



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

**Joseph Sawicki, Jr.
Comptroller**

An Audit of the
Suffolk County Department of Fire, Rescue and Emergency Services
Payroll Procedures
For the Period
January 1, 2010 through June 30, 2011

**Report No.: 2014-02
Date Issued: February 28, 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 Fire, Rescue and Emergency Services (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:

- 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.
- The Department did not always properly record the number of hours docked or calculate an employee's gross wages for pay periods in which a dock situation arose.
- The Department did not properly record a furlough day for one employee on the County's payroll system, resulting in the employee being overpaid \$209.
- Employees did not always comply with the Department's written attendance and leave procedures.

Summary of Significant Recommendations:

- The Department should ensure that employee time and accrual records accurately reflect employee hours worked and benefit hours utilized.
- The Department should ensure that the number of hours docked are properly recorded and employee gross wages are properly calculated. In addition, the Department should correctly calculate the amounts overpaid and underpaid to the four employees and process the appropriate adjustments to their gross wages.

- The Department should ensure that all approved employee furloughs are properly recorded on the County's payroll system. In addition, the employee should repay \$209 to the County to properly account for the furloughed day that he was incorrectly paid for.
- Employees should ensure that they strictly adhere to the Department's written attendance and leave procedures. In addition, Communications Bureau employees should comply with Communications Bureau Standard Operating Guidelines.

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 four Divisions:

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

The Communications Center Division, which operates 24 hours a day, seven days a week utilizing rotating shifts, records daily attendance on a computerized Excel calendar which details the shift worked, any accruals used and any overtime worked. Attendance for the remaining Divisions is recorded on an exception basis by using either Outlook calendars or hard copy calendars to record any accruals that employees may have used.

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

SCOPE AND METHODOLOGY

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

AUDIT FINDINGS

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 four instances in which the Department's attendance calendar reflected an employee being sick; however, the employee's time sheets did not record any sick time or the corresponding deduction of sick time accruals.
- There was one instance in which a doctor's note was attached to a time and accrual record confirming the employee was seen in the office; however, sick hours were not recorded on the time and accrual record and the accrued sick leave hours were not adjusted.
- There was one instance in which hours recorded on the SCIN 49 "application for leave" form did not agree with the leave hours recorded on the employee's time and accrual record.
- There were six instances in which overtime hours recorded on an employee's time and accrual record did not agree to the amount of overtime hours recorded on the employee's SCIN 17 "overtime authorization" form.
- There was one instance in which an employee's time and accrual record had two different SCIN 17 "overtime authorization" forms attached for the same evening. One overtime authorization form indicated the employee was recalled for an extra half shift from 7:30 pm - 11:30 pm for five hours of overtime; the other overtime authorization form indicated the employee was held over for an extra half shift from 6 pm – 10 pm for four hours of overtime.
- There were three instances in which an employee's time and accrual record was incomplete. The employee did not record hours worked for several days on each of the time and accrual records. In addition, the same employee recorded seventy-seven normal hours worked on one day.

The Department did not always properly record the number of hours docked or calculate an employee's gross wages for pay periods in which a dock situation arose. Our audit testing of four of the seven (57%) employees selected from the docked payroll crystal report revealed the following:

- There were four errors related to the processing of docked payroll for one employee: two instances in which the number of hours docked

were not properly calculated and two instances in which the gross wages were not properly calculated, resulting in the employee being underpaid \$34.

- One employee should have been docked for three hours; two of the docked hours were not properly recorded and calculated on the employee's time and accrual record, and one of the docked hours was recorded on the employee's time and accrual record, but never processed. Therefore, the employee was overpaid \$73.
- One employee should have been docked for one hour; however, the employee was only docked for a half hour, resulting in the employee being overpaid \$15.
- One employee was incorrectly docked twice for the same occurrence, resulting in the employee being underpaid \$23.

The Department did not properly record a furlough day for one employee on the County's payroll system, resulting in the employee being overpaid \$209. The Department's payroll representative confirmed the error was not corrected in subsequent periods.

Employees did not always comply with the Department's written attendance and leave procedures. Our audit testing revealed the following:

- There were numerous instances in which Communications Bureau employees did not follow proper time card stamping procedures. All five of the Communications Bureau employees (100%) were not always stamping their time cards at the arrival and departure of their shift when a time clock was used by the Communications Bureau prior to November 2010.
- Three of the six Communications Bureau employees tested (50%) did not always comply with Section 2.03 of the Communications Bureau Standard Operating Guidelines. The Guidelines for Remarks state, "The employee must list their normal work hours for that scheduled date using standard time (AM & PM) indicating AM & PM." However, there were several instances in which these three employees neglected to complete the remarks section of their time and accrual records.
- One of the six Communications Bureau employees tested (17%) did not always comply with Section 3.03 of the Communications Bureau Standard Operating Guidelines. There were two instances in which the employee did not include the proper "Standard Verbiage" which

provides an explanation of why the overtime was authorized. In addition, there was one instance in which the employee did not record the correct reason for the overtime on the overtime authorization form.

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 properly adjust the accruals for one employee who was docked. The employee only worked 15 out of 20 days (75%) within a four week period, but was allowed to earn 100% of her accruals for the period. Since the employee only worked 75% of the days, she should have earned only 75% of the accruals for the period. Therefore, the employee's accrued balances are overstated by 2.12 vacation hours and 1.87 sick hours.

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 eleven of the twenty-one (52%) furloughs during our audit period commenced before an application for voluntary leave time was approved by the Department. In addition, the Department Head did not indicate whether the furlough was approved or denied on five of the twenty-one (24%) applications and two of those five applications (40%) were not dated by the Department Head.

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 one of the twenty-one (5%) employee furloughs.

The Department did not comply with the Budgetary Considerations provision required by SOP A-17, Overtime Authorizations. 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." However, the Department could not provide any evidence that written justification was sent to the Chief Deputy County Executive.

There were five instances in which an employee incurred overtime, but did not complete a SCIN Form 17 "Overtime Authorization" form. Suffolk County Standard Operating Procedure A-17 specifically states, "All County agencies must use SCIN Form 17, "Overtime Authorization"."

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

- There were two instances in which a time & accrual record was not signed by the Department Head.
- There was one instance in which a SCIN Form 17 "Overtime Authorization" was not signed by the Department Head.
- There were two instances in which a SCIN Form 49 "Application for Leave" was not "countersigned".

The Department could not provide an employee's time and accrual record for one of the periods in which a furlough occurred. The employee was on an approved furlough, did not return to work, and resigned on September 20, 2010.

Employees did not always submit SCIN Form 49 (11/04) "application for leave slip" for the use of vacation, personal and compensatory time. Our audit testing revealed that ten of the thirteen (77%) employees tested did not always submit an application for leave slip for the use of vacation, personal or compensatory time. In addition, the Department does not require an application for leave slip for sick time.

RECOMMENDATIONS

- The Department should ensure that employee time and accrual records accurately reflect employee hours worked and benefit hours utilized.
- The Department should ensure that the number of hours docked are properly recorded and employee gross wages are properly calculated. In addition, the Department should correctly calculate the amounts overpaid and underpaid to the four employees and process the appropriate adjustments to their gross wages.
- The Department should ensure that all approved employee furloughs are properly recorded on the County's payroll system. In addition, the employee should repay \$209 to the County to properly account for the furloughed day that he was incorrectly paid for.
- Employees should ensure that they strictly adhere to the Department's written attendance and leave procedures. In addition, Communications Bureau employees should comply with Communications Bureau Standard Operating Guidelines.
- The Department should reduce the employee's accrued vacation and sick hours, accordingly.
- 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.
- 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.
- A SCIN Form 17 "Overtime Authorization" should be properly completed and compared to the employee's time and accrual record to ensure that all approved overtime hours are properly reported.
- The Department Head or his/her designee should ensure that all Time and Accrual Records are properly approved. In addition, all SCIN Form 17 "overtime authorization" and SCIN Form 49 "application for leave" forms should be properly approved.
- The Department should ensure that each employee complies with the Department's policy for submission of time and accrual records, and that any hours furloughed are properly recorded on the time and accrual record.

- 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 sheet to ensure that the use of all leave time was properly reported.

APPENDICES

APPENDIX A

COUNTY OF SUFFOLK



JOSEPH F. WILLIAMS
COMMISSIONER

STEVEN BELLONE
SUFFOLK COUNTY EXECUTIVE

EDWARD K. SPRINGER
CHIEF FIRE MARSHAL

JOHN G. JORDAN SR.
DEPUTY COMMISSIONER

EDWARD C. SCHNEYER
DIRECTOR OF EMERGENCY PREPAREDNESS

DEPARTMENT OF FIRE, RESCUE AND EMERGENCY SERVICES

Feb. 21, 2014

Mr. Frank Bayer, Executive Director of Auditing Services
Office of Suffolk County Comptroller
H. Lee Dennison Building
Hauppauge, N.Y.

RE: Comptroller's Draft Report of An Audit of the Suffolk County Department of Fire, Rescue and Emergency Services Payroll Procedures for the Period Jan. 1, 2010 through June 30, 2011

Dear Mr. Bayer:

Thank you for providing the Suffolk County Department of Fire, Rescue and Emergency Services ("FRES" and "the department") with an opportunity to review the draft audit report and provide comment. We thank you for your input and welcome the Comptroller's recommendations.

The purpose of this letter is to respond to the draft report provided to us on Feb. 5, 2014 in anticipation of the Comptroller's final report.

In general, the department is in agreement with the findings of the Comptroller's audit. The processing errors, shortcomings in record-keeping and failure to adhere to some standard operating procedures, such as SOP A-17, represent weaknesses during the time period of this audit. The department has since taken proactive measures to improve controls and adherence to the standard operating procedure.

The department has either already adopted changes recommended by auditors, or will work to implement changes. Specifically:

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YAPHANK, NEW YORK 11980-0127

COMMISSIONER'S OFFICE: (631) 852-4850
FIRE MARSHAL'S OFFICE: (631) 852-4855
EMERGENCY MGMT OFFICE: (631) 852-4900
COMM. CENTER (24-HOUR): (631) 852-4815
FAX: (631) 852-4861

COUNTY OF SUFFOLK



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DEPARTMENT OF FIRE, RESCUE AND EMERGENCY SERVICES

- Personnel who processed inaccurate and contradictory payroll, time and accrual records ceased working for the department in 2012; training and supervision have been provided new personnel assigned to this role;
- The department will ensure that the \$209 overpaid to employee, as noted in the audit, has been fully recovered as well as corrections made to other pertinent time and accrual records mentioned in the draft audit report;
- Management and personnel who oversee and process attendance and leave will be counseled in maintaining compliance with all pertinent county, state and federal policies and requirements with respect to payroll, overtime, attendance and leave.

Should you have additional questions or concerns, please do not hesitate to contact me and I will be happy to assist in as timely a manner as possible.

Sincerely,

Joseph F. Williams, Commissioner
Suffolk County Department of Fire, Rescue and Emergency Services

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APPENDIX B

Exit Conference Report

Auditee: Suffolk County Department of Fire, Rescue and Emergency Services

The Department did not request an exit conference, but did submit a written response to the audit report (Appendix A, p. 12). 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.