



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

**John M. Kennedy, Jr.
Comptroller**

An Audit of the
Suffolk County Department of Fire, Rescue and Emergency Services
Payroll Procedures
For the Period
January 1, 2014 through March 31, 2015

**Report No.: 2016-04
Date Issued: August 30, 2016**

**SUFFOLK COUNTY
OFFICE OF THE COMPTROLLER**

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LETTER OF TRANSMITTAL

July 8, 2016

Mr. Joseph Williams, Commissioner
Department of Fire, Rescue & Emergency Services
P.O. Box 127
30 East Avenue
Yaphank, NY 11980

Dear Commissioner Williams:

In accordance with the authority vested in the County Comptroller by Article V of the Suffolk County Charter, a performance audit was conducted for the period January 1, 2014 through March 31, 2015, of the Department of Fire, Rescue and Emergency Services (the Department), to follow up on prior audit (Report No. 2014-02) findings and verify if the Department has implemented the Comptroller's recommendations outlined in the report. As a result of our audit testing, the audit period was expanded to include the period January 1, 2012 through June 30, 2015, for limited testing.

The objectives of our audit were as follows:

- To determine if the Department corrected employee accruals that were calculated improperly on their time and accrual records.
- To determine if the Department corrected amounts overpaid and underpaid to several employees by performing proper adjustments to their gross wages.
- To determine if the Department's employee time and accrual sheets were properly processed in accordance with applicable contracts, SOP's, MOA's, Directives of the Office of Labor Relations and related payroll documentation.
- To determine if the Department's time and accrual sheets accurately reflected employee hours worked and benefit hours accrued and utilized during the audit period.

- To review the Department's current payroll procedures in order to determine if it has adequate procedures in place to record, process and properly claim payroll expenses to the County.

We conducted our audit in accordance with generally accepted government auditing standards, except for the external peer review requirement. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions, based on our audit objectives. Further, these standards require that we understand the internal control structure of the Department and the compliance requirements stated in laws and regulations that are significant to our audit objective.

An audit includes examining, on a test basis, evidence supporting the transactions recorded in the accounting and operating records, and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that our audit provides a reasonable basis for our findings and recommendations.

Respectfully submitted,

Office of the County Comptroller
Division of Auditing Services

EXECUTIVE SUMMARY

Introduction:

The Suffolk County Comptroller's Office has reviewed the payroll procedures of the Suffolk County Department of Fire, Rescue and Emergency Services (Department) for the period January 1, 2014 through March 31, 2015.

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, SOP's, MOA's, Directives of the Office of Labor Relations and related payroll documentation; to determine if the Department's time and accrual sheets accurately reflected 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.

Findings with an asterisk (*) were also noted in our prior audit Report No. 2014-02, issued February 28, 2014.

Summary of Findings

Operating Efficiency:

- The Department had insufficient internal control procedures to ensure that all Emergency Service Dispatchers (ESD's) accounted for 248 work days per calendar year as contractually required. As a result, the vast majority of ESD's failed to fulfill their required annual number of work days from January 2012 through December 2014, and for retirees through August 2015, which resulted in a total shortage of 484 work days; that equated to an overpayment of \$114,277 to employees. (p.9)
- Inadequate internal controls related to the scheduling of ESD work days from January 2012 through December 2014, resulted in increased payroll costs to the County of up to \$301,868. (p.10)
- The Department uses ESD's to perform clerical functions, resulting in increased payroll costs to the County totaling up to \$432,636. (p.10)
- Overtime earned in the Department's Communications Division had significantly increased under the management of the current supervisor, when compared to the prior supervisor, without any significant change in personnel. We noted that the average monthly overtime of each ESD rose 142% from \$732 to \$1,774 per month, while the supervisor's average monthly overtime increased 338% from \$1,250 to \$5,474 per month. (p.10)

- The Communications Division had a substantial amount of overtime distributed to their ESD's (84%) when compared to the Department as a whole. (p.17)
- For five years, 2010 to 2014, one employee dominated overtime earnings totaling \$405,488 during this period, and just prior to his retirement in 2015. We question whether an employee working substantial overtime hours remains competent to perform public safety responsibilities. (p.17)
- *The Department failed to comply with SOP A-17 requiring written justification be sent to the Chief Deputy County Executive for employees receiving overtime in excess of 50% of their salary. (p.17)

Internal Controls and Compliance:

- The Department has not complied with all the recommendations of the prior audit Report No. 2014-02. (p.17)
- The Department's payroll representative did not properly calculate the gross wages for several employees who were on extended sick leave and receiving half pay, resulting in an overpayment to the employees totaling \$2,629. (p. 18)
- The Department's payroll representative made numerous errors in processing one employee's time and accruals when the employee used cancer pool accruals, disability pay and half pay during the audit period. This resulted in overpayments to the employee totaling \$1,394 and overstated accruals as well. (p. 18)
- The Department's payroll representative did not properly calculate the gross wages for one employee who was docked the day prior to a holiday, resulting in an overpayment to the employee of \$602 (p.18)
- Employee gross wages for pay periods in which overtime had occurred were not always calculated properly. (p. 18)
- *The Department's payroll representative did not always properly compute the number of docked "lock in lunch" hours, resulting in employee gross wages that were improperly calculated. (p.19)
- *Department personnel did not always reconcile time and accrual records and overtime authorizations. (p.19)
- *There were numerous instances in which employee time and accrual records did not accurately reflect the employee hours worked, and benefit hours utilized, during the audit period. (p.19)
- *Accruals were not always properly adjusted for employees who were on docked payroll. (p.20)

- *There were several instances in which employees failed to complete the required SCIN Form 17 when incurring overtime as required by Suffolk County Standard Operating Procedure A-17. (p.20)
- *There were several instances in which employee time and accrual records, overtime authorizations and applications for leave forms were not properly approved or could not be provided. (p.20)
- The Deputy Commissioner did not properly verify the attendance of employees that reported directly to him prior to approving their time sheets. (p.21)
- Computerized employee time sheets have a deficiency in that they were not fully formula protected. (p.21)
- The Department's Payroll Division used pay schedules for ESD's that are not listed in the AME contract. (p.21)
- The Department was non-compliant with the Memorandum of Agreement between Suffolk County & the Department as it pertained to "Swaps/Mutuals" for the ESD's. (p.21)

BACKGROUND

The Suffolk County Department of Fire, Rescue and Emergency Services (Department) is responsible for the preservation of life and protection of property from fire, the sustaining of life in medical emergencies, and the protection of public safety during natural and man-made disasters. The Department is comprised of five divisions:

- Administration
- Fire Marshal's Office
- Fire Rescue Communications Center
- Office of Emergency Management
- Emergency Support Services

Attendance is recorded on an exception basis by using either Outlook calendars or hard copy calendars to record any accruals that employees may have used. Each division is required to submit their time & accrual sheets, with all supporting slips, documentation and required signatures every four weeks. All time sheets are approved by the employee's direct supervisor, and then by the Deputy Commissioner, prior to being forwarded to payroll personnel to verify attendance and mathematical accuracy.

For employees in the Communications Division, verification of attendance and time & accrual accuracy are the responsibility of the division's clerk. The Communications Division, which operates 24 hours a day, seven days a week, utilizes rotating shifts with an annual rolling calendar for each employee. Daily attendance records are maintained by the division in a computerized Excel calendar which details the shift worked, any accruals used and any overtime worked. Personnel in this unit are 37.50 hour employees. However, since these employees do not leave their work station for meal breaks and have a "lock in lunch", they receive an additional 2.50 hours of pay each week.

Management employees (Bargaining Unit 21) work a 37.50 hour workweek their first year and then revert to a 35 hour workweek; these employees normally work a flexible workweek to allow for their attendance at evening meetings. Suffolk County AME employees (Bargaining Unit 2 and Bargaining Unit 6) hired after September 3, 2001, work either a 37.50 or 40 hour workweek their first year and then revert to a 35 or 37.50 hour workweek, respectively, in accordance with the provisions contained in the Suffolk County AME Contract.

SCOPE AND METHODOLOGY

We conducted a performance audit of the Department for the period January 1, 2014 through March 31, 2015. In order to accomplish the objectives as stated in the Letter of Transmittal (p. 1), we performed the following procedures:

- Reviewed relevant Suffolk County Laws, Resolutions, Standard Operating Procedures (SOP's), All Department Head Memorandums, Memorandums of Agreement (MOA's), Payroll Memorandums, the Suffolk County AME contract, the Department's Payroll Policies, and Standard Operating Guidelines (SOG's).
- Conducted interviews with Department personnel as deemed necessary to obtain an understanding of the procedures used to record and process employee time sheets.
- Interviewed Department personnel who were responsible for monitoring employee sick leave usage in order to determine if the Department was complying with the provisions of the Sick Leave Management Program.
- Obtained crystal reports from the Comptroller's Payroll Division of all Department personnel who worked from January 1, 2014 through March 31, 2015. Using the crystal report, we randomly selected ten employees and judgmentally selected an additional seven employees for testing.
- Performed testing procedures as deemed necessary for all time and accrual sheets submitted by the above referenced seventeen employees from January 1, 2014 through March 31, 2015, in order to accomplish our audit objectives. As a result of our findings, we expanded testing to include 2012 through 2014, for all Emergency Service Dispatchers.
- Randomly selected three [38%] part-time employees and performed testing procedures as deemed necessary for all time and accrual sheets submitted during the audit period.
- Utilizing the crystal report from the Comptroller's Payroll Division, we isolated all personnel with docked payroll and their corresponding data. Judgmentally selected the seven employees with the highest docked payroll during the audit period. Performed testing procedures as deemed necessary in order to accomplish our audit objectives.
- Utilizing the crystal report from the Comptroller's Payroll Division, we judgmentally selected the eight employees with the highest overtime payroll during the audit period. Performed testing procedures as deemed necessary in order to accomplish our audit objectives.

- Obtained crystal reports from the Comptroller's IFMS Unit of all Department travel and meal expenses during January 1, 2014 through March 31, 2015. Using the crystal report, we randomly selected twenty-five meal expenses and judgmentally selected seven (100%) travel expenses and performed testing procedures as deemed necessary.
- Utilizing the crystal reports from the Comptroller's Payroll Division, we performed multiple analyses as follows:
 1. Analysis to determine the increased cost to the County associated with an ESD performing clerical/administrative functions.
 2. Analyzed the overtime costs in the Communications Division associated with providing 458 days of coverage as a result of ESD's not performing their required number of annual work days.
 3. Evaluated the overtime pattern of the entire Department and its divisions for the years 2010 through 2014, and compared the Communications Division overtime cost to the entire Department.
 4. Analyzed and compared overtime incurred by the Communications Division under the former supervisor to the overtime incurred under the current supervisor.
 5. Analyzed the top five overtime earners within the Department for the years 2010-2014, to determine if overtime was consistently assigned to particular employees.
 6. Analyzed the overtime of the five ESD's who retired in 2015 over the five year period leading up their retirement to determine whether the ESD's were performing excessive overtime to spike their pension benefits prior to retirement.

AUDIT FINDINGS

Operating Efficiency – As a result of our audit of the Department of Fire, Rescue and Emergency Services for the period January 1, 2014 through March 31, 2015, and the significance of the findings pertaining to the Communications Division, we performed several analyses that disclosed questionable management practices and unnecessary increases in payroll costs related to an exorbitant amount of overtime in the Communications Division as follows:

Findings with an asterisk (*) were also noted in our prior Audit Report No. 2014-02, issued February 28, 2014

The Department had insufficient internal control procedures to ensure that all Emergency Service Dispatchers (ESD's) were accounting for 248 work days per calendar year as contractually required. As a result, the vast majority of ESD's failed to fulfill their required annual number of work days from January 2012 through December 2014, and for retirees through August of 2015, which resulted in a total shortage of 484 work days; that equated to an overpayment of \$114,277 to employees. The Department failed to comply with a Memorandum of Agreement pertaining to dispatcher work schedules. The Memorandum of Agreement specifically states, "The chart maintains a current work schedule of 248 work days through a schedule of 242 work days reflected on the chart and 6 days to be scheduled by the Department prior to January 15th of each year." Our interviews with the Communications Division supervisor, and the clerical employee assigned the responsibility of the division's attendance and accuracy of time and accruals, were unable to provide the annual number of work days that are required by every dispatcher or a method by which each dispatcher is tracked to ensure compliance with the Memorandum of Agreement. In addition, upon inquiry with the Department's Administrator I, it was disclosed that the dispatchers were never scheduled to work their "chart/X" days in 2014. Furthermore, interviews with the dispatchers also revealed that they could not recall their last completed chart/X day.

- Testing of 2014 time records revealed forty-eight (98%) of the forty-nine dispatchers did not meet the required number of work days. Our review revealed forty-eight employees who did not meet the requirement resulting in a total shortage of 201.52 days, translating to a monetary value of \$47,653.22 of salary expense for which the County received no benefit through employee work hours.
- Testing of 2013 time records revealed forty-eight [98%] of the forty-nine dispatchers did not meet the required number of work days. Our review revealed forty-eight employees who did not meet the requirement, resulting in a total shortage of 217.52 days, translating to a monetary value of \$50,666.95 of salary expense for which the County received no benefit through employee work hours.
- Testing of 2012 time records revealed twenty-five (58%) of the forty-three dispatchers did not meet the required number of work days, while eighteen employees met the requirement, five of whom exceeded the number of days by 10.83, resulting in an underpayment to the employees of \$3,750.89. However, the

twenty-five employees who did not meet the requirement resulted in a total shortage of 53.97 days, translating to a monetary value of \$13,182.71 of salary expense for which the County received no benefit through employee work hours.

- Lastly, during the performance of this audit, five employees retired and therefore were tested as well. Testing of the 2015 time records for the five retirees revealed all [100%] five dispatchers did not meet the required number of work days resulting in a total shortage of 10.85 days, translating to a monetary value of \$2,773.63 of salary expense for which the County received no benefit through employee work hours.

Inadequate internal controls related to the scheduling of ESD work days from January 2012 through December 2014, resulted in increased payroll costs to the County of up to \$301,868. ESD's were paid for 462 days which were not scheduled or worked, resulting in an overpayment to employees of \$107,752 over a three year period. In addition, as a result of the inadequate controls related to this issue, overtime was incurred to cover the 458 days not worked at an overtime cost of \$108,289 to \$194,116. Employees were required to account for 248 work days annually. Due to the unique nature of the ESD's method of scheduling, they fall short of this requirement. As a result, it was necessary that the ESD's make up this shortage through "Chart/X/training" days as documented in the MOA dated April 14, 2005. However, it was found that the majority of ESD's did not work any additional days to make up their shortage and therefore, these days were covered by personnel receiving overtime.

The Department uses ESD's to perform clerical functions resulting in increased payroll costs to the County totaling up to \$432,636. The Communications Division had dispatcher's working out of title by requiring them to perform clerical or administrative responsibilities Monday through Friday. Presently, an ESD II supervisor grade 17/step 12 is assigned the clerical functions of the Communications Division and receives overtime when covering a shift in the radio room. In addition, the ESD II works a 40-hour week earning lock-in lunch pay and 6% rotating shift differential even though the clerical duties require only a 35-hour a week daytime employee. Furthermore, it was revealed that although the previous clerk, a grade 12/step 9, performed the secretarial functions by herself, her replacement is aided by fellow ESD's.

Overtime earned in the Department's Communications Division significantly increased under the management of the current supervisor when compared to the prior supervisor, without any significant change in personnel (Figure 5). We noted that the average monthly overtime of each ESD rose 142% from \$732 to \$1,774 per month (Figure 1 & Figure 3); while the supervisor's average monthly overtime increased 338% from \$1,250 to 5,474 per month (Figure 1 & Figure 4). At the request of the FRES Commissioner, we analyzed overtime between the prior supervisor and the current supervisor by adjusting the overtime amounts for contractual raises during the period [2011- 2% & 2012- 2%]. It should be noted that even after adjusting the overtime amounts, the average monthly overtime for both the current supervisor and ESD's still rose significantly. For each ESD it rose 131% from \$732 to \$1,693 per month while the supervisors monthly overtime increased 325% from \$1,250 to 5,306 per month (Figure 2). Based on our analyses of the Department's overtime, we

determined that although the number of personnel in the Communications Division did not notably differ (Figure 5), overtime rose consistently and considerably each year under the direction of the current supervisor.

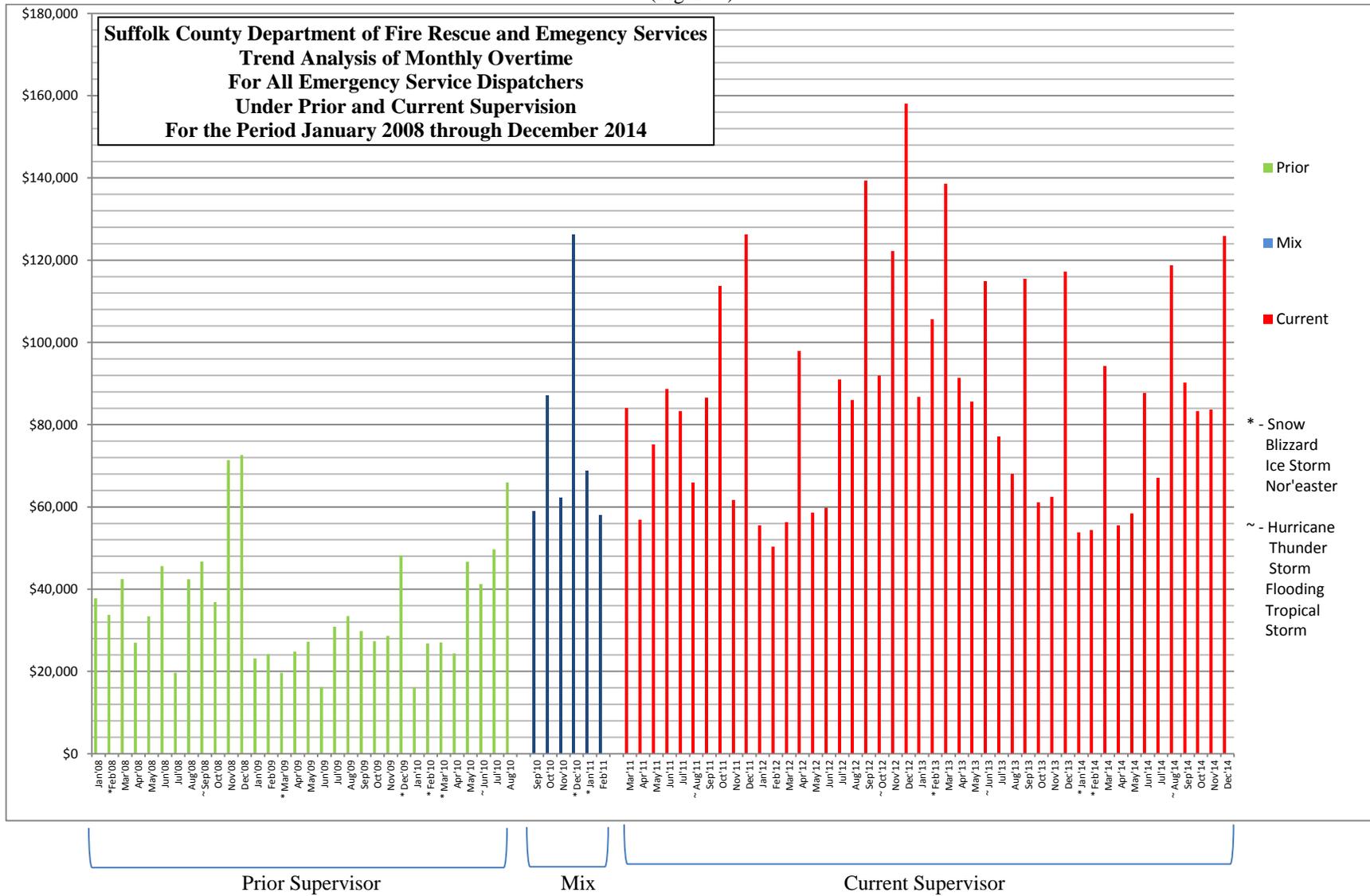
(Figure 1)
 Suffolk County Fire Rescue & Emergency Services Department
 Summary of ESD Overtime and Supervisory Overtime
 For the Period 2008-2014

| | | Prior Supervisor (32 Months) | Current Supervisor (46 Months) | % Increase/ (decrease) |
|------------------------------------------------|--|------------------------------------|--------------------------------------|------------------------------|
| SUPERVISOR ONLY | | | | |
| Total Overtime - Supervisor Only | | \$39,990 | \$251,810 | 530% |
| Total Months | | 32 | 46 | |
| Avg Supervisor OT Per Month | | \$1,250 | \$5,474 | 338% |
| ESD's ONLY | | | | |
| Total Overtime - ESD's Only | | \$1,101,241 | \$3,754,175 | 241% |
| Avg Number of ESD's Only | | 47 | 46 | |
| Avg OT Per ESD in the Supervisor's Time Period | | \$23,431 | \$81,612 | 248% |
| Total Months in the Supervisors Time Period | | 32 | 46 | |
| Avg ESD OT Per Month | | \$732 | \$1,774 | 142% |
| SUPERVISOR & ALL ESD's | | | | |
| Total Overtime - All ESD's + Supervisor | | \$1,141,232 | \$4,005,985 | 251% |
| Avg No. of ESD's + Supervisor | | 48 | 47 | -2% |
| Avg. OT Per ESD + Supervisor | | \$23,776 | \$85,234 | 258% |
| Total Months | | 32 | 46 | |
| Avg OT per ESD's + Supervisor Per Month | | \$743 | \$1,853 | 149% |

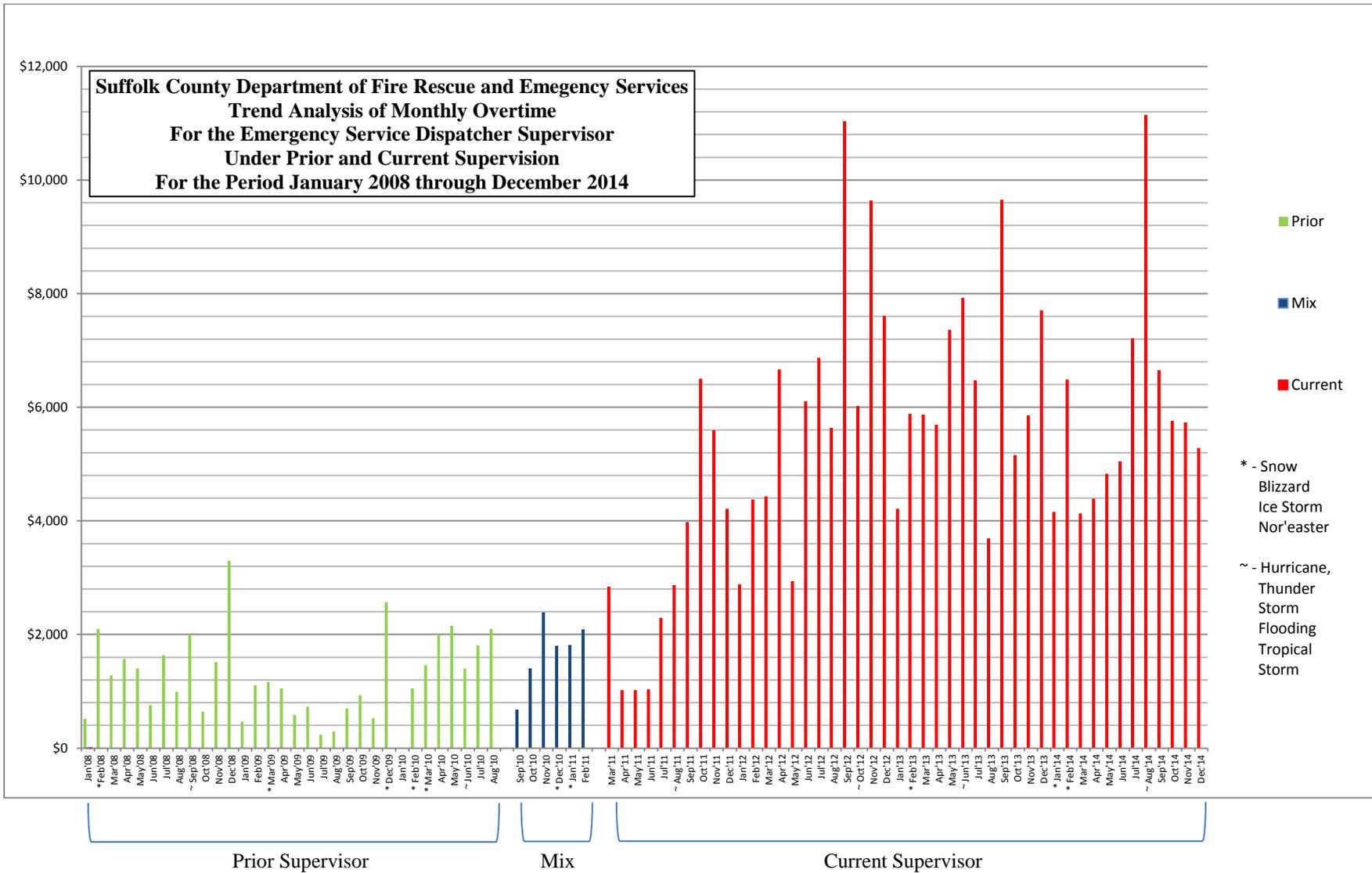
(Figure 2)
 Suffolk County Fire Rescue & Emergency Services Department
 Summary of Adjusted ESD Overtime and Supervisory Overtime
 For the Period 2008-2014

| | Prior Supervisor (32 Months) | Current Supervisor (46 Months) | % Increase/ (decrease) |
|------------------------------------------------|------------------------------------|--------------------------------------|------------------------------|
| SUPERVISOR ONLY | | | |
| Total Overtime - Supervisor Only | \$39,990 | \$244,061 | 510% |
| Total Months | 32 | 46 | |
| Avg Supervisor OT Per Month | \$1,250 | \$5,306 | 325% |
| ESD's ONLY | | | |
| Total Overtime - ESD's Only | \$1,101,241 | \$3,581,342 | 225% |
| Avg Number of ESD's Only | 47 | 46 | |
| Avg OT Per ESD in the Supervisor's Time Period | \$23,431 | \$77,855 | 232% |
| Total Months in the Supervisor's Time Period | 32 | 46 | |
| Avg ESD OT Per Month | \$732 | \$1,693 | 131% |
| SUPERVISOR & ALL ESD's | | | |
| Total Overtime - All ESD's + Supervisor | \$1,141,232 | \$3,825,403 | 235% |
| Avg No. of ESD's + Supervisor | 48 | 47 | -2% |
| Avg. OT Per ESD + Supervisor | \$23,776 | \$81,392 | 242% |
| Total Months | 32 | 46 | |
| Avg OT per ESD's + Supervisor Per Month | \$743 | \$1,769 | 138% |

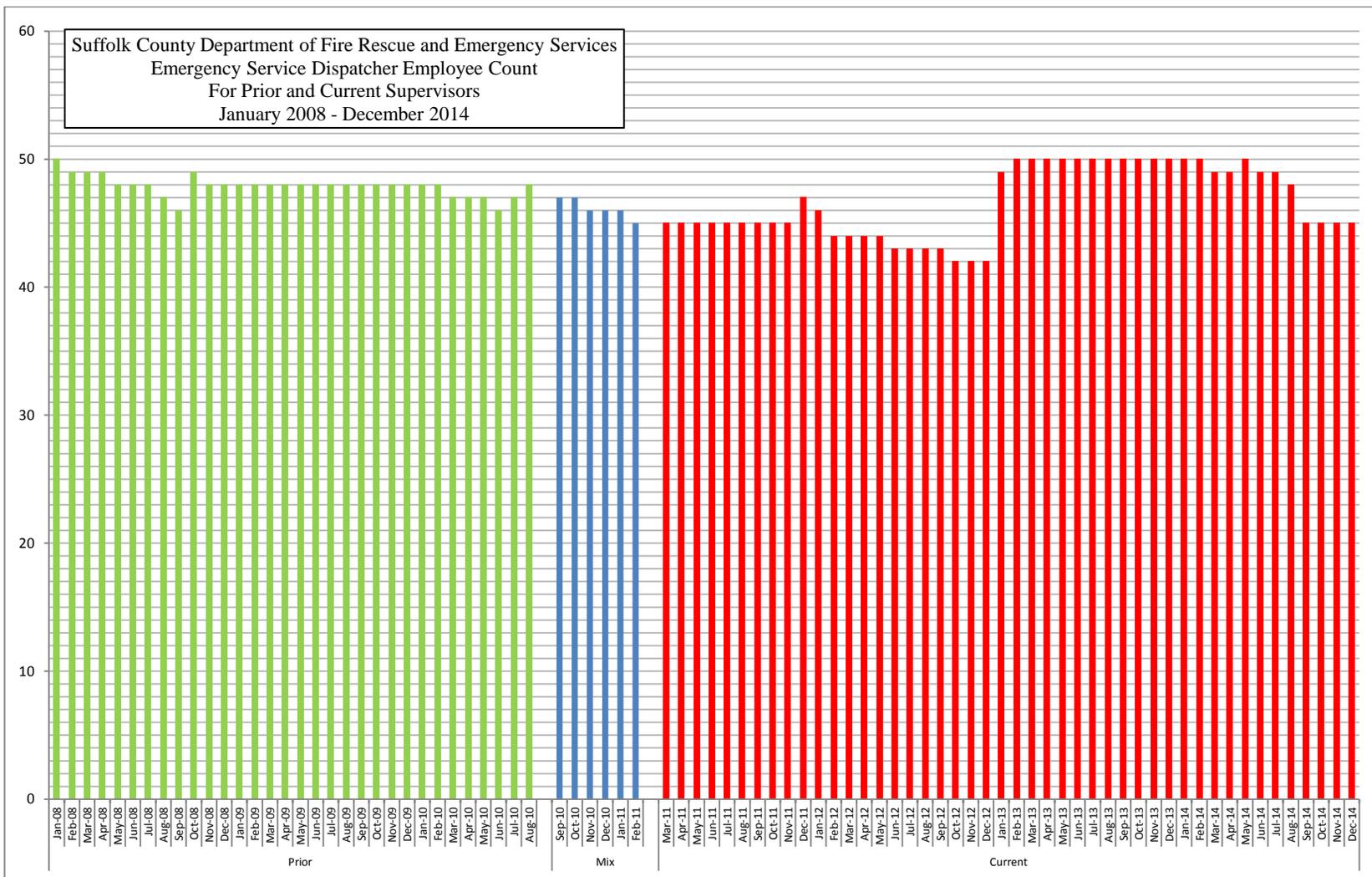
(Figure 3)



(Figure 4)



(Figure 5)



The Communications Division had a substantial amount of overtime distributed to their ESD's (84%) when compared to the Department as a whole. For the five years, 2010 to 2014, the Department spent an aggregate of \$5,769,028 on 115,759 hours of overtime, of which, \$4,818,806 from 98,346 hours of overtime was attributed to the Communications Division. Furthermore, according to the County budgets, Fire, Rescue and Emergency Services approved overtime for all five years totaled \$2,669,500. However, overtime spending exceeded the budgeted amount by \$3,099,528 or 116%.

For five years, 2010 to 2014, one employee dominated overtime earnings totaling \$405,488 during this period and just prior to his retirement in 2015. We question whether an employee working substantial overtime hours remained competent to perform public safety responsibilities Our analysis revealed that this individual had a steady and significant rise in overtime each year that increased as much as 113% over the five years; making him the highest overtime earner within the Department. In addition, it is necessary to make special note of this employee's exceptionally high number of overtime hours due to the nature of his job. ESD's are essential personnel that have the responsibility for the preservation of life and protection of property during a crisis and/or emergency situation. Based on our review of this employee's payroll during calendar year 2014, it was revealed that the employee worked 2,094.50 overtime hours. To put this in perspective, the employee's total overtime hours exceeded the total number of normal required work hours in a full year of 1,950 (37.50 hrs. x 52 weeks). In essence, this employee was literally working two full-time jobs. It is questionable whether an employee is still competent to perform public safety duties under these conditions, while also exposing the County to an increased liability risk.

**** The Department failed to comply with SOP A-17 requiring written justification be sent to the Chief Deputy County Executive for employees receiving overtime in excess of 50% of their salary.*** SOP-A17 specifically states, "If an employee receives overtime in excess of 50% of his/her salary or is expected to exceed that amount based on current usage, the Department Head shall send written justification to the Chief Deputy County Executive immediately." Eight employees had met this criterion and tested, however the Department could not provide any evidence that written justification was sent to the Chief Deputy County Executive for any of the employees.

Internal Controls and Compliance: As a result of our audit of the Department of Fire, Rescue and Emergency Services for the period January 1, 2014 through March 31, 2015, we determined that due to insufficient internal controls, the Department was non-compliant with multiple required provisions as follows:

The Department has not complied with all the recommendations of the prior audit report (#2014-02). The prior audit found that the Department failed to pro-rate an employee's accruals (vacation 2.12 and sick 1.87), based on five days of docked payroll. Our recommendation in the audit report stated that the "Department should reduce the employee's accrued vacation and sick hours." However, upon our review, it was found that the department neglected to make these corrections.

The Department's payroll representative did not properly calculate the gross wages for several employees who were on extended sick leave and receiving half pay. This resulted in an overpayment to the employees totaling \$2,629.05 that was attributed to 88.50 hours of "lock in lunch" pay to which they were not entitled. It was found that while several employees were on an extended sick leave, they improperly received half pay based on their full salary which included a half an hour per day for "lock in lunch." If an employee is not present at work, they should not receive the additional "lock in lunch" pay.

The Department's payroll representative made numerous errors in processing one employee's time and accruals when the employee used cancer pool accruals, disability pay and half pay during the audit period. This resulted in overpayments to the employee totaling \$1,394.16 and overstated accruals of 41.58 vacation, 17.59 sick and 12.53 personal time. The overpayment and accrual errors were primarily the result of the following:

- There were three occurrences/pay periods in which the employee's docked leave without pay was improperly calculated, resulting in an overpayment to the employee of \$577.69.
- There were seven occurrences/pay periods, where the employee was out sick (on combined half-pay, cancer pool accruals and disability), yet he was improperly paid for "lock in lunches" by receiving his full salary. This resulted in an overpayment to the employee of \$816.47.
- There were a significant number of occurrences in which the employee was inadvertently earning accruals while using cancer pool accruals. This resulted in an overstatement of employee accruals as follows: (41.58) VT, (17.59) ST and (12.53) PT [monetary value \$2,209.08].

The Department's payroll representative did not properly calculate the gross wages for one employee who was docked the day prior to a holiday, resulting in an overpayment to the employee of \$602.25. According to a memorandum from Labor Relations dated 4/3/1992, Re: Holidays/Dockings, "An employee who is off the payroll prior to a holiday is not entitled to be paid for the holiday...This holds true if the employee is docked or otherwise off the payroll for a portion of the day prior to a holiday."

- One employee was docked on two occasions, one of which was the day before a holiday. Therefore, a monetary adjustment was required for the holiday in which the employee was compensated twice; once in her recurring paycheck and another in a "special holiday" payroll. As a result, the employee was overpaid \$602.25.

Employee gross wages for pay periods in which overtime had occurred were not always calculated properly. Our audit testing revealed total overpayments of \$337.20 and total underpayment of \$429.20 to employees as follows:

- There was one instance in which an employee was paid twice for the same period of overtime resulting in an overpayment to the employee of \$337.20.

- In another instance, numerous time records indicated that an employee worked 33 hours of overtime in one week; however, he was only paid for 32 hours. It appears the employee may have neglected to include recall travel time of half an hour each way on one day in which overtime occurred. Therefore, it appears the employee was underpaid \$49.85.
- For another employee, nine hours of overtime was confirmed or documented on numerous time records, however, these hours were not recorded on the employee's weekly overtime authorization sheet and the employee was not compensated. As a result, it appears the employee was underpaid \$379.35.

**** The Department's payroll representative did not always properly compute the number of docked "lock in lunch" hours resulting in employee gross wages that were improperly calculated. Our audit testing of four of the seven (57%) employees selected from the docked payroll crystal report revealed total overpayments of \$33.74 and total underpayments of \$61.63 to employees as follows:***

- Two employees should have been docked two hours for four "lock in lunches" not worked; however, the employees were only docked one and one half hours. These two errors resulted in a total overpayment of \$33.74; \$16.87 for each employee.
- One employee was incorrectly docked for one hour rather than a half hour for one "lock in lunch" not worked; resulting in an underpayment of \$15.41 to the employee.
- There were two more errors related to the processing of docks for one employee. First, the employee was incorrectly docked for 2.50 hours rather than 2 hours for four "lock in lunches" not worked. And second, the employee was incorrectly docked for 4 hours rather than 3 hours for six "lock in lunches" not worked. These two errors resulted in a total underpayment to the employee of \$46.22.

****Department personnel did not always reconcile time and accrual records and overtime authorizations. Our audit testing revealed the following:***

- There were ten instances involving two employees (five instances each), in which the overtime hours recorded on the time sheet did not agree with the overtime authorization form. Although, we were able to agree the overtime payments as per the overtime authorization sheets to the crystal report, we could not ascertain whether the employees were paid correctly.

****There were numerous instances in which employee time and accrual records did not accurately reflect employee hours worked and benefit hours utilized during the audit period. Our audit testing revealed the following:***

- There was one instance in which an additional four hours of personal time was incorrectly carried forward on an employee's time sheet, and on the employee's anniversary these hours were ultimately rolled into sick time. Therefore, the

employee's sick time accruals were overstated by four hours and must be adjusted accordingly.

- There were nine instances involving four employees in which the hours recorded on an employee's time and accrual record did not agree to the hours recorded on the Department attendance records.

****Accruals were not always properly adjusted for employees who were on docked payroll. Our audit testing of three of the seven (43%) employees selected from the docked payroll crystal report revealed the following:***

- There were two employees who were docked for unpaid leave after all accruals were exhausted; however, their newly earned accruals were never adjusted. Vacation, sick and personal accruals should have been reduced by .25 hours, .19 and .46 respectively.
- One employee was docked on two occasions on a single time sheet however, her accruals were not adjusted. In addition, one of the two occasions occurred the day before a paid holiday. According to a memorandum addressed to Nancy Hynes of Audit and Control's Payroll, from Jeffrey Tempera of Labor Relations, dated 4/3/1992 Re: Holidays/Dockings, "An employee who is off the payroll prior to a holiday is not entitled to be paid for the holiday...This holds true if the employee is docked or otherwise off the payroll for a portion of the day prior to a holiday". Therefore, further adjustments of the employee accruals were required and resulted in the employee's vacation accruals, sick accruals and personal accruals being overstated by 1.45 hours, .78 hour and .24 hours, respectively.

**** There were several instances in which employees failed to complete the required SCIN Form 17 when incurring overtime as required by Suffolk County Standard Operating Procedure A-17. SOP A-17 specifically states, "All County agencies must use SCIN Form 17, "Overtime Authorization". There were three instances in which several employees incurred overtime but did not complete a SCIN Form 17 "Overtime Authorization." We were therefore unable to ensure that the overtime hours were properly recorded on the employees' time and accrual sheets***

****There were several instances in which employee time and accrual records, overtime authorizations and application for leave forms were not properly approved or could not be provided. Our audit testing revealed the following:***

- There were three instances in which the department could not provide an "Application for Leave" slip (SCIN Form 49) for the use of an employee's accruals.
- Audit testing revealed eleven overtime authorizations for one employee that did not have the final approval of both the immediate supervisor and department head.

The Deputy Commissioner did not properly verify the attendance of employees that reported directly to him prior to approving their time sheets. The Deputy Commissioner did not maintain attendance records for employees and stated that he “verifies their attendance with his daily interaction with them.” However, since he claimed that he did not follow a traditional work schedule and was not consistently on the premises of the Department, it seemed impossible that he could verify the work hours of employees who report to him through daily interaction.

Computerized employee time sheets have a deficiency in that they are not fully formula protected. The Department uses computerized time and accrual sheets that are subject to calculation error. When we examined the integrity of the time sheets, we observed that they were not completely formula protected. We determined that the accrual section of the time sheet requires the employee to manually input their earned accruals, compute benefit hours used and calculate their ending accrual balances.

The Department’s Payroll Division used pay schedules for ESD’s that are not listed in the AME contract. For convenience, the Department created its own pay schedules for the ESD’s who work a schedule that does not correlate to the County approved pay schedules. Although we reasonably verified that these pay schedules were correct, the Department is required to use only County approved pay schedules that are included in the AME County contract.

The Department was non-compliant with the Memorandum of Agreement between Suffolk County & the Department as it pertained to “Swaps/Mutuals” for the ESD’s. The Memorandum of Agreement specifically states, “All personnel assigned to a steady night shift or two-tour rotating schedule may do swap/mutual changing limited to two (2) shifts in a work week” and “all requests must be time stamped, filled out clearly and completely on the proper forms.” Our audit testing revealed the following:

- Numerous instances in which thirteen of the forty-nine (27%) ESD’s utilized three or more swaps/mutuals within one work week.
- Numerous instances involving thirteen of the forty-nine (27%) ESD’s in which the request for "Change of Tour" authorization form could not be provided by the department for a swap/mutual.

CONCLUSION

Our audit of the Department of Fire Rescue and Emergency Service disclosed significant instances of inadequate internal controls, lack of adherence to SOP's, poor oversight relating to approvals of overtime and poor time and accrual recordkeeping. It is management's duty and responsibility to ensure that the Department and all its divisions conduct their operations in a responsible manner. However, it is evident that the findings presented in this report are the result of a severe lack of oversight by Department management and supervision of the Communications Division.

While all findings and recommendations contained in this report are considered significant and require corrective action, we believe the findings surrounding the scheduling of Emergency Service Dispatcher's required 248 work days, time and accrual recordkeeping and the astronomical amount of overtime and related costs in the Communications Division require immediate attention.

Furthermore, it was brought to our attention that the Emergency Service Dispatchers are harboring discontent with regard to management over the Communications Division and excessive overtime. In their opinion, a lack of adequate staffing exists in the Communications Division. Additionally, the constant use of dispatchers to perform administrative and clerical functions only causes a further shortage in personnel available for dispatching, resulting in increased mandatory overtime. It appears the current Communications Division supervisor is deliberately creating an environment requiring high overtime.

RECOMMENDATIONS

- We highly recommend management evaluate the overtime costs associated with the Communications Division and formulate cost saving measures through the implementation of more stringent policies and procedures. It is our recommendation that ESD's perform only 911 related responsibilities within the radio room and refrain from performing administrative functions or any non-related emergency dispatching duties; which ultimately caused a shortage in dispatchers on duty and created unnecessary overtime associated with providing proper coverage.
- The Department should comply with the provisions of SOP A-17 and immediately submit written justification to the Chief Deputy County Executive when an employee receives overtime in excess of 50% of his/her salary or is expected to exceed that amount based on current usage.
- The Department should comply with recommendations from the prior audit report and process the adjustments to the employee's vacation (2.12) and sick (1.87) time accruals.
- The numerous findings and significant deficiencies in the design and operation of the internal controls led to a lack of compliance with the County Contract, Memorandum of Agreements and Communications Bureau Standard Operating Guidelines. We highly recommend that the Department revisit these documents and formulate written procedures that include all requirements within these documents. The written policies and procedures should provide clear and concise guidelines to aid in compliance with the requirements as they pertain to attendance records maintained, to ensure that employee time and accrual records accurately reflect employee hours worked and benefit hours utilized. Furthermore, it is a necessity that the Communications Division develops and implements procedures to make certain that all employees are adhering to the required number of annual work days as stated in the MOA.
- At no time should the Department allow Emergency Service Dispatchers to deviate from the required number of annual work days as stated in the Memorandum of Agreement. The Department should ensure that the number of annual days and/or shifts worked by the Emergency Service Dispatchers is properly recorded and employee gross wages are properly calculated. The Department should process the appropriate adjustments to employee gross wages.
- The Department payroll representative should comply with all County payroll related directives as they pertain to an employee who receives cancer pool accruals, disability pay or half pay and make appropriate adjustments to the employee's earned accruals and properly compute their gross wages. The Department should process the appropriate adjustments to the employee's gross wages.

- The Department payroll representative should comply with all County payroll related directives as they pertain to an employee who is docked or otherwise off the payroll for a portion of the day prior to a holiday and ensure that their gross wages do not include compensation for that holiday. The Department should process the appropriate adjustment to the employee's gross wages.
- Since we were unable to determine whether an employee, who was recalled to work, was paid overtime correctly, it is recommended the time and accrual sheets include an additional column for recall travel time.
- The Department payroll representative should ensure that the number of hours an employee is docked is properly recorded and employee gross wages are properly calculated. The Department should process the appropriate adjustments to employee gross wages.
- The Department should properly pro-rate employee accruals after an employee has been on docked pay, and should appropriately reduce the accruals of employees accordingly. Furthermore the Department should consider whether employee counseling is warranted.
- SCIN Form 17 "Overtime Authorization" should be properly completed, approved and compared to the employee's time and accrual record to ensure that all overtime hours are properly reported and that gross wages are properly calculated. The Department should process the appropriate adjustments to employee gross wages.
- SCIN Form 49 "Application for Leave," should always be properly completed, approved and submitted for the use of vacation, personal, compensatory time and sick time. These slips should then be compared to the employee's time sheet to ensure that the use of all leave time is properly reported.
- Since the Deputy Commissioner claimed that he does not follow a traditional work schedule and is not on the premises of the Department on a consistent basis, an adequate system of internal controls to record the attendance of the employees that report directly to him should be implemented. In addition, adequate documentation should be maintained to support the hours worked and accrued hours taken for all employees.
- The Department should only use computerized time and accrual sheets with accurate formulas that are cell protected in all areas other than employee hours worked and benefit hours utilized, to ensure that the accrual portion of the time sheet cannot be subjected to inaccurate computations or manipulation.
- The Department should only use County approved pay schedules that are included in the AME County contract. If the Department finds that the County pay schedules do not properly reflect employee salaries and prefers to use the pay schedules created by the Department, they must seek approval from the County.

- The Department should ensure that each Emergency Service Dispatcher complies with the MOA and SOG as they pertain to a limit of two swaps/mutuals in a work week.

APPENDICES

APPENDIX A
COUNTY OF SUFFOLK



JOSEPH F. WILLIAMS
COMMISSIONER

JR. DONALD G. LYNCH
CHIEF FIRE MARSHAL

GREGORY C. MINIUTTI
CHIEF OF COMMUNICATIONS

JOHN G. JORDAN SR.
DEPUTY COMMISSIONER

EDWARD C. SCHNEYER
DIRECTOR OF EMERGENCY PREPAREDNESS

STEVEN BELLONE
COUNTY EXECUTIVE

JOEL VETTER
CHIEF OF SUPPORT SERVICES

DEPARTMENT OF FIRE, RESCUE AND EMERGENCY SERVICES

To: Hon. John Kennedy, S.C. Comptroller
From: Joseph Williams, Commissioner, FRES
Date: Aug. 08, 2016
Re: Draft Audit of the S.C. Department of Fire, Rescue and Emergency Services
Payroll Procedures

Thank you for evaluating the Department of Fire, Rescue and Emergency Services (FRES) payroll practices and for providing recommendations for improvement.

We have had the opportunity to review your draft audit findings and would like to address each one individually.

It is important to state at the outset, however, that many of the cost-drivers impacting this report are the result of decisions made to protect public safety.

In December, 2012, the Department increased minimum staffing of our dispatch center based on public safety. This decision was made in order to preserve response time in the face of call volume doubling over the past 10 years. This public safety driven decision created an additional 17 hours per week for the 78 weeks from 2013 through June, 2014 and an additional 21 hours per week for the 78 weeks from July, 2014 through December, 2015.

Shortly after the Department increased its minimum staffing to meet public safety needs, the Civil Service list expired for the ESD I title for a 7-month period, beginning in July, 2014. This left the Department unable to make new hires during that period and unable to assign probationary dispatchers to call-taking and dispatching duties for another seven months through completion of their training

Simply put, an increase in minimum staffing combined with an inability to hire and deploy new dispatchers for an extended period led to a predictable increase in overtime.

However, at the same time as the audit report details the costs of increased overtime, it makes no mention of offsetting savings and budget mitigation, including savings from unfilled ESD vacancies, the elimination of a senior clerk typist position,

APPENDIX A (Cont'd)

and reimbursements from FEMA and New York State under the federal Stafford Act. These savings alone add up to approximately \$677,619.

It is important for me to state in clear terms that management practices at FRES have been, and are, built around the needs of public safety for the residents of Suffolk County. We believe that the analysis of overtime expenditures must take into account the historic growth in emergency calls fielded by our dispatchers.

Our response will be framed to provide that essential perspective in order to view the use of overtime in proper context.

Response to Audit Findings:

Finding - Pg. 9

- (1) ***The Department had insufficient internal control procedures to ensure that all Emergency Service Dispatchers (ESD's) were accounting for 248 work days per calendar year as contractually required. As a result, the vast majority of ESD's failed to fulfill their required annual number of work days from January 2012 through December 2014, and for retirees through August of 2015, which resulted in a total shortage of 484 work days; that equated to an overpayment of \$114,277 to employees.***

Response:

Historically, rotation schedules for dispatchers in accordance with the AME bargaining agreement have led to a shortfall of a small number of work days throughout a year for dispatchers. To make up the difference, "X Days" (or "Chart Days" or "Training Days") have been scheduled for employees as work days to make up this shortfall.

We concur that "X-Days" were not always scheduled during the time period outlined in this audit. However, effective July 2015, the Department has instituted a new, written policy with respect to advance scheduling of these days for all ESDs to ensure that all required work days are scheduled

Finding - Pg. 10

- (2) ***Inadequate internal controls related to the scheduling of ESD work days from January 2012 through December 2014, resulted in increased payroll costs to the County of up to \$301,868.***

Response:

After reviewing the worksheet your office provided to support this conclusion, our response is as follows:

APPENDIX A (Cont'd)

- Your estimate of “increased payroll costs to the County” of “up to \$301,868” is flawed and based on inaccurate assumptions. The methodology included in the worksheet provided states, “Due to the shortage in required shifts, the necessary coverage for these days was ultimately paid at overtime rates.” This is false. Under the prior supervisor’s administration of “Training Days,” dispatchers who worked these days were assigned to training *outside* the 911 call center; thus there was no “increased payroll costs” related to overtime staffing of the call center as a result of the failure to schedule Training Days. As we state below in more detail, overtime rates were paid to dispatchers to meet minimum staffing requirements, made more difficult for 14 months of this period by the inability to fill vacancies and deploy new dispatchers due to the absence of a valid Civil Service hiring list.
- As stated previously, a new policy was implemented in July 2015 requiring advance scheduling of X-Days. Under the new policy ESDs assigned to work “X-Days” are given regular dispatching duties, and as such additional training costs (as incurred under the prior supervisor) are not incurred. Thus, for the first time since “X-Days” were instituted under the previous supervisor, their scheduling will be for the purpose of filling call-taking/dispatching tours.

Finding - Pg. 10

- (3) ***The Department uses ESDs to perform clerical functions resulting in increased payroll costs to the County totaling up to \$432,636.***

Response:

We believe this portrayal and cost estimate are fundamentally flawed and incorrect. Through July 2012, a senior clerk typist was assigned to Communications. The employee in this position, in fact, was assigned by the prior supervisor to take on supervisory roles on his behalf, including approval of shift swaps, scheduling changes, etc. Additionally, the senior clerk typist assigned to Communications performed substantial tasks for the Fire Marshal’s Office and tasks during emergencies for the Office of Emergency Management.

This position was eliminated during the 2012 workforce reduction and while some of the remaining clerical functions (Outlook scheduling, etc.) are performed by an ESD II, the ESD II performs supervisory functions and, unlike the prior Communications supervisor, does not assign supervisory tasks to non-supervisory personnel. We estimate that the reduction of this position and transfer of supervisory tasks back to supervisors has *saved* approximately \$281,768 over a three-year period by deducting salary and fringe benefit cost for the senior clerk typist position that has since been eliminated. Any clerical tasks performed by the ESD II position have simply been lesser-included tasks parallel to supervisory tasks.

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We understand that your auditors interviewed, on multiple occasions, the former Communications supervisor who retired six years ago – but did not seek an interview with the current supervisor or Commissioner who have insight into current operations. It must be emphasized that, following the elimination of the senior clerk typist position, ***no additional staff was hired to administer those tasks***. A greater understanding of staffing roles may have been achieved had the auditors conducted interviews with the current supervisor and management personnel while conducting this audit.

Finding – pg. 10

- (4) ***Overtime earned in the Department’s Communications Division significantly increased under the management of the current supervisor when compared to the prior supervisor, without any significant change in personnel (Figure 4). We noted that the average monthly overtime of each ESD rose 142% from \$732 to \$1,774 per month (Figure 1 & Figure 2); while the supervisor’s average monthly overtime increased 338% from \$1,250 to 5,474 per month (Figure 1 & Figure 3)***

Response:

- (4A) During our exit meeting, your staff indicated that these calculations did not factor in contractually mandated pay increases and step increases. As such, the calculations above are overstated in that they do not include “apples to apples” comparisons.

Additionally, please consider the following:

The Communications Division of the Department is charged with tasks including answering emergency 911 calls and assisting callers with step-by-step response; dispatching fire departments and ambulances; staffing the Department’s Mobile Command Units during remote emergencies; and overseeing the Departments Information Technology.

- (4B) The Communications Division is a 24/7/365 operation dedicated to public safety. Unlike other divisions within the Department (as well as many departments throughout the County), when dispatchers call in , or take vacation or personal leave time, their shifts must be filled from existing staff to maintain minimum staffing levels at all times. This backfilling leads to a significant amount of division overtime.
- (4C) This finding does not appear to take into consideration that in December 2012 minimum staffing was increased in order to protect public safety.¹

¹ Suffolk County Department of Fire, Rescue and Emergency Services Communications Bureau Standard Operating Guidelines, revised Dec. 20th, 2012, amended staffing levels for Midnight Tours Thursday through Saturday from 7

APPENDIX A (Cont'd)

- (4D) This directive was issued in response to material increases in call volume. To wit: Emergency call volume doubled from 2006 through 2015, from 181,984 emergency calls to 360,351, a 98% increase;
- (4E) Annual emergency calls from 2012 through 2015 increased from 282,132 to 360,351, a 28% increase²;
- (4F) During this period, several agencies migrated from PSAPS to FRES for initial dispatching of departments, including Nesconset Fire Department, St. James Fire Department, Jamesport Fire Department, and four departments redirected their calls to FRES for radio activation, including Kings Park, Selden, Holbrook and Ronkonkoma;

During this period, several agencies turned off their local, seven-digit emergency number in favor of FRES answering those calls because of the Department's 24/7 ESD staffing. Those departments included Commack Volunteer Ambulance Corps, Cold Spring Harbor Fire Department, Dix Hills Fire Department and Huntington Community First Aid Squad.

Furthermore while budgeted staffing levels have remained the same, we note that for the 7-month period beginning July 30, 2014, there was no valid Civil Service list for the ESD I title from which the Department could fill vacancies. Once a valid Civil Service list became available, the process of hiring and training new dispatchers for ESD scheduling took approximately an additional 7 months. Details of the issues with the Civil Service list and its impact on the hiring of dispatches were discussed in open session with the Public Safety Committee of the Suffolk County Legislature on May 7, 2015, concurrent with this audit.

During this time, Communications worked with an average deficit of four dispatchers per month, while, at one point a deficit of 7 dispatchers occurred. (Note: ESD I staffing numbers include newly hired dispatchers who, during training, are salaried but do not answer emergency calls. Thus, the deficit of "call takers" and those actively dispatching was actually greater at times than the total number of ESD I staff.)

- (4G) Beyond increased call volume and the absence of a valid Civil Service list, the volume of emergency events increased during this period due to historic events, including: the Manorville-Ridge wildfires (2012); Superstorm Sandy (2012),

dispatchers to 8 dispatchers; staffing for all Day Tours was revised from 8 dispatchers to 9 dispatchers; and staffing for all Afternoon Tours was revised from 8 dispatchers to 9 dispatchers. Additionally, from July 23rd, 2014 through Oct. 10, 2015, 8 dispatchers were required for all midnight tours.

² Emergency calls by year during audit period: 2012 - 282,132; 2013 - 343,285; 2014 - 336,551; 2015 - 360,351.

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Blizzard Nemo (2013), Blizzard Juno (2015), and the historic flooding of August 2014. During Superstorm Sandy, dispatchers worked overtime costs totaling \$159,187 that was fully obligated by FEMA and New York State, at a 100 percent reimbursement, under the federal Stafford Act. It does not appear that this was factored into the overtime costs described in your findings.

(4H) With respect to your calculations of monthly overtime for ESDs during the audit period as compared with the period under a prior supervisor, your calculations are misleading as follows:

- Your calculations should distinguish between ESD I, ESD II and ESD III employees because of the difference in pay rates and in responsibilities of all three groups of employees;
- Your calculations do not take into consideration the inclusion of ESD I dispatchers who are probationary employees. Trainees are on the payroll but are not yet qualified to answer calls or dispatch first responders;
- During the 7-month period when the Department was unable to fill vacancies due to the absence of a valid Civil Service list, there was an average of 4 ESD I vacancies and, during one month in the audit period, a vacancy of 7 ESD I dispatchers. These months are clearly outliers and inflate the monthly averages you present.

Using your estimate of 46 ESDs on staff during the audit period, and your estimate of overtime rate for a G17/S12 during the period of 2013 through 2015:

- As much as \$588 of the increased ESD monthly overtime during this period is directly related to the increase in minimum staffing levels to manage the increased emergency call volume;
- As much as \$125 of the increased ESD monthly overtime during this period is directly related to the number of ESD vacancies that could not be filled/probationary dispatchers deployed due to the gap in having a valid Civil Service hiring list;
- Additionally, as much as \$71 in increased ESD monthly overtime during your audit period is directly related to overtime worked in response to Superstorm Sandy which was directly reimbursable to the County under the federal Stafford Act.

(4I) The remaining increase in dispatcher overtime during this period can be attributed to factors including heightened response to emergencies such as Blizzard Nemo, Blizzard Juno, the historic flooding of August 2014³; cross-training of ESD II dispatchers in tasks and disciplines that had previously been the sole responsibility

³ During activations of the Emergency Operations Center, some ESDs are assigned to supervise non-ESD call takers in the non-emergency call center that supports EOC operations, in addition to increased staffing in 911 operations.

APPENDIX A (Cont'd)

of the prior supervisor; backfilling vacations, personal days and sick time; as well as contractually mandated raises and step increases. While this report focuses on the overtime costs during this time period, it does not provide any analysis of savings attained because ESD vacancies were not filled. Looking at the 14 months when a Civil Service hiring list was unavailable, and the Department could not fill these vacancies, the County attained savings of as much as \$236,649 including salary and fringe.

- (4J) Overtime in the Department's Communications Division has been driven by a very basic equation of public safety needs and available staffing, rather than a change in supervisors, as suggested in the audit report.

Finding - pg. 15 (See Report pg. 17)*

- (5) ***The Communications Division had a substantial amount of overtime distributed to their ESD's (84%) when compared to the Department as a whole.***

Response:

The Communications Division is a 24hour/7day week operation. It comprises approximately 60% of the total FRES operation. When considering that, in conjunction with the fact that Communications is the only division at the Department requiring all positions be filled at all shifts, it should be expected that the majority of overtime would be attributed to this division.

Finding - pg. 15 (See Report pg. 17)*

- (6) ***For five years, 2010 to 2014, one employee dominated overtime earnings totaling \$405,488 during this period and just prior to his retirement in 2015. We question whether an employee working substantial overtime hours remained competent to perform public safety responsibilities.***

Response:

To properly address this issue and avoid arriving at the wrong conclusion, the audit staff must understand how overtime in the Communications Division is assigned:

Overtime is offered to all employees of the division on an "equal-opportunity" basis. To accomplish this, the name of each dispatcher is placed on a separate card. When an overtime shift becomes necessary, all dispatchers eligible for overtime are given an opportunity, in overtime card order, to accept overtime willingly. When a dispatcher's name card is pulled, the dispatcher either accepts or declines overtime, and their card is then placed at the bottom of the deck. Dispatchers ineligible for overtime during a particular shift have their cards remain in place and are merely skipped over.

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In the case of this particular employee, the employee rarely declined an overtime shift for which he was eligible.

Furthermore, we note that there currently exists no contractual or statutory mechanism through which we can arbitrarily cap the overtime earnings of a county employee. However, pension calculations are regulated at the State level by the New York State Employees Retirement System. For example, the employee cited in this instance, a Tier 3 member of the retirement system, was to have his pension calculated as the "(a) verage of wages earned during any three consecutive years. Earnings cannot exceed the average of the previous two years by more than 10%." (Source: Summary of NYS Retirement Tiers as prepared by the Suffolk County Department of Audit & Control.) Thus, while we may not under contract or statute arbitrarily cap a Suffolk County employee's overtime, New York State does, in fact, place limits on so-called "pension spiking" and has for a number of years.

Thus, we vigorously disagree with any characterization that this or any employee performed "excessive overtime to spike their pension benefits" - a theory you stated was impetus for a portion of this audit - since overtime was assigned on a fair, equal-opportunity basis in accordance with contractual and statutory obligations.

This issue could have been clarified fully had auditors interviewed the division supervisor or the Commissioner, who have insight into the current operations of FRES Communications.

Finding - pg. 15 (See Report pg. 17)*

- (7) ***The Department failed to comply with SOP A-17 requiring written justification be sent to the Chief Deputy County Executive for employees receiving overtime in excess of 50% of their salary.***

Response:

We acknowledge this deficiency, and affirm that regular such reports have been provided to the Chief Deputy County Executive since August 2015.

Internal Controls and Compliance:

- (8) With respect to your findings regarding payroll and compliance (pp. 15-16), we acknowledge your findings and have taken corrective actions. (See report pgs. 17-20)*

With respect to the remaining findings:

Finding - pg. 19 (See Report pg. 21)*

- (9) ***The Deputy Commissioner did not properly verify the attendance of employees who reported directly to him prior to approving their time sheets.***

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Response:

The Deputy Commissioner stated to auditors that he verifies attendance of employees through daily interaction with them. This daily interaction includes personal contact, communication via email, and telephone and text message. The Deputy Commissioner also stated during his conversation with auditors that he reviews employee calendars and, where appropriate, GPS records to verify attendance.

Further, the Deputy Commissioner has since reiterated to his direct reports that they are all to provide him directly with their leave slips, overtime authorization records and attendance records.

Finding - pg. 19 (See Report pg. 21)*

- (10) ***Computerized employee time sheets have a deficiency in that they are not fully formula protected.***

Response:

Computerized time sheets are fully formula-protected with the exception of accrual cells, which employees update manually. These updates are then manually verified by the payroll representative.

Finding - pg. 19 (See Report pg. 21)*

- (11) ***The Department's Payroll Division used pay schedules for ESD's that were not listed in the AME contract.***

Response:

We can confirm that correct pay schedules were used. The AME contract does not provide pay schedules for employees whose salary includes rotating shift/night differential and lock-in pay; therefore, the payroll representative updated the pay scales that were provided to her by the previous payroll representative with the new contract's salaries. We would ask that you provide pay schedules that include rotating shift/night differential and lock-in pay for these employees.

Finding - pg. 19 (See Report pg. 21)*

- (12) ***The Department was non-compliant with the Memorandum of Agreement between Suffolk County & the Department as it pertained to "Swaps/Mutuals" for the ESD's.***

Response:

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We concur that the Department was non-compliant with the referenced MOA for a period of several months prior to 2015. The practice was discontinued prior the commencement of this audit. We would note, however, that we believe the use of this practice reduced dispatcher use of sick days without additional cost or burden to the Department.

Conclusion

In the big picture, this comes down to a very simple equation: increased minimum staffing plus a prohibition on hiring driven by lack of a valid Civil Service list plus a number of major storms equals increased overtime.

I hope in this response we adequately described the need for that increased staffing due to public safety requirements.

As previously mentioned, I do believe that any analysis of increased overtime costs must also factor offsetting savings and budget mitigation, including savings from unfilled ESD vacancies, the elimination of a senior clerk typist position, and reimbursements from FEMA and New York State under the federal Stafford Act. These areas alone add up to approximately \$677,619 during 2012-2015

Since the availability of a new, valid Civil Service list, all vacancies have been filled. Additionally, the 2016 budget accounts for the hiring of two additional dispatch positions.

We would also like to note that, through the first six months of 2016, Department-wide overtime has declined by more than \$202,000 over the same period a year earlier – or a decline of more than 23 percent. This significant decline in overtime can largely be attributed to the fact that, once the Department of Civil Service provided a valid hiring list for ESD I dispatchers, this department moved to fill all vacancies, train and deploy new dispatchers.

As stated earlier, staffing and the scheduling of overtime have been determined first and foremost by the needs of public safety. Therefore, your conclusion that the current division supervisor “is deliberately creating an environment requiring high overtime” is incorrect.

As stated earlier, this Department, including the Communications Division, has responded to numerous declared states of emergency and disasters during the period of your audit, including the Manorville-Ridge wildfires (2012); Superstorm Sandy (2012), Blizzard Nemo (2013), Blizzard Juno (2015), and the historic flooding of August 2014. Call volume to our 911 dispatchers has increased dramatically in

APPENDIX A (Cont'd)

recent years. A growing number of local volunteer fire and ambulance departments have begun relying upon this Department for services on a 24/7 basis.

Again, we appreciate the opportunity to work with the Department of Audit and Control in order to review our operations and we look forward to continued collaboration to best serve Suffolk County taxpayers.

Auditee: Department of Fire, Recue and Emergency Services

The unofficial draft audit report for the audit period January 1, 2014 through March 31, 2015, was transmitted to the Department on July 8, 2016, with a letter inviting the Department to submit a formal written response and/or request an exit conference. The Department was instructed that if it requested an exit conference, the conference must be held by July 29, 2016 and if the Department elected to submit a formal written response to the audit, it must be submitted no later than August 8, 2016.

An exit conference was held with the Department on July 29, 2016. Those in attendance were as follows:

| <u>Name</u> | <u>Title</u> | <u>Organization</u> |
|-------------------|------------------------------|---------------------|
| John M. Kennedy. | Comptroller | Audit & Control |
| Louis A. Necroto | Chief Deputy Comptroller | Audit & Control |
| Frank Bayer | Exec. Dir. of Auditing Svcs. | Audit & Control |
| Manny Alban | Senior Investigative Auditor | Audit & Control |
| Audra Lebowitz | Senior Auditor | Audit & Control |
| Maureen Kowalski | Secretary | Audit & Control |
| Joseph Williams | Commissioner | FRES |
| John Jordan, Jr. | Deputy Commissioner | FRES |
| Edward Moltzen | Asst. to the Commissioner | FRES |
| Greg Miniutti | Chief of Communications | FRES |
| Kristine Bolliger | Principal Clerk | FRES |

We began the exit conference by explaining to the representatives of the Department that this was an opportunity to discuss any findings made in the draft report. In addition, we emphasized that we would review a formal written response and additional documentation provided by the Department in support of assertions made in the formal response.

At the exit conference, the Department's representatives asserted that the significant amount of overtime in the Communications Division and its related costs resulted from an

APPENDIX B

increase in minimum staffing to meet public safety needs, a shortage in dispatchers and the inability to hire and deploy new dispatchers.

At the exit conference, the Department's representatives requested Audit & Control's schedules regarding the finding, "*Inadequate internal controls related to the scheduling of ESD work days from January 2012 through December 2014, resulted in increased payroll costs to the County of up to \$301,868.*" (found on pg.10 of the report). We forwarded these work papers to the Commissioner of FRES on July 29, 2016.

The Commissioner discussed several compliance and internal control matters outlined in the draft report at the exit conference. The Commissioner also stated that Department representatives would submit a written response to the report. On August 8, 2016, the Agency submitted their written response which is affixed to the report as APPENDIX A, p.27.

APPENDIX B

Audit Division Response

Auditee: Department of Fire, Rescue and Emergency Services

The Department's representatives submitted a formal written response to the unofficial draft audit report for the audit period January 1, 2014 through March 31, 2015 on August 8, 2016 (Appendix A, p.27). Our assessment of the Department's response is as follows:

Response to #1:

We are pleased that the Department agreed with our assessment and has implemented a new written policy to ensure that all ESD's are accounting for 248 work days in the Communications Division.

Response to #2:

The Department disagreed with this finding and has stated that our estimate of increased payroll costs of up to \$301,868 is "flawed and based on inaccurate assumptions." The Department asserts that "Under the prior supervisor's administration of training days, dispatchers who worked these days were assigned to training outside the 911 call center, thus there were no increased payroll costs related to overtime staffing of the call center as a result of the failure to schedule training days." We do not agree with this assertion. The fact is that missed training days, for which an ESD was expected to work in the Radio Room, were in fact covered by an ESD being compensated at overtime rates. Furthermore, had training days been properly accounted for during the period under review, and the ESD's performed their regular dispatching duties as the Commissioner states they are currently doing, overtime costs would have been mitigated. We stand by our finding and are pleased that the Department has implemented new policies as a result of our audit.

Response to #3:

The Department disagrees with this finding and asserts they attained cost savings by not hiring a clerk to administer certain tasks. We do not agree with this assertion. It is our understanding that the previous Communications Supervisor and Senior Clerk managed all clerical and administrative tasks of the Communications Division without any additional assistance. The Department currently uses an ESD II to assist the current Communications Supervisor while at times pulling additional ESD's when performing the same tasks. Removing an ESD II and at times other ESD's from their primary responsibilities results in additional overtime costs. Furthermore, we did in fact have numerous conversations with FRES employees and were informed that the overtime incurred was caused by a shortage in staff that was exacerbated by the fact that ESD's were being used to perform administrative work. Therefore, in our opinion, hiring a clerk would have alleviated this issue and would have resulted in overtime savings. Lastly, we did take into account the savings of the previous clerk's salary in our calculations and, as a result, our cost estimates are correct. We stand by our finding.

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Response to #4:

4(A) During the exit conference we agreed that the calculations we used did not consider contractual salary increases. Since contractual raises are expected to occur and in fact represent actual costs to the Department we chose not to account for them. However, since the Department raised the point we decided to review the calculations to determine if accounting for the contractual raises would yield a material difference. We adjusted the overtime costs to reflect the two pay increases of 2% each (January 2011 and January 2012) and made the appropriate adjustments to the schedule. The difference in the two results was minimal. We refer you to our initial calculations at pg.12 and the adjusted “apple to apples” calculations at pg.13.

4(B) We understand the Department’s contention that shifts must be filled from existing staff when an ESD takes time off in order to maintain the Department’s minimum staffing. However, it is our opinion that overworking the ESD’s leads to additional time off, requiring more overtime coverage.

4(C) Our finding did take into consideration that as of December 2012, minimum staffing was increased. According to the Department’s Standard Operating Guidelines (SOG), the daily ESD requirements to staff the radio room’s three tours during a 24 hour period are tours of eleven dispatchers [7:00am-3:00pm], eleven dispatchers [3:00pm-11:00pm] and nine dispatchers [11:00pm-7am] respectively; totaling 31 ESD’s per day. We multiplied 31 ESD’s per day by seven days per week, and then by 8 hours per shift to arrive at 1,736 man hours per week. Using the required 1,736 man hours per week, and dividing that by 40 work hours per week, we calculated that 43.4 employees are needed to cover all shifts. This is before considering any time off. We compiled the average number of ESD’s available during our audit period to be 47 and there were 22 months in which the number of ESD’s was as high as 50.

4(D, E, F) The Department contends they had a 98% increase in call volume from 2006 -2015 and further defines the increase during the period 2012 – 2015 as a 28% increase. Additionally the Department states that during this period several agencies migrated from PSAPS to FRES for initial dispatching and several agencies turned off their local numbers in favor of the Department answering the calls because of the 24/7 ESD staffing. We question how it’s possible to have a 98% increase in call volume without a comparable increase in ESD’s. It was noted that during the period 2006-2010, under the previous supervisor of the Communications Division, that no significant increase in staff or overtime occurred. We also note that ESD’s increased from 42 in December of 2012 to 50 in February 2013; a 19% increase in staffing.

4(G) With respect to natural disasters and storms, the charts presented in the report at pgs. 14 &15 do in fact indicate the various storms and events that were taken into consideration during our analyses.

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4(H)The Department disagrees with this finding and states that the “calculations are misleading”. We do not agree with this statement. The calculations for our comparison between the previous supervisor and current supervisor were performed fairly and consistently. Furthermore, to ensure impartiality, the results of the comparison were calculated on a monthly basis rather than a calendar year. As depicted in our charts on pages 12 and 13 we did in fact separate the ESD III supervisor from all other ESD’s. Additionally, we confirmed that the average number of ESD I and ESD II’s for the comparative periods were in fact the same, therefore combining the ESD I & ESD II’s do not skew the results.

4(I) According to Civil Service, the Department made two ESD appointments in December 2011 and seven ESD appointments in December of 2012. The Department did not request the ESD list again until 2015. In addition, the Department never requested the ESD exam to be given. In fact, in 2013, it was the Exams Division of Civil Service that initiated the request to the state for a new ESD exam to be given.

4(J) The Department states that the overtime in the Communications Division has been driven by public safety needs and available staffing rather than a change in supervisors as our audit suggests. The Department also noted that the number of emergency calls was increasing during the period under the prior supervisor of the Communications Division as well as under the current supervisor. We direct your attention to our charts and graphs on pages 12 to 16 which demonstrate that overtime under the prior supervisor’s period was significantly less that the overtime under the current supervisor under similar conditions of rising call volume. Furthermore, we reiterate our response to number 3.

Response to #5:

While we acknowledge the Department’s response, we stand by our finding.

Response to #6:

While the Department provided a response, they failed to address the basis of our finding which stated whether an employee working a substantial number of overtime hours is still competent to perform public safety responsibilities. While the scope and methodology of our audit was to perform tests to determine whether an individual was performing excessive overtime to spike their pension benefits prior to retirement, this was not the basis of our finding. We did in fact completely understand the assignment of overtime, which is why the finding in the report did not include the spiking of overtime language. We reiterate our concern that an employee consistently working 16 hours or more on a regular basis does not remain competent to perform public safety duties and therefore, we stand by our finding.

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Response to #7:

We are pleased that the Department acknowledges the deficiency and has affirmed that reports are now being provided to the Chief Deputy County Executive as of August 2015.

Response to #8:

We are pleased that the Department acknowledges our findings regarding payroll and accrual adjustments and intends to take corrective action.

Response to #9:

The Department disagrees with this finding and states that the Deputy Commissioner verifies the attendance of his subordinates through daily interaction. We contend that it is nearly impossible for the Deputy Commissioner to recall the attendance activity of all employees reporting directly to him over a four week period through daily interaction when approving their time and accrual sheets, and therefore we stand by our finding.

Response to #10

The Department's response indicates that our finding is correct in that the excel spreadsheet is not fully formula protected.

Response to #11

The Department's response indicates their agreement with our finding that the pay schedules used by their payroll representative were not official pay scales found in the AME contract. We recommend that the pay schedules be included in future AME contracts.

Response to #12:

We are pleased that the Department expressed agreement with our assessment and has discontinued this practice.

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Response to Conclusion:

The Department asserts that increased minimum staffing, a prohibition on hiring (driven by the lack of a valid civil service list) plus a number of major storms were the contributing factors in the increased overtime incurred. The Department also asserts that any analysis of increased overtime costs should factor offsetting savings and budget mitigations of which the Department puts a value of \$677,619 during the period 2012-2015. We calculated overtime for the period 2012-2015 to be \$5,271,657 which is \$4,594,038 more than the offsetting savings calculated by the Department.

While we realize overtime is necessary during major emergency events, those events do in fact end. Therefore the spike in overtime should end as well. As indicated in our report, excessive overtime was in fact the norm in the Communications Division.

The Department states our conclusion that the current division supervisor is creating an environment requiring high overtime is incorrect. We noted the following during our audit. In the 8 months before the prior supervisor retired, overtime under his supervision was \$297,882 (Jan 2010 through Aug 2010), and for the remaining 4 months after he retired (September 2010 through December 2010) overtime costs were \$334,556. Overtime costs were consistently higher once the prior supervisor retired. Additionally, the prior communications supervisor and Clerk Typist handled all the clerical and administrative responsibilities of the Communications Division without any additional assistance. However, the current supervisor allows an ESD II to perform clerical tasks on a full time basis while also pulling additional ESD's to assist in performing clerical functions rather than performing their dispatching duties. The Department states that the training of any new ESD I's is being conducted by existing ESD I's and not by ESD II's. According to the Civil Service "distinguishing features of the class" of an ESD II, "an employee in this class is responsible for the supervision and training of one shift of the Emergency Service Dispatchers". The Commissioner stated in the Public Safety Committee meeting of the Suffolk County Legislature on October 21, 2014, that even though there was an active list it would have required removing four people from the radio room to run the training program for two new ESD's for a six month period insinuating that he chose to run additional overtime instead of hiring. These decisions, made under the current communications supervisor and management, do create an environment where additional overtime is in fact necessary and mandated.

When analyzing the Department's budgets for the periods 2010 through 2015 we noted that although the Commissioner stated on numerous occasions in legislative meetings that the Department can operate within the means of the recommended budgets they in fact consistently exceeded their overtime budgets by more than 100%, essentially creating a budget deficit.

Additionally during a FRES Commission meeting in May of 2012 discussions centered around the fact that it would be more financially responsible to hire additional ESD's rather than paying

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so much overtime. The Department states in their conclusion the need for additional staffing and also notes that overtime for the first six months of 2016 has declined by more than \$202,000 over the same period in 2015 representing a 23% decline largely due to the Department filling all ESD vacancies. We feel these statements support our findings that overtime in the past was mismanaged. Managing the number of ESD's is a predictable event and therefore any mention of a list not being available, or not hiring ESD's because training them would be counterproductive, could in fact be construed as mismanagement.

We would like to sum up with a quote from the same FRES Commission meeting in May 2012: "With all the overtime, people (ESD's) will start to snap and what is that going to cost the County? Maybe a mistake will be made and then the County will pay dearly." This is what the County should be considering when contemplating public safety.