflect employee hours worked and benefit hours accrued and utilized during the audit period; and to review the Department's current payroll procedures in order to determine if the Department has adequate procedures in place to record, process and properly claim payroll expenses to the County.

### **Summary of Significant Findings:**

- The Department did not maintain adequate attendance records for temporary employees.
- There were numerous instances in which we were unable to ensure the accuracy of employee hours worked and benefit hours utilized.
- Two of the Highways, Structures and Waterways Engineering Division's Units do not have an adequate system of internal controls in place relative to the processing of employee time and accrual records.

### **Summary of Significant Recommendations:**

- The Department should ensure that each Division maintains adequate documentation to support the hours worked by temporary employees. Attendance records should be compared to employee time and accrual records to ensure that the employee is properly paid.
- The Department should ensure that employee time and accrual records accurately reflect employee hours worked and benefit hours utilized.
- Each of the Department's Divisions should maintain adequate documentation to support hours worked and accrued hours taken for all employees. Properly completed attendance records should then be compared to the employee's time and accrual records to ensure that all hours worked have been properly recorded.

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## BACKGROUND

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The Suffolk County Department of Public Works (Department) is responsible for the County's architectural, construction, transportation, highway design, sanitation, vector control, buildings and grounds maintenance and purchasing needs. The Department is comprised of twelve major divisions:

- Administration, Finance and Support Services
- Building Operation, Maintenance, Custodial and Security Services
- Buildings Design and Construction
- Facilities Engineering
- Sanitation Operation, Maintenance and Engineering
- Highway and Grounds Maintenance
- Highways, Structures and Waterways Engineering
- Fleet Services
- Vector Control
- Transportation
- Purchasing
- Payroll and Personnel

Each of the above mentioned divisions has its own procedures for recording employee attendance. Daily attendance is recorded by: daily sign-in sheets or logs, Outlook calendars, wall calendars, bi-weekly daily attendance schedules, daily attendance logs and summaries of daily attendance logs.

Management employees (Bargaining Unit 21) work a 37 ½ hour workweek their first year and then revert to a 35 hour workweek. Suffolk County AME employees (Bargaining Unit 2 and Bargaining Unit 6) hired after September 3, 2001 work either a 37 ½ or 40 hour workweek their first year and then revert to a 35 or 37 ½ hour workweek, respectively, in accordance with the provisions contained in the Suffolk County AME Contract.

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## SCOPE AND METHODOLOGY

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- Reviewed relevant Suffolk County Laws, Resolutions, All Department Head Memorandums, Payroll Memorandums, the Suffolk County AME contract and the Department's Payroll Policies and Procedures.
- Conducted interviews of Department personnel as deemed necessary to obtain an understanding of the procedures used to record and process employee time sheets.
- Obtained a crystal report from the Comptroller's Payroll Division of all Department personnel who worked from January 1, 2010 through June 30, 2011. Using the crystal report we randomly selected eleven employees and judgmentally selected an additional ten employees for testing.
- Performed testing procedures as deemed necessary for all time and accrual sheets submitted by the above referenced twenty-one employees from January 1, 2010 through June 30, 2011 in order to accomplish our audit objectives.
- Performed testing procedures as deemed necessary for all time and accrual sheets submitted by five randomly selected temporary employees and all part-time employees during the audit period.
- Obtained a crystal report from the Comptroller's Payroll Division of all Department personnel who were docked from January 1, 2010 through June 30, 2011. Judgmentally selected the five highest docked employees and performed testing procedures as deemed necessary for all time and accrual sheets submitted by these employees from January 1, 2010 through June 30, 2011 in order to accomplish our audit objectives.
- Obtained a crystal report from the Comptroller's Payroll Division of all approved employee furloughs during the audit period and performed testing procedures as deemed necessary in order to accomplish our audit objectives.
- Interviewed appropriate County personnel in order to obtain an understanding of procedures followed when processing a Workers' Compensation case.
- Performed testing procedures as deemed necessary for five randomly selected workers' compensation cases to ensure that the Department submitted the required documentation to the Suffolk County Office of Insurance & Risk Management, and that the injured employee's time and accrual sheets for the period of injury were properly completed.
- Interviewed Departmental personnel who are responsible for monitoring employee sick leave usage in order to determine if the Department is complying with the provisions of the Sick Leave Management Program.

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## AUDIT FINDINGS

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*The Department did not maintain adequate attendance records for temporary employees.* Our audit testing revealed the following:

- The Sanitation Operation, Maintenance and Engineering Division's Maintenance Unit did not require temporary employees to sign in and out on the Unit's daily attendance log.
- The Bridge Operators Section of the Highway & Grounds Maintenance Division utilizes attendance sheets that do not indicate the arrival and departure time of the bridge operators. Therefore, the actual number of hours worked for the three Bridge Operators tested could not be determined. In addition, there were numerous instances in which: hours were recorded on the employee's time and accrual record, but the employee's name did not appear on the Bridge Operator Report; and hours were not recorded on the employee's time and accrual record, but the employee's name was on the Bridge Operator Report.
- Custodians from the Building Operation, Maintenance, Custodial and Security Services Division utilize attendance sheets that do not record actual hours worked, only employee absences.

*There were numerous instances in which we were unable to ensure the accuracy of employee hours worked and benefit hours utilized.* Our audit testing revealed the following:

- The Highway and Grounds Maintenance Division could not provide the 2010 wall calendar for the Administration Unit.
- The Highways, Structures and Waterways Engineering Division could not provide any attendance records for the Bridges, Structures and Waterways Unit.
- There were numerous instances in which two employees in the Fleet Maintenance Division either did not sign in or out in the daily attendance logbook.

***Two of the Highways, Structures and Waterways Engineering Division's Units do not have an adequate system of internal controls in place relative to the processing of employee time and accrual records.*** Each of the eight Units within the Highways, Structures and Waterways Engineering Division has its own procedures for recording employee attendance. Daily attendance is recorded by: daily assignment logs, biweekly attendance logs and Outlook or hard copy calendars. However, our audit revealed the following internal control weaknesses:

- The Traffic Engineering Unit did not maintain adequate documentation supporting employee attendance during the audit period. The Unit requires each employee to email the Director, Assistant Director and Senior Engineer of the Unit for any absence or lateness; however, all emails are deleted after they are agreed to the employee's time and accrual record.
- The Bridges, Structures and Waterways Unit did not maintain adequate attendance records during the audit period. The Unit uses an Outlook calendar to record employee absences; however, the calendar is not always up to date.

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In addition to the significant findings identified above, our audit revealed the following additional opportunities to improve internal controls over payroll procedures:

***One employee's time and accrual records did not accurately reflect employee hours worked and benefit hours utilized during the audit period.*** Our audit testing revealed seven instances in which vacation leave hours were reported on the daily attendance sheets for the Division Head of the Buildings Operations, Maintenance, Custodial & Security Services Division, but the leave hours were not recorded on the employee's time & accrual records.

***The Department did not comply with the provisions of SOP A-17, "Overtime Authorizations".*** The Department does not use SCIN Form 17, "Overtime Authorization" as required by SOP A-17.

***Some of the Department's Divisions do not have adequate procedures in place to monitor sick leave usage and identify those employees who should be designated or relieved as Sick Leave Abusers and Chronic Sick Leave Abusers pursuant to the County's Sick Leave Management Program.*** Each Division is responsible for monitoring sick leave usage and reporting any suspected sick leave abusers to the Department's designated representative who will review the employee's attendance records to determine if they qualify under either program. However, our interviews revealed the following weaknesses:

- The Central Purchasing Division was not aware of their responsibility for monitoring sick leave usage; therefore, no monitoring of sick leave usage was being done during our audit period. The Division is now utilizing a spreadsheet to track sick leave usage.
- The Engineering, Bergen Laboratory, Industrial Waste Unit and Safety Sections of the Sanitation Engineering Division do not have formal monitoring or tracking procedures in place for monitoring sick leave usage.
- All of the Divisions were unable to provide any samples of schedules or logs used for monitoring sick leave usage. Without the use of a tracking schedule or log, it would be difficult to properly monitor sick leave usage during any rolling twelve month period as required by the County's Sick Leave Management Program.

***There were three instances in which accrued benefit hour balances were incorrectly calculated or recorded.*** Our audit testing revealed two instances in which accrued benefit hours were incorrectly carried forward to the employee's subsequent time and accrual record, and one instance in which the ending balance of accrued sick leave hours was incorrectly calculated.

***There was one instance in which accrued sick leave hours were not properly adjusted for a furloughed employee.*** The Department calculated the adjustment to the employee's accrued sick leave hours using an incorrect rate, resulting in the employee receiving .45 sick hours which were not earned.

***Employees did not always submit SCIN Form 49 (11/04) "application for leave slip" for the use of vacation and sick time.*** Our audit testing revealed that three of the twenty-one (14%) employees tested did not always submit an application for leave slip for the use of vacation and sick time. In addition, five of the application for leave slips submitted were not dated or approved by the supervisor, and one application for leave slip was not signed by the employee.

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## RECOMMENDATIONS

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- The Department should ensure that each Division maintains adequate documentation to support the hours worked by temporary employees. Attendance records should be compared to employee time and accrual records to ensure that the employee is properly paid.
- The Department should ensure that employee time and accrual records accurately reflect employee hours worked and benefit hours utilized.
- Each of the Department's Divisions should maintain adequate documentation to support hours worked and accrued hours taken for all employees. Properly completed attendance records should then be compared to the employee's time and accrual records to ensure that all hours worked have been properly recorded.
- The Department should comply with all of the provisions contained in SOP A-17, "Overtime Authorizations".
- All of the Department's Divisions should develop procedures that will allow them to monitor sick leave usage and identify those employees who should be designated or relieved as Sick Leave Abusers and Chronic Sick Leave Abusers pursuant to the County's Sick Leave Management Program.
- The Department should ensure that all accrued benefit hour balances are properly calculated and recorded.
- The Department should ensure that the correct accrual rate is used when calculating any adjustments to accrued leave hours and should adjust the accrued sick leave hours for this employee, accordingly.
- All employees should submit properly completed application for leave slips for the use of vacation, sick, personal and compensatory time. These slips should then be compared to the employee's time and accrual record to ensure that the use of all leave time was properly recorded.

## **APPENDICES**

## APPENDIX A

### COUNTY OF SUFFOLK



**STEVEN BELLONE**  
SUFFOLK COUNTY EXECUTIVE

DEPARTMENT OF PUBLIC WORKS

**PHILIP A. BERDOLT**  
DEPUTY COMMISSIONER

**GILBERT ANDERSON, P.E.**  
COMMISSIONER

**DARNELL TYSON, P.E.**  
DEPUTY COMMISSIONER

July 24, 2014

Office of the County Comptroller  
H. Lee Dennison Building  
100 Veterans Memorial Highway  
P.O. Box 6100  
Hauppauge, NY 11788-0099

Attention: Frank Bayer, CPA  
Executive Director of Audited Services

**RE: RESPONSE TO DRAFT AUDIT OF THE SUFFOLK COUNTY DEPARTMENT  
OF PUBLIC WORKS PAYROLL PROCEDURES FOR THE PERIOD -  
JANUARY 1, 2010 THROUGH JUNE 30, 2011**

Sir:

First off thank you for allowing an extension to respond to the referenced document. Upon receipt of the document, all Divisions were queried. Overwhelmingly, each Division advised that if any deficiencies were identified for this period, corrections and procedures to ensure adequate payroll and time documentation are in place.

The most effective tracking method the Department has begun to use is computerized time sheets. By utilizing our new time sheets we can monitor and correct errors more efficiently. Each Division required all employees to track time through this process and employees who work at remote locations are monitored for start and end times daily.

In addition to this, additional checks are in place, such as the use of wall calendars, to monitor vacation and sick time on a daily basis. All of these additional methods of tracking will be stored for the requisite period in accordance with County SOP.

Because each Division uses individual time tracking methods, I have not provided that level of detail to respond to each finding noted in your report. However, I would welcome a meeting to go over each item separately, if need be.

**SUFFOLK COUNTY IS AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER**

335 YAPHANK AVENUE

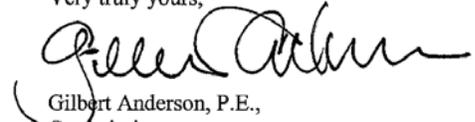
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July 24, 2014  
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In conclusion the Department of Public Works appreciates the recommendations within the report and feels that we now maintain the required documentation to ensure proper oversight of employee time and benefits. If you have any further questions or concerns on these matters, please contact the undersigned.

Very truly yours,



Gilbert Anderson, P.E.,  
Commissioner

GA/bd

cc: Dennis Cohen, Chief Deputy County Executive  
Hon. Joseph Sawacki, Jr., County Comptroller  
Christina Capobianco, Chief Deputy Comptroller  
Joseph Pecorella, Investigative Auditor  
Joanne Minieri, Deputy County Executive  
Philip Berdolt, Deputy Commissioner  
Darnell Tyson, Deputy Commissioner

**APPENDIX B**

**Exit Conference Report**

**Auditee: Suffolk County Department of Public Works**

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The Department did not request an exit conference, but did submit a written response to the audit report (Appendix A, p. 9). In its response the Department concurred with the audit findings and has taken corrective action in response to our audit. Therefore, no modification of the audit report is warranted.

We extend our gratitude to the personnel at the Department of Public Works for their cooperation during the audit and for taking corrective action to address the deficiencies identified in our report.