

**BROOME COUNTY
DEPARTMENT OF
AUDIT AND CONTROL**

DEPARTMENTAL PAID TIME OFF RECORDS AUDIT

October 2002

Alex J. McLaughlin, Comptroller

October 28, 2002

Jeffrey P. Kraham, County Executive:

The Department of Audit and Control has audited the system of controls established by the Department of Social Services, the Department of Public Works, Mental Health and Law to maintain employee records for paid time-off. The principle objective was to ascertain the quality and reliability of records maintained to track the use of vacation, sick time and floating holidays.

The audit was conducted in accordance with generally accepted auditing standards. Such standards require that the Department of Audit and Control plan and perform the audit to adequately assess the accuracy of the financial records and adequacy of the internal controls, and that we examine, on a test basis, sufficient, competent and relevant evidence to afford a reasonable basis for our conclusions.

Based on the results of our examination, except for the instances noted herein, it is our opinion that the Department of Social Services, the Department of Public Works, Mental Health and Law all have adequate controls to effectively maintain the employee records for paid time-off.

Sincerely,

Alex J. McLaughlin
Comptroller

cc: Daniel A. Schofield, Chairman of the Legislature
Members of the Legislature
Louis P. Augostini, Clerk of the Legislature
Robert K. Houser, Commissioner of Social Services
William A. Sczesny, Commissioner of Public Works
Arthur R. Johnson, Commissioner of Mental Health
William L. Gibson, Jr., County Attorney

Background Information:

The purpose of our audit was to ascertain the quality and reliability of records maintained by various County departments to track the use and balance of vacation, sick time and floating holidays.

The County does not have a policy on how departments should account for employees' paid time-off.

In this audit we examined the records of a cross section of departments whose combined total employees equals 33% of the County's full time work force. The departments we chose were the Department of Public Works, the Department of Social Services, Mental Health and Law.

A sample of 10% of the employees from Department of Public Works and Mental Health were examined. Three employees from the County Attorney's office, three employees from Law at DSS and 20 employees from the Department of Social Services were examined. The employee's 2001 paid time-off records were examined except for Mental Health. Mental Health had started using a new method for keeping track of employees' paid time-off in January so we examined their year to date information.

Each of the departments had the same basic process to account for paid time-off. Each department required employees to provide a written request of time-off. The request was then submitted to a supervisor for approval and then sent on to the payroll clerk for the department. The payroll clerk for the department is also the one who maintains the time-off records.

Prior Audit:

None

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
-LAW-

FINDING 1: LAW EMPLOYEE TAKING PAID TIME OFF BEFORE EARNED

During the course of our audit we discovered that an Administrative employee was using his vacation days before he earned the vacation time. Administrative employees with a hire date after May 1, 1988 accrue vacation time on a monthly basis.

Article 10 section 1b states:

After the completion of six months of service employees working a 40-hour workweek shall be entitled to 68 hours of vacation. Thereafter vacation shall accrue at the rate of 11.33 hours per month.

This Administrative employee could use up to 17 days, sometimes more depending on years of employment, of vacation before all of it is actually earned. If this employee is terminated the County could not recover more than two weeks of pay in the final paycheck. If this particular employee was terminated the County could lose \$2,455.

The policy in the Personnel Rules for the Administrative Personnel is not very clear on whether or not employees are allowed to use vacation days before they are accrued.

RECOMMENDATION:

We recommend that this employee not use vacation days before actually earned. We also recommend that the Personnel Rules for the Administrative Personnel make the Vacation policy more clear as to when vacation days may be used.

MANAGEMENT RESPONSE:

We have requested the Personnel Department to promulgate a policy on taking vacation time before it accrues, much the same as taking floaters before the actual holiday. By implementing the time tracking spreadsheet that you have recommended each employee will be provided with a monthly report of vacation, sick and holiday time used. This will allow total compliance with whatever policy is promulgated. There have been occasions in the past where a new hire has been allowed to take a few days off with pay prior to the end of the first six months. This has occurred when the new employee had prior plans such as a wedding. I suggest that this type of discretion be granted to the department head.

Personnel

There is no "rule" regarding this, however department heads should be able to allow this type of usage when circumstances warrant so long as the time can be "recouped" in a final paycheck.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
- LAW -

FINDING 2: LAW MATH ERROR RESULTS IN EXTRA TIME FOR EMPLOYEE

During the course of our audit we noted that Law uses handwritten worksheets to keep track of their employees paid time-off balances. In one of these worksheets we discovered a calculation error on an employee's vacation balance which gave the employee an additional two hours of vacation time.

Use of a computer spreadsheet would eliminate calculation errors.

This error was a result of the department doing too many manual calculations.

RECOMMENDATION:

We recommend that Law use a spreadsheet application such as Excel, to keep track of their employee's cumulative balances for paid time-off.

We also recommend that Law recover the two hours vacation from the employee that received the additional time.

MANAGEMENT RESPONSE:

To avoid possible math errors, the Legal Unit at DSS will use Microsoft Excel, instead of maintaining a manual ledger.

We have implemented an "Excel" spreadsheet to track each employee's usage of vacation, holiday and sick time. The two hours erroneously credited to the employee have been recovered. The spreadsheet should reduce the chance for errors of this type.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
- LAW -

FINDING 3: LAW EMPLOYEE NOT BEING PAID OVERTIME FOR WORKING MORE THAN 75 HOURS BI-WEEKLY

During the course of our audit, we noted that an employee recorded her daily time in, time out and lunch break time. According to the time written this employee worked more than 75 hours in a bi-weekly period.

This employee's pay code is salary with overtime.

This employee has not been paid for the overtime worked. For one month over six hours extra were worked, in a year's time this person would have to be paid \$2,000 more than her regular salary.

RECOMMENDATION:

We recommend to the department of Law that it should not allow employees to work extra hours and not pay them the overtime salary they are entitled.

MANAGEMENT RESPONSE:

All employees are paid a flat salary. Rather than keep detailed records of the exact time and time out each employee will list on their daily time sheet 7.5 hours worked (assuming they actually worked those hours). If an employee is required to stay after hours they will be compensated.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
-DEPARTMENT OF PUBLIC WORKS-

FINDING 4: PUBLIC WORKS EMPLOYEE NOT CREDITED WITH CORRECT AMOUNT OF VACATION DAYS

During the course of our audit we discovered a BAPA employee in the Public Works department that was not credited with the correct number of vacation days. The employee was credited with only 110 hours of vacation time in his one-year anniversary month.

As stated in Article 14 2A of the BAPA contract:

After one year's continuous service to the County, the employee will be credited with 15 days or 120 hours vacation on the anniversary date of employment.

The employee was shorted 10 hours of vacation.

RECOMMENDATION:

We recommend that the Department of Public Works provide remedial training to employees charged with payroll record keeping. We further recommend that this employee be credited with the proper vacation hours.

MANAGEMENT RESPONSE:

Payroll clerk has reviewed criteria pertaining to vacation time. Employee has now been credited with proper vacation time.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
-DEPARTMENT OF PUBLIC WORKS AND DEPARTMENT OF SOCIAL SERVICES-

FINDING 5: THE PUBLIC WORKS AND SOCIAL SERVICES DEPARTMENTS ARE KEEPING TWO SETS OF CUMULATIVE BALANCES OF PAID TIME-OFF.

During the course of our audit we noted that Public Works and Social Services kept two separate balances for each employee's paid time off.

At the Department of Social Services, one balance was kept by each supervisor and the other balance was kept by the Payroll Clerk on a computer program. At the Department of Public Works both balances were kept by the Payroll Clerk, one was handwritten and the other was on a computer program.

One balance per employee is sufficient.

Keeping two records of the same exact numbers is an inefficient use of time.

RECOMMENDATION:

We recommend that the Department of Social Services leave the responsibility of keeping cumulative balances solely to the Payroll Clerk.

We recommend that the Department of Public Works continue using the computer program to keep track of all employee balances and discontinue the handwritten account for paid time-off.

MANAGEMENT RESPONSE:

A handwritten account of all employee balances was in place while new payroll software was placed in service. The software bugs have been eliminated, we will continue to utilize the software for tracking employee payroll time-off balances.

The Payroll Clerk will continue to have responsibility for inputting each bi-weekly payroll and this clerk will ensure that one set of data is maintained timely and accurately. The supervisors will continue to sign-off on all paid time-off and they are to ensure that all absences be authorized via the standardized paid time-off form. This will ensure that all supervisors continue to be knowledgeable of their employee's records.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
-DEPARTMENT OF SOCIAL SERVICES-

FINDING 6: DEPARTMENT OF SOCIAL SERVICES DOES NOT HAVE A UNIFORM POLICY FOR ACCOUNTING FOR PAID TIME-OFF

During the course of our audit we noted that there is no uniform policy for accounting for time-off at the Department of Social Services. There are several supervisors at Social Services and each supervisor has their own system and forms for accounting for employee paid time-off.

There should be one standard two-part form for time-off requests and one standard form for each supervisor to summarize employee time on a bi-weekly basis to submit to the Payroll Clerk.

The process is made more difficult for the Payroll Clerk with each supervisor submitting a different form. Also, employees transferring to a different division have to learn entirely new procedures for requesting time-off.

There is no written policy on accounting for paid time-off.

RECOMMENDATION:

We recommend that the Department of Social Services design and implement one two-part form for time-off requests, one standard form for submitting the biweekly payroll information and a written policy for accounting for paid time-off. We further recommend that management make aware to every employee the new policy and forms.

MANAGEMENT RESPONSE:

Social Services has designed a new two-part form to consistently record requested paid time-off. This form is currently being used by the Administrative Department and it has all the necessary fields reflected. The form will be rolled out to Social Services and it will be maintained by the individual supervisors to track and approve all paid time-off. A copy of this form is being sent to Audit and Control under separate cover. In addition, a bi-weekly automated Microsoft Access Payroll Program is currently being used within social Services and is to be rolled out to the entire department by the end of October. This will make all inputting for hours worked and time-off consistent within the Social Services Department. These changes will be documented within DSS as a formal written Payroll policy in the absence of a formal procedure from the Broome County Payroll Department. Rollout to begin by 10/31/02, complete DSS rollout to all DSS employees by 3/30/03.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
- DEPARTMENT OF SOCIAL SERVICES -

FINDING 7: TOO MUCH REPETITION IN DEPARTMENT OF SOCIAL SERVICES PAYROLL PROCESS

During the course of our audit, we noticed that the Department of Social Services had too much repetition in its payroll process. Summary sheets were submitted from each supervisor to the Payroll clerks bi-weekly as well as monthly.

Submitting the payroll summary sheets three times every month is an inefficient use of time.

RECOMMENDATION:

We recommend that the Department of Social Services modify the payroll process by eliminating the monthly summary sheets. They should continue using the biweekly sheets.

MANAGEMENT RESPONSE:

All monthly payroll sheets will be eliminated when the bi-weekly payroll program is rolled out to the Social Services Department. This will ensure that the Payroll records within Social Services remain accurate and consistent.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
- MENTAL HEALTH DEPARTMENT-

FINDING 8: MENTAL HEALTH EMPLOYEE HIRED FULL-TIME AND PART-TIME FOR THE SAME POSITION

During the course of our audit, we discovered that an employee from the Mental Health department is a full-time Staff Psychiatrist as well as a part-time (5 bi-weekly hours) Staff Psychiatrist.

This employee's pay code is salary exempt overtime.
One person should not be hired as full-time and part-time for the same position.

This Staff Psychiatrist was hired on salary exempt for overtime. It is her responsibility to get the job done, and even if it takes more than 80 hours to do the job she should still only get paid her normal salary.

RECOMMENDATION:

We recommend that the Department of Mental Health discontinue paying this employee for the part-time position. The extra 5 bi-weekly hours should just be incorporated into her normal work schedule.

MANAGEMENT RESPONSE:

Staff Psychiatrists are not represented in CSEA or BAPA. They also do not fall within Administrative I or Administrative II and are classified as excluded personnel following rules of Administrative I personnel. For many years the Mental Health Department has offered additional part-time hours to full-time psychiatrists. These hours are worked in addition to the psychiatrist's full-time hours. The Department has in its budget a number of part-time psychiatrist positions to assist the Department in managing the complex psychiatric needs of its patients. In essence, the full-time psychiatrist is working a second job in the Mental Health Department under these part-time hours. The psychiatrist's hours and their productivity are monitored to assure that we are getting the additional hours of work out of them.

Psychiatrists are very difficult healthcare professionals to recruit. I recommend continuation of the Department's practice.

**AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
- PERSONNEL-**

FINDING 9: NO COUNTY POLICY TO ACCOUNT FOR PAID TIME-OFF

During the course of our audit we found that there is no standard policy and/or procedures for County departments to account for paid time-off. There also have been different interpretations of provisions of the Administrative Rules on when vacation time can be used.

Each department sampled in our audit has different policies and procedures on how to keep track of employees' paid time-off. Some of these practices are not very efficient.

RECOMMENDATION:

We recommend that the Personnel Department design and implement some consistent forms and practices for all of the County departments to maintain their record of employees' vacation, sick and floating holiday time.

We also recommend that the Personnel Department more clearly state the provisions of the Administrative policy on vacation time and when it can be used.

MANAGEMENT RESPONSE:

I will see that the recommended forms and procedures will be included in the new handbook and manual. I will show you the proposed language for review.