

City of Yonkers

Payroll

MARCH 2018



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

Contents

- Report Highlights 1**

- Leave Accruals, Time and Attendance, and Overtime. 2**
 - How Should Leave Accruals, Time and Attendance, and Overtime Be Monitored? 2
 - Leave Accruals Were Not Properly Monitored 2
 - Employees Exceeded the Vacation Carryover Limit 4
 - Police Supervisors Did Not Provide Oversight of Department Compensatory Time, Creating an Overtime Requirement. 5
 - How Should Time and Attendance and Overtime Be Managed? 6
 - Supervisors Did Not Always Review Time and Attendance Records for Accuracy 6
 - Supervisors Did Not Always Pre-Approve Overtime and Review Overtime Hours Reported 7
 - What Do We Recommend? 7

- Appendix A – Response From City Officials 9**

- Appendix B – OSC Comments on the City’s Response 12**

- Appendix C – Audit Methodology and Standards 13**

- Appendix D – Resources and Services. 16**

Report Highlights

City of Yonkers

Audit Objective

Determine if City officials established adequate internal controls over employees' leave accruals, time and attendance, and overtime.

Key Findings

- The City's leave accrual processes are decentralized and not administered uniformly, resulting in errors in employees' leave accruals.
- The City paid over \$903,000 in police overtime to cover compensatory leave, contrary to collective bargaining agreements (CBAs).

Key Recommendations

City officials should:

- Establish City-wide policies and written procedures, documenting the type of records to be maintained for requesting, approving, using and recording leave time, and requiring employees and supervisors to sign time sheets certifying that hours reported are accurate.
- Ensure police supervisors follow CBA requirements by properly approving compensatory leave time without creating an overtime requirement, and approve employees' compensatory leave only when they have enough to use.
- Establish written procedures to ensure department supervisors properly review and approve overtime, after verifying time request forms are completed and submitted per policy.

City officials generally agreed with our findings and indicated they will take corrective action. Appendix B includes our comments on issues raised in the City's response letter.

Background

The City of Yonkers (City) is the fourth largest city in New York State and is located in Westchester County.

The City is governed by its charter and State and local laws. An elected seven-member City Council is the City's legislative branch. The Mayor is the chief executive officer and is responsible, along with other administrative staff, for the City's day-to-day administration. The Commissioner of Finance (Commissioner), assisted by a Deputy Commissioner, is the chief fiscal officer and is responsible for the oversight and accountability of financial activities. The Payroll Administrator is responsible for the management and oversight of the City's payroll process.

Quick Facts

2016-17 Budgeted Appropriations^a	\$546,094,307
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Population	200,807
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Employees	2,700
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^a Excluding City public schools

Audit Period

July 1, 2015 – February 14, 2017

Leave Accruals, Time and Attendance, and Overtime

How Should Leave Accruals, Time and Attendance, and Overtime Be Monitored?

Leave accruals represent paid time off earned by employees. City officials should periodically verify the accuracy of employee leave records including leave time earned and used. Sufficient records should be kept to ensure employees accrue, use and receive pay only for time to which they are entitled. Procedures should ensure that leave accruals are earned and carried over from year to year in accordance with City policies and collective bargaining agreements (CBAs); that leave used is properly deducted from leave accrual balances; and that any payments made to employees for unused vacation and compensatory leave time when they leave City employment are based on accurate leave accrual records.

Leave Accruals Were Not Properly Monitored

The City's leave accrual processes are decentralized and not administered uniformly. City officials have not developed written procedures for the type of records to be maintained or guidelines for requesting, approving, using and recording leave time. As a result, each department has its own process for employees to request or report leave accruals. Departmental payroll clerks report leave accruals to the central payroll office.

We reviewed two months of leave accruals (July 2016 and January 2017) for a sample of 120 employees from six departments: Department of Public Works (DPW), Parks, Engineering, Planning, Police, and Fire.¹ The six departments reviewed either did not have a consistent process or did not maintain adequate records of employees' leave accruals, resulting in 48 employees' leave accrual records that were not properly approved by supervisors or had inaccurate leave accrual balances. Officials did not adequately oversee the department payroll clerks who maintained employee leave accrual records, or periodically review leave records to determine whether leave used was properly recorded.

DPW – Employees use a form to request vacation and personal leave, but not sick leave. Employees call the action center² when using sick leave. Twelve of 26 employees reviewed used sick leave totaling 337 hours; however, there was no documentation that leaves were approved. In addition, seven employees used vacation and six employees used personal leave totaling 250 and 62 hours, respectively, without supervisory approval. The leave request forms either were not signed by the supervisor or the employee did not submit one.

¹ See Appendix C for details on sample selection.

² The action center is an office that is a communication vehicle between the citizens of Yonkers and the City departments, as well as a communication link between the departments.

Furthermore, the department payroll clerk did not always record charges to employees' accruals correctly. For example, one employee used 40 hours of sick leave without having enough time accrued, and the clerk charged 28 hours to the employee's personal leave and 12 hours to vacation leave without supervisory approval.

Parks Department – Employees use a request form for vacation and personal leave, but not for sick leave. They notify their supervisor by phone or email when using sick leave. Eleven of 20 employees reviewed used sick time totaling 109 hours with no documentation that management was notified or approved the sick leave.

Engineering Department – For sick leave, employees either call in to the action center or supervisor or notify the supervisor by email, depending on their CBA. Four of seven employees reviewed used sick leave accruals totaling 48 hours with no documentation showing that management was notified of or approved the sick leave. In addition, six employees took vacation or personal leave totaling 108 hours that was not approved by a supervisor (either the employee did not submit a leave request form or the form was not signed by the supervisor).

Furthermore, the departmental payroll clerk did not always record employees' accruals correctly. For example, two employees used sick or vacation leave accruals totaling 19 hours which were not charged to their accrual balances.

Planning Department – Employees do not use leave request forms but instead email the Commissioner or Deputy Commissioner when using vacation or personal time. However, emails are not attached to time sheets to ensure leave requests are recorded as approved. For sick leave, employees either call in or send an email or text message to the Commissioner or Deputy Commissioner; when employees take sick leave during the day, it is verbally approved. Four of five employees reviewed used sick and vacation leave in seven instances totaling 56 hours, with no documented approval by a supervisor.

Police Department – The Police Department has its own system to maintain all department employees' leave accruals. Additionally, the two department payroll clerks maintain the accruals of the Commissioner, Deputy Chiefs and civilian employees in the City's payroll system. However, City officials do not reconcile the accrual balances in both systems. We found that the department records for 10 of 11 employees we selected and reviewed did not agree with the City's records for vacation and sick accrual balances. The employees had either fewer or more hours in the City's system ranging between negative 64 to 645 hours. For example, one employee had 645 vacation hours more and another employee had 15 sick hours less in the City's system than in the Police Department system. The accrual balances in the City's system are provided to the employees for their records.

The absence of City-wide leave accrual procedures and guidelines and the lack of supervisory oversight increases the likelihood that employees' leave accrual balances may be inaccurate and employees could use leave time to which they are not entitled or have not earned. In addition, City officials cannot properly determine the amount of payments due to employees when they leave City employment or ensure they are compensated for the leave time to which they are contractually entitled.

Fire Department – We randomly selected 20 out of 445 firefighters and the departmental payroll clerk to review the leave accrual records for the two months selected. Firefighters are allowed an unlimited number of sick days, according to their CBA. The departmental payroll clerk, who is allowed 12 days of sick leave per year under her CBA, maintains all leave accrual records for the civilian employees and also for herself. We found that this individual used 11 hours of sick leave that were not approved by the Commissioner, who did not sign the leave request forms. Allowing the payroll clerk to maintain her own leave accrual records without oversight creates a risk that this individual could potentially take sick leave to which she is not entitled.

Employees Exceeded the Vacation Carryover Limit

The City's policy and CBAs establish the maximum amount of vacation that an employee can carry over from year to year. Employees covered under the City policy are allowed to maintain a maximum of 210 hours and employees covered under CBAs can carry over a maximum of 385 or 440 hours depending on their daily work hours. It is the responsibility of Commissioners and department heads to ensure that the policy and CBA conditions are consistently followed and to supervise the scheduling and approval of vacation leaves within their departments.

City officials did not follow established City policy and CBAs regarding employees' vacation balance carryover limit. In the six departments we audited, 31 of the 120 employees' records reviewed exceeded the maximum amount of vacation that City policy or CBAs allowed them to carry over to 2017, by a total of 9,707 hours with an estimated cost of \$431,000. The hours ranged from six to 1,758 hours over the carryover limit. Of the 31 employees, 25 exceeded the hours of their CBAs carryover allowance and six exceeded the City policy carryover allowance. There was no documentation that the department Commissioners approved employees to carry over vacation above the limit.

When oversight of employees' vacation balances is lacking, there is a risk that employees could receive more in separation payments than they are entitled to when they leave City service.

Police Supervisors Did Not Provide Oversight of Department Compensatory Time, Creating an Overtime Requirement

When police supervisors³ and officers work overtime they have the option to accrue the overtime as compensatory time. Supervisors should approve employee compensatory time in advance of it being earned or used. According to CBAs, employees may maintain a maximum compensatory time bank of 180 hours. The CBAs also state that a request to use compensatory time is to be approved by the Police Commissioner only if it does not result in additional personnel being hired and/or create an overtime requirement.

The Police Commissioner delegated the responsibility of approving compensatory time to police supervisors, including requests to convert earned overtime to compensatory time or requests to use compensatory time. However, supervisors did not always approve compensatory time before it was earned and/or used and did not follow CBA requirements for maximum compensatory time bank limits that employees may maintain.

We reviewed two months of compensatory time (July 2016 and January 2017) accrued or used by 41 employees. For 19 employees, a total of 223 hours of compensatory time was approved one to four days after time was earned or used, and 44 hours for eight employees were approved five or more days after the time was earned or used. Furthermore, police supervisors' approval of compensatory time often created an overtime requirement. During our audit period the City paid over \$903,000 (9,207 hours) in police overtime to cover compensatory leave time used by other police supervisors and officers. This is contrary to CBA requirements which provide that compensatory time should not be approved if it creates a need for overtime.

We also reviewed the compensatory time accrual balances of all 721 Police Department employees who earned this time (of a total 731 Police Department employees) and found a lack of supervisory oversight. By the end of 2016, 80 employees exceeded the maximum compensatory time bank of 180 hours allowed by the CBAs, totaling 2,672 hours (11 percent), which were carried over to 2017. Six of these employees exceeded the maximum by 100 hours or more. In addition, five employees had a deficit balance in their compensatory accrual balances, totaling negative 55 hours, indicating that the supervisor approved their use of compensatory time before it was earned.

The lack of oversight by department heads resulted in compensatory time not being approved before it was earned or used, created overtime expenditures and allowed employees to exceed the time bank limit, contrary to CBA requirements. By increasing oversight and monitoring of compensatory time, police supervisors could potentially help the City minimize overtime costs.

³ Captains, lieutenants and sergeants

How Should Time and Attendance and Overtime Be Managed?

City officials are responsible for developing written payroll policies and implementing control procedures to help ensure that payroll is processed consistently and accurately. Procedures should ensure that time and attendance records are accurately maintained so that hours worked are accurately reported. Transactions should be properly authorized, recorded and reported, employees accurately paid for time worked, and employees' work routinely monitored and reviewed. Each employee's time record (time sheet or overtime form) should be signed by the employee and reviewed and signed by the supervisor to certify that hours reported are accurate.

Overtime should be incurred only when necessary, and must be carefully monitored and controlled. Adequate internal controls should include a policy or written procedures that dictate how and when overtime may be incurred, and require prior written justification and preapproval to help minimize overtime costs. City overtime policy generally requires that authorization to work overtime must be granted by a manager prior to the time worked. All requests and authorization must be in writing. Commissioners and department heads can authorize overtime.

For the six departments audited, employees from four – DPW, Parks, Planning and Engineering – are required to submit time sheets and overtime forms every pay period detailing hours worked and leave taken. Fire department employees are only required to submit overtime forms and leave request forms. The Police Department has its own time and attendance system where employees are required to submit leave requests and overtime worked using the department's system. The department payroll clerks are responsible for entering the employees' hours worked in to the City's payroll system and submitting them to the central payroll office, where the payroll clerk processes the payroll.

Supervisors Did Not Always Review Time and Attendance Records for Accuracy

Time and attendance records were not always submitted by all employees in DPW. Neither employees nor supervisors are required to sign and certify that the hours reported on time sheets are accurate. We reviewed one pay period and corresponding time sheets for 26 randomly selected DPW employees, who received approximately \$59,000 for 1,300 hours worked. Time sheets were not signed by the employees, and there was no evidence that supervisors reviewed and approved them.

In addition, in five of the six departments we reviewed (Planning, Engineering, Parks, DPW and Fire), supervisors did not provide oversight to ensure that employees' hours worked are accurately reported by the department payroll clerk to the City's central payroll office for processing. Although our review did

not find any discrepancies in hours reported by department payroll clerks, the central office payroll clerk told us that department payroll clerks had occasionally contacted her to correct hours that they incorrectly submitted for payroll processing.

Without supervisory review and approval of employees' time sheets, there is no assurance that employee hours worked are accurate, and employees could be paid for time not worked. In addition, without appropriate supervisory review, there is a risk that departmental payroll clerks could report employees' time worked incorrectly without the error being detected.

Supervisors Did Not Always Pre-Approve Overtime and Review Overtime Hours Reported

City officials did not always ensure overtime hours worked were properly approved and supported as required by City policy. Of 20 DPW employees reviewed, DPW supervisors did not review and approve overtime hours worked for 10 employees who received payments totaling \$6,732 for 108 overtime hours for the pay period reviewed. Five of these employees did not submit an overtime form with a description of the purpose for time that they had worked, which totaled 67 hours or payments of approximately \$4,000. Furthermore, Parks, DPW and Fire Department supervisors did not provide oversight to ensure the overtime hours were accurately reported by the departmental payroll clerks to the central payroll office. We found minor issues that were verbally communicated to City officials that may not have occurred if the supervisors performed their oversight duties.

Because City officials did not always require employees to obtain written pre-approval for working overtime, which is required by City policy, there is an increased risk that the City could pay more overtime costs than necessary. In addition, without supervisory oversight of the departmental payroll clerks reporting employees' overtime to the central payroll office, errors and/or irregularities could occur without being detected by City officials.

What Do We Recommend?

City officials should:

1. Establish City-wide policies and written procedures documenting the type of records to be maintained for requesting, approving, using and recording leave time, and requiring employees and supervisors to sign time sheets certifying that hours reported on time sheets are accurate.
2. Ensure that department supervisors review and approve employees' leave accruals, verify that adequate documentation is maintained, and ensure

that departmental payroll clerks record charges to employee accrual balances.

3. Reconcile leave accrual balances from the Police Department system to the City's central payroll system to ensure that employees' accrual balances are accurate.
4. Designate an individual from each department, who is independent of maintaining leave accrual and compensatory time records, to periodically review the records and balances for accuracy and verify that employees do not exceed carryover limits as allowed by City policies and CBAs.
5. Ensure that police supervisors follow CBA requirements by properly approving compensatory leave time without creating an overtime requirement, and approve employees' compensatory leave only when they have enough to use.
6. Ensure employees' hours worked as reported by departmental payroll clerks are reviewed and approved for accuracy by a designated supervisor of each department before time reports are submitted to central payroll for processing.
7. Establish written procedures to ensure department supervisors properly review and approve overtime, after verifying overtime request forms are completed and submitted per policy.
8. Ensure that the inaccuracies identified in this report are corrected.

Appendix A: Response From City Officials



Mayor Mike Spano

CITY OF YONKERS

John A. Liszewski
Commissioner of Finance

DEPARTMENT OF FINANCE AND MANAGEMENT SERVICES

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Yonkers, NY 10701

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February 15, 2018

Tenneh Blamah
Chief Examiner of Local Government and School Accountability
Office of the State Comptroller
33 Airport Center Drive, Suite 103
New Windsor, New York 12553

Re: Audit Response for the Payroll Report of Examination 2017M-212

Dear Ms. Blamah:

I am writing in response to your letter dated January 18, 2018, regarding the preliminary draft findings (the "Report") which resulted from a recent examination by the Office of the State Comptroller ("OSC") of our internal controls over employees' leave accruals, time and attendance, and overtime. The Report highlighted two key findings. Namely, the City's leave accrual processes are decentralized and not administered uniformly, resulting in errors in employees' leave accruals and that the City paid over \$903,000 in police overtime to cover compensatory leave, contrary to collective bargaining agreements (CBAs).

The City welcomed this examination of six departments, Department of Public Works (DPW), Parks, Engineering, Planning, Police and Fire and worked diligently to gather the information requested of the audit. As the Report pointed out, we were fully aware of the decentralization of the leave accrual processes.

For the most part, we are in agreement with the findings. However, the Planning Department interjects the minimal amount of hours noted was mainly due to staff requesting sick leave or to leave early and receiving verbal authorization from a supervisor and not placing a written copy in the file. Planning staff's requests for time off will be followed up by written or electronic authorization by a supervisor and placed in a designated file. The current practice of supervisors reviewing and signing time sheets will continue and be supplemented by supervisors periodically spot checking and reviewing data entry into the payroll system to verify accuracy. These updated procedures will still be assessed as part of an overall overhaul of leave time record keeping and documented in the CAP.

As it relates to the Police Department, we believe the audit report is technically accurate but misleading as written. On page 5, the Leave Accruals, Time and Attendance, and Overtime - Police Department section, indicates the [REDACTED] system leave accrual balanced did not agree with City records. It should be noted that all PBA and CLS members time off or leave accruals are managed and maintained in the [REDACTED] system. All other department member's (81 or 12% of department personnel) leave accruals requests are initiated in [REDACTED] and transferred into [REDACTED]. It should also be noted that there is a two week lag time between the transfer and the balances and the balances may not be up updated and not agree during that two (2) week period.

See
Note 1
Page 12

Also, it was discovered during the audit that the transfer of leave requests did not include "unapproved" (not approved in [REDACTED] leave requests. A procedure was implemented where payroll clerks now run and additional report that shows (both approved and unapproved) leave and provides a more accurate export of leave accruals. On duty supervisors are aware of leave requests at the time they occur but they are physically approved in [REDACTED] by the command executive officer which sometimes takes place aft ether leave actually occurs. We are reviewing this procedure and will have a remedy to submit in the Corrective Action Plan.

In addition, on page 6 under, "Police Supervisors Did Not Provide Oversight of Department Compensatory Time, Creating an Overtime Requirement" section of the Report, does not take into consideration that it is a long time established past practice that personnel are granted a limited number of compensatory time off requests that would create an overtime situation. The department grants time off approvals seventy-two (72) hours in advance, including compensatory time off requests. Therefore, if a vacancy occurs after the 72 hour period, the approved compensatory time off will create an unavoidable overtime backfill situation. Included in these circumstances are situations where there are multiple pre-approved leave requests granted for various reasons (personal day, personal vacation day, military leave, etc.) and if a last minute vacancy occurs we have the option to charge the backfill to other than the compensatory time off request which will reduce the amount of overtime resulting from compensatory time off approvals.

Further, it is the city's position that in the past, police personnel were actually encouraged to accept compensatory time in lieu of overtime as an initial cost saving measure which resulted in numerous members to exceed the 180 hour cap. Those high balances were inherited by this Administration. Since that time, we have been working to reduce excessive compensatory time balances and have made progress. For example, in 2014, there were 89 people over the 180 hour cap totaling 7,685 hours (64 over 200 hours and 33 more than 100 hours over the cap). In December 2017, there were 84 people over the cap totaling 2,871 hours (a 37% reduction) with 48 over 200 hours (25% reduction) and 7 more than 100 hours over the cap (a 21% reduction). The Deputy Chiefs are continuing to address this matter. Reducing police overtime is a priority for the City, we will be reviewing the

See
Note 2
Page 12

compensatory time off process and balance reductions. Those solutions will be clearly expressed in the Corrective Action Plan.

The Administration takes these findings extremely serious. We are working to develop policies and procedures through Human Resources that will adequately address each one in a manner that is satisfactory to the taxpayers of this City and the Office of the State Comptroller to close out this audit.

In view of the Report and the totality of its impact, the City understands the importance of having appropriate procedures in place and will construct a corrective action plan ("CAP"). The Report's findings and recommendations will be taken into consideration to improve our operations and internal controls. We are committed to planning and implementing sufficient remedies that will fully resolve both findings citywide.

Please do not hesitate to contact me with any questions. Thank you.

Regards,

John Liszewski
Commissioner of Finance

cc: Mike Spano, Mayor
Mike Khader, President, City Council
Michael Sabatino, Councilman 3rd District, Majority Leader
Mike Breen, Councilman 5th District, Minority Leader
Shanae V. Williams, Councilwoman, 1st District
Corazon Pineda-Isaac, Councilwoman 2nd District
John Rubbo, Councilman 4th District
Anthony J. Merante, Councilman 6th District
James Cavanaugh, Deputy Mayor
Steven J. Levy, Deputy Mayor
Michael V. Curti, Corporation Counsel
Charles Gardner, Police Commissioner
Robert Sweeney, Fire Commissioner
Thomas Meier, DPW Commissioner
Anthony Landi, Parks Commissioner
Wilson Kimball, Planning Commissioner
Paul Summerfield, City Engineer

Appendix B: OSC Comments on the City's Response

Note 1

Our findings were specific to those employees (the Commissioner, Deputy Chiefs and civilian employees) whose accruals are maintained in both systems. Additionally, the accrual balances in the systems should have been already updated by the time we reviewed the 2016 ending balances.

Note 2

If City officials intend to allow employees to exceed the maximum of 180 hours, then the CBAs should be revised or updated accordingly.

Appendix C: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, we performed the following audit procedures:

- To gain an understanding of the City's internal controls over the payroll process, including overtime and leave accruals, we reviewed the City's policies and written procedures regarding payroll and leave accruals; and interviewed City officials and employees within six departments, the human resources office and the central payroll office.
- We randomly selected two months, July 2016 and January 2017, to review the leave accrual records of the selected employees from the six departments.
- We randomly selected 25 out of 343 employees and the department payroll clerk from DPW to review the leave accruals records for the two months selected.
- We randomly selected 20 out of 107 employees who earned accruals in July 2016 from the Parks Department to review the leave accruals records for the two months selected.
- We randomly selected five out of 19 employees and the two departmental payroll clerks from the Engineering Department to review the leave accruals records for the two months selected.
- We randomly selected five out of 18 employees from the Planning Department to review the leave accruals records for the two months selected.
- We randomly selected 39 out of 731 employees and the two departmental payroll clerks from the Police Department to review the leave accruals records for the two months selected.
- We randomly selected 20 out of 445 firefighters and the departmental payroll clerk from the Fire Department to review the leave accruals records for the two months selected.
- We reviewed the leave accruals for the employees selected to determine if leave accruals records were accurate and complete. For the employees selected within the six departments, we traced accruals and leaves used, as reported on the payroll reports, to time sheets, emails and leave request forms for accuracy; determined whether time sheets and leave request forms were signed by employees and supervisors; and reviewed emails submitted by employees to supervisors for leave requests. We also reviewed the date that the supervisor approved the employees' leave requests to determine timeliness.

-
- We compared Police Department employees' leave accrual balances from departmental payroll systems to the City's payroll system for 11 out of 41 employees randomly selected to determine whether accruals were maintained in both systems.
 - We reviewed the City's leave accrual policies and CBAs to determine the maximum vacation hours employees were allowed to carry over to the following year. We reviewed the 2016 ending balance and 2017 beginning balance of vacation accruals for each employee selected to determine whether leave accrual balances were consistent with City policies or CBAs.
 - We documented the employees that exceeded the vacation carryover limits and multiplied the exceeded number of hours by the employees' 2016-17 fiscal year hourly pay rate to estimate the cost of the exceeded vacation carryover limits.
 - We reviewed the CBAs for police supervisors and officers to determine the maximum of compensatory hours a member may maintain and the approval process. We reviewed the compensatory accrual balance report for all the employees and documented the balances of employees that exceeded the maximum of compensatory time carryover limit (180 hours) or had a negative balance.
 - We reviewed the overtime paid to police supervisors and officers for covering compensatory leave during our audit period to determine the total cost of overtime and number of overtime hours worked.
 - We randomly selected one month (June 2016) and selected the first biweekly and weekly pay periods of the month for testing the payroll records of the six departments. We randomly selected 26 out of 343 employees from DPW, reviewed employees' time sheets for completeness, and traced hours worked to payroll reports to determine whether hours paid were authorized and supported.
 - We randomly selected one month (February 2016) and selected the second biweekly and weekly pay period of the month to review the overtime records of DPW. We randomly selected 20 out of 80 DPW employees who received overtime payments during the pay period selected, reviewed the employee time sheets and overtime forms for completeness, and traced overtime hours to the payroll reports to determine whether overtime hours paid were authorized and supported.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

Pursuant to the Fiscal Agent Act, the Office of the State Comptroller (OSC) maintains City assets in a special debt service fund bank account, invests those funds on behalf of and at the City's direction, and makes payments on the City's behalf for any debt service payments due. We believe that independence concerns are mitigated as City officials oversee the required services performed by OSC under the Fiscal Agent Act and evaluate the results of the services performed. However, GAGAS explicitly states that these services impair an external auditor's independence with respect to an audited entity.⁴

A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the City Council to make the CAP available for public review in the City Clerk's office.

⁴ *Government Auditing Standards*, 2011 Revision, paragraph 3.58

Appendix D: Resources and Services

Regional Office Directory

www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/localgov/costsavings/index.htm

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/localgov/finreporting/index.htm

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/localgov/academy/index.htm

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