



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

**Joseph Sawicki, Jr.  
Comptroller**

An Audit of the  
Suffolk County Department of Health Services  
Payroll Procedures  
For the Period  
June 7, 2010 through December 31, 2011

**Report No.: 2014-10  
Date Issued: August 5, 2014**

**SUFFOLK COUNTY  
OFFICE OF THE COMPTROLLER**

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## **EXECUTIVE SUMMARY**

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### **Introduction:**

The Suffolk County Comptroller's Office has reviewed the payroll procedures of the Suffolk County Department of Health Services (Department) for the period June 7, 2010 through December 31, 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 Division of Patient Care's Rabro Office, the Division of Services for Children with Special Needs' Hauppauge Office, Division of Public Health, Office of Minority Health and the Division of Environmental Quality did not maintain any type of daily attendance records.
- The Department did not maintain adequate attendance records for temporary employees; therefore, we were unable to ensure the accuracy of employee hours worked.

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

- 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 ensure that an adequate system of internal controls is in place to record employee attendance. In addition, adequate attendance logs should be maintained to support the hours worked for all temporary employees.

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## BACKGROUND

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The Suffolk County Department of Health Services educates and works with the public in a cooperative manner to promote health and wellness in order to prevent disease, to protect the public's health, safety, and environment, both proactively and reactively by utilizing best practices, and to actively provide high quality, equitable, and affordable health services that are culturally and linguistically appropriate.

The Suffolk County Department of Health Services was comprised of nine Divisions and an Office of Minority Health. The Divisions include:

- Patient Care Services
- Public Health
- Environmental Quality
- Community Mental Hygiene Services
- Services for Children with Special Needs
- Preventive Medicine
- Medical Examiner's Office
- Emergency Medical Services
- John J. Foley Skilled Nursing Facility

Most Divisions maintain a daily record of attendance on which the employee's supervisor indicates whether an employee was present that day and if any accruals were used. Suffolk County AME employees (Bargaining Unit 2) hired after September 3, 2001 work a 37 ½ hour workweek their first year and then revert to a 35 hour workweek in accordance with the provisions contained in the Suffolk County AME Contract. Management employees (Bargaining Unit 21) mirror the workweek of the AME contract and work a 37 ½ hour workweek their first year and then revert to a 35 hour workweek.

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## SCOPE AND METHODOLOGY

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- Reviewed relevant Suffolk County Laws, Suffolk County Civil Service Rules, New York State Civil Service and Labor Laws, Standard Operating Procedures (SOPs), the Agreement between Suffolk County and the Association of Municipal Employees (AME Contract), Resolutions, All Department Head Memorandums, Payroll Memorandums and the Department's Procedures/Policies Manual.
- Conducted interviews of Department personnel as deemed necessary to obtain an understanding of the procedures used to record and process employee time sheets.
- Interviewed Department personnel 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.
- Obtained a crystal report from the Comptroller's Payroll Division of all Department personnel who worked from January 1, 2011 through December 31, 2011. Using the crystal report we randomly selected thirteen employees and judgmentally selected an additional three employees for testing.
- Performed testing procedures as deemed necessary for all time and accrual records submitted by the above sixteen employees from January 1, 2011 through December 31, 2011 in order to accomplish our audit objectives.
- Performed testing procedures as deemed necessary for all time and accrual records submitted by five randomly selected temporary employees during the audit period.
- Obtained a crystal report from the Comptroller's Payroll Division of all Department personnel who were docked from January 1, 2011 through December 31, 2011. Using the crystal report we judgmentally selected the six highest docked employees and randomly selected an additional six employees who were docked. Performed testing procedures as deemed necessary in order to accomplish our audit objectives.
- Interviewed appropriate County personnel in order to obtain an understanding of procedures followed when processing a Workers' Compensation case.
- Obtained a list of all Departmental Workers' Compensation cases for the period January 1, 2011 through December 31, 2011. Performed testing procedures as deemed necessary for twelve employees who were paid workers' compensation 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.

- Obtained a crystal report from the Comptroller's Payroll Division of all approved employee furloughs from January 1, 2011 through December 31, 2011 and performed testing procedures as deemed necessary in order to accomplish our audit objectives.

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## AUDIT FINDINGS

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***The Division of Patient Care's Rabro Office, the Division of Services for Children with Special Needs' Hauppauge Office, Division of Public Health, Office of Minority Health and the Division of Environmental Quality did not maintain any type of daily attendance records.*** The Director of Health Administrative Services stated that it was difficult to have a uniform standard of payroll reporting due to the different working conditions within various Divisions of the Department.

***The Department did not maintain adequate attendance records for temporary employees; therefore, we were unable to ensure the accuracy of employee hours worked.*** The Department could not provide daily sign-in sheets for two of the five (40%) employees tested. Therefore, we were unable to ensure that the hours worked for these two temporary employees were properly recorded on the employee's time and accrual records.

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

***The Department did not comply with Section 1079 of the County's Records Retention and Disposal Schedule CO-2.*** The John J. Foley Skilled Nursing Home and the Division of Services for Children with Special Needs only retained SCIN Form 49 (11/04) "application for leave" slips until the employee's corresponding SCIN Form 157 "time & accrual" record was been approved by the employee's supervisor. 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."

***Employees did not always submit SCIN Form 49 (11/04) "application for leave" slip for the use of vacation, personal, sick and compensatory time.*** The Emergency Medical Services Division, Division of Patient Care, Division of Public Health, Office of Minority Health, Crime and Toxicology Labs of the Medical Examiner's Division and the Pathology Division did not require employees to complete an application for leave slip when there were unplanned use of accruals. The Division of Preventive Medicine did not require employees to complete an application for leave slip for the use of any accrued time. The Department pre-approves vacation time off each year through the completion of Annual Vacation Request Sheets, and supervisors may request vacation and other leave slips from employees at their discretion for record keeping purposes. By not mandating the preparation and approval of application for leave slips, there is a lack of documentation to support time taken in compliance with contractual and standard operating requirements.

*There were several instances in which the Department did not properly calculate an employee's accrued leave hours.* Our audit testing revealed the following:

- The Department incorrectly overstated vacation and sick leave accruals for one employee by .46 and 10.38 hours, respectively. This resulted in the employee using 5.71 hours of accruals that were not yet earned during a leave of absence.
- The Department failed to pro-rate accruals for one employee when a furlough day was taken. This resulted in the employee's vacation and sick accruals being overstated by .27 and .37 hours, respectively.
- The Department incorrectly pro-rated the accruals for one employee returning from a leave of absence. Therefore, the employee's accrued vacation and sick leave hours were understated by 6.94 and 3.47 hours, respectively.

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## RECOMMENDATIONS

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- 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 ensure that an adequate system of internal controls is in place to record employee attendance. In addition, adequate attendance logs should be maintained to support the hours worked for all temporary employees.
- 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 employees should submit "application for leave" slips for the use of vacation, personal, compensatory 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 all employee accrued benefit hour balances are properly calculated. In addition, the employee's accruals should be adjusted to accurately reflect vacation and sick leave hour balances.

## **APPENDICES**

## APPENDIX A

### COUNTY OF SUFFOLK



**STEVEN BELLONE**  
SUFFOLK COUNTY EXECUTIVE

DEPARTMENT OF HEALTH SERVICES

**JAMES L. TOMARKEN, MD, MPH, MBA, MSW**  
Commissioner

July 29, 2014

Frank Bayer, CPA  
Executive Director of Auditing Services  
Office of the Comptroller  
H. Lee Dennison Building  
100 Veterans Memorial Highway  
Hauppauge, NY 11788-0099

Dear Mr. Bayer,

In response to your request for a written response to the draft audit report entitled "An Audit of The Suffolk County Department of Health Services Payroll Procedures for the Period June 7, 2010 through December 31, 2011," the Department offers the following comments for each audit recommendation.

- 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.  
*Department response: The Department agrees and has implemented improvements in this process to ensure that all hours worked and all leave hours taken have been properly recorded.*
- The Department should ensure that an adequate system of internal controls is in place to record employee attendance. In addition, adequate attendance logs should be maintained to support the hours worked for all temporary employees.  
*Department response: The Department agrees and has improved the system of internal controls to record employee attendance and will maintain daily attendance logs for all temporary workers.*
- 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.  
*Department response: The Department allows for both paper "application for leave" slips and email submittal of "application (request) for leave". The Department does not formally retain all "application for leave slips" in accordance with Schedule CO-2 but does validate timesheets with paper slip and email requests. The Department considers the final approved timesheets as the approved record of attendance and maintains them in accordance with Schedule CO-2.*



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- All employees should submit "application for leave" slips for the use of vacation, personal, compensatory 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.

*Department response: The Department agrees that requests for leave should be compared to timesheet entries and accrual records. This process is routine in the Department, however please note that as stated previously the Department allows for both paper "application for leave" slips and email submittal of "application (request) for leave" to be used to validate timesheets which then are used to validate accrual records.*

- The Department should ensure that all employee accrued benefit hour balances are properly calculated. In addition, the employee's accruals should be adjusted to accurately reflect vacation and sick leave hour balances.

*Department response: The Department agrees and has implemented improved practices to adjust and accurately reflect vacation and sick leave hour balances.*

Sincerely,



James L. Tomarken, MD, MPH, MBA, MSW  
Commissioner

JLT/srg



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## APPENDIX B

### Exit Conference Report

#### Auditee: Suffolk County Department of Health Services

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The Department did not request an exit conference, but did submit a written response to the audit report (Appendix A, p. 9). In its response the Department mostly concurred with the audit findings and has taken corrective action in response to our audit. However, the Department contends in its response that it does not formally retain all “application for leave slips” in accordance with the County’s Record Retention and Disposal Schedule CO-2 because the Department considers the final approved timesheets as the approved record of attendance and maintains them in accordance with Schedule CO-2. We disagree with the Department’s contention that “Application for Leave” slips do not need to be retained for 6 years. SCIN Form 49 “Application for Leave” slip provides a means to document any vacation, personal, compensatory and sick leave used by the employee. Since the County’s record retention period 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,” we believe that all SCIN Form 49 “Application for Leave” slips should be retained in accordance with the County’s Record Retention and Disposal Schedule CO-2.

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