



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

**Joseph Sawicki, Jr.
Comptroller**

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

**Report No.: 2014-03
Date Issued: March 18, 2014**

**SUFFOLK COUNTY
OFFICE OF THE COMPTROLLER**

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EXECUTIVE SUMMARY

Introduction:

The Suffolk County Comptroller's Office has reviewed the payroll procedures of the Suffolk County Department of Probation (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 made numerous errors in processing one employee's furloughs, resulting in a \$1,169 overpayment to the employee and in the employee's vacation accruals being overstated by 10.57 hours and sick accruals being understated by 0.22 hours.
- Employees did not always comply with the Department's Rules and Regulations pertaining to Time Records.
- There were numerous instances in which we were unable to ensure the accuracy of employee hours worked and benefit hours utilized for all 20 of the employees tested.
- 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.

Summary of Significant Recommendations:

- The Department should ensure that all approved employee furloughs are properly recorded on both the County's payroll system and the employee's time and accrual record. In addition, the employee should repay \$1,169 to the County to properly account for the furlough and holiday hours that she was incorrectly paid for, and the Department should process the adjustments to the employee's vacation and sick leave accruals.

- Employees should ensure that they strictly adhere to the Department's written attendance procedures. Time sheet controls should be properly maintained for all employees, and the weekly time sheet controls should be reconciled to employee time and accrual records every four weeks in accordance with the Department's attendance procedures.
- 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.

BACKGROUND

The Suffolk County Department of Probation (Department) and all duties performed by the Department are mandated by Section 256 of New York State Law. The Department has a dual mission of community protection as well as client assistance and rehabilitation, and provides intake and screening services, investigations, court ordered supervisory services, victim protection and juvenile respite and detention programs. The Department is comprised of three divisions: Administrative Services, Criminal Court Services and Family Court Services.

The Criminal Court and Family Court Services divisions are comprised of various specialized units such as GPS Monitoring, Probation Addiction Treatment, East End Drug Court, Family Court Supervision and Criminal Court Sex Offender. The GPS Monitoring unit operates 24 hours a day seven days a week and the Warrants unit and several other units regularly require officers to make themselves available to the Department during normal off-duty time.

The Department records attendance on an exception basis by utilizing daily attendance logs or noting exceptions on a Time Sheet Control Form (Prob. 60-52), which is a consolidated master schedule.

Suffolk County AME employees (Bargaining Unit 2) and Suffolk County Probation Officers (Bargaining Unit 16) hired after September 3, 2001 work a 37 ½ hour week their first year and then revert to a 35 hour work week in accordance with the provisions contained in their respective Suffolk County AME or Suffolk County POA contracts. Management employees (Bargaining Unit 21) work a 37 ½ hour week their first year and then revert to a 35 hour work week. The Department also has employees who work flexible schedules and rotating shifts.

SCOPE AND METHODOLOGY

- Reviewed relevant Suffolk County Laws, Resolutions, All Department Head Memorandums, Payroll Memorandums, Suffolk County AME and Suffolk County POA contracts, and the Department's Personnel Policy Manual.
- 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 five employees from bargaining unit 2, 5 employees from bargaining unit 16, and one employee from bargaining unit 21. In addition, we judgmentally selected an additional four employees from bargaining unit 2 and five employees from bargaining unit 16 for testing.
- Performed testing procedures as deemed necessary for all time and accrual records submitted by the above referenced twenty 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 Department personnel who were docked from January 1, 2010 through June 30, 2011. Using the crystal report we judgmentally selected the two highest docked employees and randomly selected an additional three employees who were docked. Performed testing procedures as deemed necessary in order to accomplish our audit objectives.
- Obtained a crystal report from the Comptroller's Payroll Division of all approved employee furloughs from January 1, 2010 through June 30, 2011 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 Worker's Compensation case.
- Performed testing procedures as deemed necessary for three workers' compensation cases to ensure the Department submitted the required documentation to the Suffolk County Office of Insurance & Risk Management, and that the injured employee's time and accrual records 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.

AUDIT FINDINGS

The Department made numerous errors in processing one employee's furloughs, resulting in a \$1,169 overpayment to the employee and in the employee's vacation accruals being overstated by 10.57 hours and sick accruals being understated by 0.22 hours. The overpayment and accrual errors for this employee were mainly attributed to the following:

- The Department not properly recording the number of hours furloughed on the employee's time and accrual records for the entire one year period in which the employee furloughed a minimum of two days every week.
- The Department incorrectly paying the employee for a holiday and allowing the employee to earn accruals when the employee was off the payroll the day prior to the holiday.
- The Department using an incorrect hourly rate when processing an adjustment to the employee's payroll to correct previous payroll errors.
- The Department not correctly calculating adjustments to the employee's accruals.

Employees did not always comply with the Department's Rules and Regulations pertaining to Time Records. The Department's Rules and Regulations specifically state, "Weekly Time Sheet Controls will be maintained for all staff" and "Every four (4) weeks the weekly time sheet controls will be reconciled and matched with the monthly Time and Accrual Record by the supervisor;" however, the Special Programs Division, which includes the Warrant Unit, as well as the G.P.S., SRP/East End Drug Court, County Court Rockefeller Drug Court and Edgewood Criminal Court Supervision Units did not maintain weekly time sheet controls for employees in the units. In addition, the Department's Administration Unit did not maintain any sign in sheets or attendance records for Principal Probation Officers. Furthermore, staff members responsible for keeping the weekly time sheet controls did not always record time off and supervisors did not reconcile the time sheet controls to the time and accrual records.

There were numerous instances in which we were unable to ensure the accuracy of employee hours worked and benefit hours utilized for all 20 of the employees tested. Our audit testing revealed the following:

- The G.P.S., Warrant and Criminal Court Supervision Unit in Edgewood do not maintain time sheet controls or any other type of daily attendance records.
- The P.I.N.S., Ignition Interlock Monitoring, Sex Offender, D.R.C., R.O.R., Juvenile DRC, Criminal Court Supervision Unit in Coram and the Cohalan Office could not provide a complete set of attendance records for the audit period.

- Attendance records provided by the Administrative, Juvenile D.R.C., Ignition Interlock Monitoring, Sex Offender, P.A.T. and Coram Criminal Court Supervision Unit in Coram were deemed unreliable due to numerous discrepancies between the time and accrual records and the attendance records.
- The Administrative Unit could not provide any attendance records for one employee selected for testing.

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 were 7 instances in which the Department's attendance records for three employees indicated the employees were using benefit hours; however, the employee's time and accrual record did not reflect any benefit hours used or any corresponding deduction of accrued leave hours.
- There was one instance in which an application for leave slip was approved for 2.5 hours of vacation time; however, the leave hours were not recorded on the employee's time and accrual record.
- There were two instances where one employee's time and accrual record was incomplete. The employee neglected to record a portion of his time in one of the time sheet columns; therefore, his 4 week total does not equal the required 140 hours.
- There were 2 instances where one employee's time and accrual record (4 week total) did not equal the required 140 hours.
- There was one instance where an employee erroneously placed 12 hours of vacation leave in the overtime column on her time and accrual record. Therefore, an adjustment of 12 hours to the employee's vacation accruals is necessary.
- There were two instances where the employee's time and accrual record was not an accurate reflection of the hours worked. In one instance the employee failed to include overtime hours on his time and accrual record. In another instance the employee recorded the wrong number of overtime hours on his time and accrual record.

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

There were four instances in which the Department did not comply with the provisions of the Suffolk County AME contract and allowed employees to use accrued time before it was earned. Our audit testing revealed the following:

- There were three instances in which an employee was permitted to use vacation or sick accruals prior to those accruals being earned. The Suffolk County AME contract specifically states that vacation hours are earned “at the completion of each full pay period” and “sick time will be earned at the rate of one-half day per pay period.”
- There was one instance in which an employee was permitted to use personal time prior to accruing personal leave hours on her anniversary. The Suffolk County AME contract specifically states, “Four days of personal leave shall be accrued on the 1st day of employment and on each anniversary date thereafter.”

The Department did not comply with Section 1079 of the County’s Records Retention and Disposal Schedule CO-2. The Department’s payroll unit only retains application for leave slips for one year. However, the County’s Record Retention and Disposal Schedule CO-2 specifically states that the retention time is 6 years for “Employee request for and/or authorization given to employee to use or donate sick, vacation, personal or other leave, or to work overtime.” Section 1079-2 further states, “only those records shall be disposed of by Suffolk County that are described in Records Retention and Disposition Schedule CO-2 after such records have met the minimum retention period prescribed therein.” Our audit testing revealed that the Department’s payroll unit was unable to provide all approved SCIN Form 49 “application for leave” slips for thirteen of the twenty (65%) employees tested.

The Department does not have adequate procedures in place to properly 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’s Divisions and Units are not utilizing any schedules or logs to monitor sick leave usage; therefore, it would be extremely difficult to properly monitor sick leave usage during any rolling twelve month period as required by the County’s Sick Leave Management Program. In addition, there appears to have been some confusion as to who the designated representative to oversee and enforce the County’s Sick Leave Management Program actually was during the audit period. Furthermore, our audit testing revealed that thirteen of twenty (65%) employees tested should have been sent notifications as a result of having exceeded the allowable number of unexcused sick leave occurrences in a rolling twelve month period.

There were several instances in which the Department did not properly calculate or convert an employee’s accrued leave hours. Our testing revealed the following findings:

- The Department failed to convert fifteen hours of one employee’s unused personal leave to sick leave at the end of the employee’s year. The Suffolk County AME contract specifically states, “Unused personal leave shall be converted to sick leave at the end of an

employee's year." Therefore, the employee's accrued sick leave balance is understated by fifteen hours.

- The Department incorrectly pro-rated vacation and sick leave accruals for a newly hired management employee (Bargaining Unit 21), resulting in the employee's vacation and sick accruals being understated by 10.97 and 5.44 hours, respectively.
- The Department incorrectly pro-rated the accruals for an employee returning from extended sick leave. As a result, the employee's accrued balances in vacation and sick leave hours are overstated by 7.62 and 3.75 hours, respectively, and personal leave hours are understated by 2.84 hours.
- The Department failed to ensure that one Grade 24 employee converted their compensatory time into vacation or sick time by the end of the year. The Suffolk County AME contract specifically states, "Any time not used or converted by the end of the year shall be lost."

The Department did not properly calculate one employee's gross wages for pay periods in which a dock situation arose. One of the five (20%) employees selected for testing was docked 1.5 hours less than the number of docked hours recorded on the time and accrual record, resulting in the employee being overpaid \$41.

The Department did not properly adjust one employee's vacation and sick accruals on the employee's time and accrual record to correspond to the percentage of time the employee worked during the pay period. Our audit testing revealed that the Department failed to adjust the vacation and sick leave accruals for a management employee that was suspended for five days. Therefore, the employee received 2.69 vacation hours and 1.35 sick leave hours that they did not earn.

The Department did not always comply with the provisions of Suffolk County Standard Operating Procedure A-17, "Overtime Authorization". Suffolk County Standard Operating Procedure A-17 specifically states, "All County agencies must use SCIN Form 17, 'Overtime Authorization'". However, our audit testing revealed 31 instances, 28 attributed to one employee, in which the Department could not provide a SCIN Form 17 for employees who incurred overtime.

There were several instances in which employee time and accrual records and overtime authorization forms were not properly approved. Our audit testing revealed two instances in which an employee's time & accrual record was not signed by the Department Head and two instances in which a SCIN Form 17 "Overtime Authorization" form was not signed by the Department Head.

Employees did not always submit SCIN Form 49 (11/04) "application for leave" slip for the use of vacation, personal, sick and compensatory time. Our audit testing revealed eight of the twenty (40%) employees tested did not always submit an application for leave slip for the use of vacation, personal, sick, and compensatory time.

Employees did not receive written approval by the Department prior to utilizing furlough time as required by All-Employees Memorandum 09-08. All-Employees Memorandum 09-08 specifically states, “Employees wishing to take furlough time must complete the attached form and receive written approval prior to utilizing such time.” Our audit testing revealed that two of the thirteen (15%) furloughs during our audit period commenced before an application for voluntary leave time was approved by the Department.

The Department did not always notify the Office of Labor Relations of employee furloughs as required by directives from the Office of Labor Relations. The Department failed to notify the Office of Labor Relations of ten of the thirteen (77%) employee furloughs.

The Department did not always properly adjust accruals for employees on voluntary furlough. Our audit testing revealed the following:

- There was one management employee whose accruals were not properly adjusted for 8 furlough days taken in August and September, resulting in the employee receiving 4.61 more vacation and 2.31 more sick hours than they were entitled to.
- There was one employee who received 1.4 more sick hours and 0.63 less vacation hours than they were entitled to.
- There was one employee who received .35 more sick hours than they were entitled to.

RECOMMENDATIONS

- The Department should ensure that all approved employee furloughs are properly recorded on both the County's payroll system and the employee's time and accrual record. In addition, the employee should repay \$1,169 to the County to properly account for the furlough and holiday hours that she was incorrectly paid for, and the Department should process the adjustments to the employee's vacation and sick leave accruals.
- Employees should ensure that they strictly adhere to the Department's written attendance procedures. Time sheet controls should be properly maintained for all employees, and the weekly time sheet controls should be reconciled to employee time and accrual records every four weeks in accordance with the Department's attendance procedures.
- 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 the provisions of the Suffolk County AME contract and ensure that employees do not use any accrued time before it is earned.
- The Department should comply with the provisions of the County's Records Retention and Disposition Schedule CO-2 and retain all "application for leave" slips for a minimum of six years.
- 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 employee accrued benefit hour balances are properly calculated and converted.
- The Department should ensure that gross wages are properly calculated for all pay periods in which a dock situation arises. In addition, the employee should repay \$41 to the County. Furthermore, the Department should ensure that vacation and sick accruals are properly adjusted for employees that are docked or on furlough.
- The Department should comply with all of the provisions contained in SOP A-17, "Overtime Authorizations".
- The Department Head or his/her designee should ensure that all employee time and accrual records and SCIN Form 17 "Overtime Authorization" forms are properly approved.

- All employees should submit application for leave slips for the use of vacation, personal, compensatory time and sick 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 reported.
- The Department should ensure that an application for voluntary leave time is properly completed and approved prior to an employee utilizing furlough time in accordance with All-Employees Memorandum 09-08.
- The Department should notify the Office of Labor Relations of all employee furloughs in accordance with directives from the Office of Labor Relations.

APPENDICES

APPENDIX A

COUNTY OF SUFFOLK



Steven Bellone
SUFFOLK COUNTY EXECUTIVE

DEPARTMENT OF PROBATION

Patrice S. Dlhopsky
Director

February 21, 2014

Mr. Frank Bayer, CPA
Executive Director of Auditing Services
Suffolk County Office of the Comptroller
Hauppauge, NY 11787

Dear Mr. Bayer:

I am writing in response to the Draft Audit of the Suffolk County Probation Department's Payroll Procedures. The report covers the period from January 1, 2010 through June 30, 2011. Significant changes have occurred in personnel in both payroll and departmental administration since that time. Specifically, two directors have left the department since January, 2010. Two of the three employees in payroll retired and were replaced in that time period. Although those in positions of responsibility for payroll were not here during the time period in question, a response is required to this audit to address shortcomings noted.

The Department does not challenge any of the findings in the audit. In the case of specific instances cited, the Probation Department requests that the names of employees on whose time records errors were noted be provided to this department along with the specifics of the errors so that corrections may be made. No further response will be made to the specific errors noted since payroll staff will need to review information to be provided by the Comptroller's Office in order to correct the mistakes noted.

In terms of a more general discussion of deficits in the handling of payroll and time records, the report makes three significant recommendations. As the Director of the Probation Department, I have addressed these problem areas as noted below.

1. Audit: "The Department should ensure that all approved employee furloughs are properly recorded on both the County's payroll system and the employee's time and accrual record." The report goes on to note that one employee needs to repay an overage in hours for which she was incorrectly paid and adjustments are necessary to the employee's vacation and sick leave accruals. The name of this employee was obtained from the Audit Division and those records are being reviewed. From this point forward, payroll staff will carefully review all time and payroll records related to furloughs. At the present time, the county is not entertaining furlough requests, but this procedure will be followed in the event that the county's policy changes in coming years. In the case of furloughs, after the assigned payroll representative completes work on these records, that work will be reviewed by another payroll representative in order to minimize the chance of error. The same protocol will be followed in a 'dock situation' to ensure that gross wages, as well as sick and vacation accruals, are properly calculated.
2. Audit: "Employees should ensure that they strictly adhere to the Department's written attendance procedures. Time sheet controls should be properly maintained for all employees, and the weekly time sheet controls should be reconciled to employee time and accrual records every four weeks in accordance with the Department's attendance procedures."

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The Department's attendance procedures had not been thoroughly reviewed and updated for a good number of years. The policy made reference to forms no longer in use. A new attendance policy has been put in place to insure that supervisors reconcile each employee's time and accrual record with actual time worked during the T&A period.

3. Audit: "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."

As noted above, the Department's new attendance policy reflects the need to maintain appropriate documentation of hours worked and time taken. All attendance records for the department will be maintained for a period of six years.

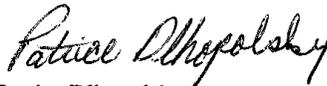
Several other areas were noted in the audit and are currently being addressed by this department. The first of these concerns inadequate procedures in place to properly monitor sick leave usage and identify those employees who should be designated or relieved as Sick Leave Abusers and Chronic Sick Leave Abusers pursuant to the County's policy. The Department recently put into place a procedure in which each of the department's six offices will report to the Director each month the name of any employee who had three or more days of unexcused sick time within a calendar month. The Director will review these reports and request that Payroll conduct an examination of that employee's time records for the past year to determine if the employee might qualify as a sick time abuser. These time records will be furnished to the Director for review and will be referred to the Department's Sick Leave Abuse monitor for action as indicated. The Sick Leave monitor has also been tasked to review the attendance of sick leave abusers on a routine basis to determine if the designation may be removed or, if problems continue, if the abuser has moved to a higher sick leave abuser category.

Another problem was the identification of several instances in which an employee was permitted to use vacation or sick accruals prior to those accruals being earned. Specifically, the accruals are earned at the completion of each full pay period or, in the case of personal leave, on the anniversary date of the first day of employment. This has been addressed in the new Attendance Policy which has been disseminated to all employees, and payroll has been alerted to check for this in review of time records.

Two issues related to the use of furlough time. It was noted that several employees failed to complete an application and receive written approval prior to utilizing such time. These forms will be utilized routinely date forward in the event that the county again permits the use of voluntary furlough. In addition, the forms will be submitted to the Office of Labor Relations prior to the commencement of a furlough by an employee.

The updated Attendance Policy and other measures put into effect should remedy the shortcomings noted in the audit. The Attendance Policy will be reviewed with supervisory staff in a meeting in order to insure familiarity with the contents of the policy. While it will never be possible to completely eliminate human error, all those involved in the monitoring of attendance in this department have been alerted to these issues and will make every effort to correct these in the future.

Yours truly,



Patrice Dlhopsky
Director

APPENDIX B

Exit Conference Report

Auditee: Suffolk County Department of Probation

The Department did not request an exit conference, but did submit a written response to the audit report (Appendix A, p. 13). 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.