



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

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

A Special Investigative Audit of the
Time Reporting Practices and Related Payroll Payments of a Selected
Employee of the Department of Parks, Recreation and Conservation
For the Period
December 8, 2014 through May 20, 2016

**Report No. 2017-03
Date Issued: March 10, 2017**

**SUFFOLK COUNTY
OFFICE OF THE COMPTROLLER**

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LETTER OF TRANSMITTAL

January 4, 2017

Philip Berdolt, Commissioner
Department of Parks, Recreation and Conservation
P.O. Box 144
West Sayville, NY 11796

Dear Commissioner Berdolt:

In accordance with the authority vested in the County Comptroller by the Suffolk County Charter (Article V), the Audit Division conducted a special investigation audit of the time reporting practices and related payroll payments of a selected employee of the Department of Parks, Recreation and Conservation (Department) for the period December 8, 2014 through May 20, 2016. The special investigation audit was commenced as a result of numerous complaints made by departmental employees, as well as a complaint received by Audit & Control's fraud hotline. The allegations were that the selected employee performed non-County work while on duty and would "come and go as she pleased."

Our special investigation audit focused on the Time and Accrual Records and supporting documentation submitted by a selected employee, and related payroll payments made by the County. The objectives of our audit were limited to the following:

- To determine if the selected employee's Time and Accrual Records accurately reflect the hours worked and paid during the audit period.
- To determine if the selected employee's time reporting practices during the audit period were properly authorized and conducted in accordance with applicable laws, rules and contracts.

Our special investigation audit consisted primarily of inquiries of Department employees, as well as an examination of time and accrual records, related documentation and electronic files. Investigative procedures do not constitute an audit conducted in accordance with generally accepted government auditing standards. If we had performed additional procedures, other matters might have come to our attention that would have been reported to you.

We conducted our special investigation audit in order to satisfactorily complete our objectives. We believe that our investigative procedures provide a reasonable basis for the findings contained in this report.

Respectfully submitted,

Office of the County Comptroller
Division of Auditing Services

EXECUTIVE SUMMARY

Our special investigative audit revealed the Department did not properly supervise and monitor the work performance of the selected employee.

We found several instances in which the selected employee used the County's computer network to conduct non-County business.

The Department improperly allowed the selected employee to retain 63.5 compensatory time hours which should have been forfeited. In addition, the selected employee incorrectly received 30 compensatory time hours which she was not entitled to receive.

In addition to the above, our special investigative audit revealed the following instances of noncompliance:

- There were numerous instances where the selected employee did not record her lunch breaks on the Department's Daily Staff Time Records.
- There were numerous instances in which SCIN Form 17; "Overtime Authorization" was not properly completed in accordance with Suffolk County All Payroll/Personnel Representatives Memorandum dated August 27, 1985.
- There were 113 instances in which SCIN Form 49 (11/04), "Application For Leave" was not properly completed.

BACKGROUND

The selected employee of the Suffolk County Parks Department was following the provisions of the Suffolk County Association of Municipal Employees (SCAME) agreement for a Bargaining Unit 2 employee during the period December 8, 2014 through and including May 20, 2016.

The normal work hours for the Department's administrative staff are 8:30 am- 4:30 pm. The Department implemented a Daily Staff Time Record to monitor employee attendance on October 3, 2011 and all employees are required to record their arrival time, lunch break and departure time on the Daily Staff Time Record. If an employee leaves the park grounds, they are required to sign in and out. Daily Staff Time Record sheets are reviewed by each department supervisor and are submitted to the administrative office at the end of each month.

All overtime requires pre-approval except in the case of an emergency. Employees are required to fill out a Pre-Authorization for Overtime form and the employee's supervisor and Parks Superintendent are required to sign, date and approve the requested overtime on the form.

SCOPE AND METHODOLOGY

- Reviewed relevant Suffolk County Laws, Resolutions, All Department Head Memorandums, Payroll Memorandums, and Agreements between Suffolk County and the Association of Municipal Employees (AME).
- Interviewed the Department's Commissioner in order to obtain an understanding of the attendance policies and procedures followed by the selected employee and to obtain an understanding of the selected employee's job duties.
- Interviewed the selected employee's immediate supervisor in order to ascertain the employee's job responsibilities.
- Interviewed the Department's payroll representative in order to obtain an understanding of the procedures used to record and process payroll.
- Obtained all Time and Accrual Records submitted by the selected employee from December 8, 2014 through May 20, 2016.
- Performed testing procedures as deemed necessary for all Time and Accrual Records submitted by the selected employee from December 8, 2014 through May 20, 2016.
- Performed testing procedures as deemed necessary to ensure overtime hours were accurately reported and that the selected employee complied with applicable laws, regulations and the SCAME agreement when reporting overtime.
- Forensically reviewed the selected employee's County computer.

INVESTIGATIVE RESULTS

INVESTIGATIVE RESULTS:

Although we cannot substantiate any allegation that the employee was paid when not working, evidence revealed a severe lack of supervision and possible abuse of County resources.

The Department does not have an adequate system of internal controls in place to properly supervise and monitor the work performance of the selected employee. There is a lack of direct supervision by the selected employee's immediate supervisor as the supervisor stated several times that even though he directly supervised the selected employee and approved her Time and Accrual Records, he had no idea what her actual job functions and day to day responsibilities were. The selected employee's immediate supervisor stated that he does not direct the selected employee and that she is more self-directed.

When an employee is not properly supervised, there is a possibility of defalcation, decreased employee effort, and unethical behavior.

There were several instances in which the selected employee used the County's computer network to conduct non-County business. The Computer Use Policy for Suffolk County specifically states, "The County's Computer Resources may not be used for the conduct of non-County business, dissemination or storage of commercial or personal advertisements, private commercial enterprise, solicitations, promotions, destructive programs (that is, viruses or self-replicating code), political material, or any other authorized use." However, a forensic review of the selected employee's County computer revealed several instances in which the employee violated the County's Computer Use Policy and used her computer for non-County purposes to perform work for another job. On two of these occasions the selected employee was working unsupervised overtime.

The Department improperly allowed the selected employee to retain 63.5 compensatory time hours which should have been forfeited. The SCAME Contract allows employees who are in Grade 24 or higher to convert up to 70 hours of accrued compensatory time to vacation and/or sick hours at the end of the year. The contract further states any compensatory time not used or converted at year end shall be lost. Our audit testing revealed this employee had accumulated 133.5 hours of accrued compensation time at the end of 2014, of which 70 hours were converted to sick hours and the remaining 63.5 hours were erroneously carried forward and used in the following year.

The selected employee incorrectly received 30 compensatory time hours which she was not entitled to receive. Amendment 6, Attachment to SOP A-08 dated March 25 1985 states that employees in Grade 24 and above shall be compensated on an hour for hour basis to a maximum of 7 hours per day when the employee is required to work on a Saturday, Sunday or a scheduled holiday. However, our audit testing revealed fourteen instances totaling 30 hours in which the employee worked beyond the 7 hour per day maximum on her regular day off.

The Department did not have an adequate system of internal controls in place to properly monitor overtime worked by the selected employee. Our audit revealed the following:

- There were numerous instances where the overtime hours reported on the selected employee's Time and Accrual Records appear unreasonable. Our audit testing of 55 days in which the selected employee was the first employee to arrive and/or the last employee to leave the Department's administrative office revealed that on 21 of the 55 days (38%) there was a significant difference (greater than 15 minutes) between the arrival or departure time the employee reported on her Time and Accrual Record and the opening or closing time reported on the building's Open/Close Alarm Report supplied by the Department. In addition, on 8 of the 21 days (38%) the difference was more than one hour. Furthermore, the employee often worked alone on nights and weekends which precluded us from confirming the actual hours worked by the selected employee with a coworker.
- The selected employee did not complete the Department's "Pre-Authorization For Overtime" form for 84 days of overtime worked. The Department requires all employees to complete a "Pre-Authorization For Overtime" form which has to be approved by the employee's supervisor and the Department's Superintendent; however, the form was not completed for these 84 days of overtime. In addition, there were numerous instances where the employee indicated multiple days of overtime on SCIN Form 17, "Overtime Authorization," which is an indication that no prior approval was given.

When employee overtime is not properly monitored by the Department, there is an increased risk that overtime hours will be incorrectly reported on the employee's Time and Accrual Record and that the employee will be paid for time not worked.

The Department does not have an adequate system of internal controls in place to properly process employee Time and Accrual Records. The selected employee's immediate supervisor stated that he does not review hours reported on the Department's Daily Staff Time Records when approving the selected employee's Time and Accrual Records. Therefore, there is a possibility that actual hours worked will be incorrectly reported on the employee's Time and Accrual Records and not detected by the Department.

There were numerous instances where the selected employee did not record her lunch breaks on the Department's Daily Staff Time Records. Effective October 3, 2011, the Department required all employees to sign in and out of work for their lunch period on the Department's Daily Staff Time Records; however, our audit testing revealed 184 instances in which the employee did not sign in or out for lunch as required by the Department's internal control policy.

When an employee does not comply with the Department's internal control policy, there is a possibility that actual hours worked will be incorrectly reported on the Department's Daily Staff Time Records and not detected by the Department.

There were numerous instances in which SCIN Form 17; "Overtime Authorization" was not properly completed in accordance with Suffolk County All Payroll/Personnel Representatives Memorandum dated August 27, 1985. The Memorandum requires that a SCIN Form 17 be completed for each occurrence of overtime, contains three signatures (employee, supervisor and Department Head or Department Head Representative), and includes a detailed justification for overtime. However, our audit testing revealed the following:

- There were 26 instances where the selected employee did not submit a separate SCIN Form 17, "Overtime Authorization" for each occurrence of overtime.
- All of the 39 SCIN Form 17, "Overtime Authorizations" submitted by the selected employee were missing one of the two required supervisor signatures.
- There were 29 instances where the selected employee worked overtime and did not indicate the reason on the SCIN Form 17, "Overtime Authorization."

When SCIN form 17 is not properly completed for each occurrence of overtime, there is an increased risk that overtime hours will be incorrectly reported and that the employee will be paid for time not worked.

There were 113 instances in which SCIN Form 49 (11/04), "Application For Leave" was not properly completed. The Application For Leave slips were missing one or both signature dates and were not countersigned by a department head. In addition, the selected employee did not complete Application for Leave slips until she submitted her Time and Accrual Record to her immediate supervisor.

When an Application for Leave slip is not completed immediately after accrued time is taken, there is an increased risk that the accrued time taken will not be accurately reported on the employee's Time and Accrual Record.

RECOMMENDATIONS

- The Department should ensure that an adequate system of internal controls is in place to properly supervise and monitor the work performance of its employees. Supervisors should have a good working knowledge of their subordinates job function and day to day responsibilities.
- The Department should ensure that employees adhere to the provisions of the Computer Use Policy for Suffolk County and that the County's computer resources are not used for the conduct of non-County business.
- The Department should adjust the employee's current Time & Accrual Record for 63.5 hours of compensatory time that should have been forfeited in accordance with the provisions of the SCAME Contract, and for 30 hours of compensatory time which the employee received in error.
- The Department should ensure that an adequate system of internal control is in place to monitor employee overtime. In addition, the Department should ensure that a "Pre-Authorization For Overtime" form is properly completed prior to any overtime being incurred.
- The Department should ensure that an adequate system of internal control is in place to properly process employee Time and Accrual Records. Furthermore, hours reported on the Daily Staff Time Record should be compared to hours reported on the employee's Time and Accrual Records prior to supervisory approval.
- Department employees should comply with the Department's internal control policy and sign in and out of work for their lunch period on the Department's Daily Staff Time Records.
- The Department should ensure that a SCIN Form 17, Overtime Authorization is properly completed for each occurrence of overtime.
- The Department should comply with the requirements for reporting leave time as detailed in Comptroller's Payroll Advisory Number 1.

APPENDICES

APPENDIX A

COUNTY OF SUFFOLK



STEVEN BELLONE
SUFFOLK COUNTY EXECUTIVE

DEPARTMENT OF
PARKS, RECREATION AND CONSERVATION

PHILIP A. BERDOLT
COMMISSIONER

March 6, 2017

Office of the Comptroller
Audit Division
John M. Kennedy, Jr.

Dear Mr. Kennedy,

Upon review of the report sent to the Parks Department Commissioner's Office regarding a Selected Employee for the Period of December 8, 2014 through May 20, 2016, I defer to the findings of the report issued by the auditors of the Office of the Comptroller. These actions taken by this employee happened prior to my tenure at the Parks Department and I am thankful for this report to have highlighted any potential problems in our processes that need to be corrected.

Upon final issuance of the Comptroller's report, I will recommend appropriate disciplinary/ corrective actions, against the selected employee. I will also ensure that proper steps are put into place to comply with proper time record maintenance and leave slip policies.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip A. Berdolt".

Philip A. Berdolt
Commissioner



APPENDIX B

Comptroller Office's Comments on the Department's Response

Auditee: Suffolk County Department of Parks, Recreation and Conservation

The Department submitted a written response to the audit report (Appendix A, p. 10). In its response the Department concurred with the audit findings and indicated that it will take corrective action in response to our audit. Therefore, no modification of the audit report is warranted.

We extend our gratitude to the personnel at the Suffolk County Department of Parks, Recreation and Conservation for their cooperation during the audit and for addressing the findings identified in our report.