

Village of Port Chester

Dual Employment

JUNE 2020



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

Contents

- Report Highlights 1**

- Time and Attendance Records for Employees With Dual Employment 2**
 - How Should Time and Attendance Be Monitored and Recorded for Employees With Dual Employment? 2
 - Village Officials Did Not Maintain Adequate Time and Attendance Records 3
 - Leave Accruals Were Not Properly Monitored 5
 - What Do We Recommend? 6

- Appendix A – Response From Village Officials 8**

- Appendix B – OSC Comments on the Village’s Response17**

- Appendix C – Audit Methodology and Standards18**

- Appendix D – Resources and Services20**

Report Highlights

Village of Port Chester

Audit Objective

Determine whether certain full-time Village employees who simultaneously worked another full-time municipal job worked the hours the Village compensated them for working.

Key Findings

- Village officials did not establish adequate time and attendance (T&A) controls; therefore, we could not confirm the three employees identified worked all the hours they were paid for.
- Village officials did not ensure that employees' days and hours worked were adequately documented, certified by the employees or verified by a supervisor.
- Leave usage paid, totaling \$3,979, was not deducted from leave accruals, and 536 hours of leave was taken without the use of time off request forms, as required.

Key Recommendations

- Establish adequate T&A controls and ensure employees and department heads certify that the time records report actual time worked.
- Ensure that leave usage is properly approved, reported, recorded or deducted from accruals.

Village officials disagreed with some of our findings but indicated they have taken or plan to take corrective action. Appendix B contains our comments on issues raised in the Village's response.

Background

The Village of Port Chester (Village) is located in the Town of Rye in Westchester County.

The Village is governed by an elected Board of Trustees (Board), composed of the Mayor and six Trustees. The Board is responsible for the general management and control of Village finances and overseeing financial activities, including the Village's payroll.

The Village Manager, assisted by appointed department heads, is responsible for the day-to-day management of the Village's financial activities, including the oversight of employees' time and attendance.

Quick Facts

2019-20 Adopted Appropriations	\$45,322,844
2019-20 Personnel Services Cost	\$18,796,129
Population	29,000
Employees	240

Audit Period

April 1, 2011 – November 30, 2016

Time and Attendance Records for Employees With Dual Employment

Municipal employees generally have the right and the opportunity to work more than one job. Holding two jobs concurrently, or dual employment, can pose additional challenges to managing employee time and attendance (T&A).

A basic risk posed by dual employment situations is the possibility of a person claiming to be in two places at the same time (overlapping hours) and being paid for the same hours by both municipalities. Further, if employees do not have sufficient time to travel to a second job to arrive on schedule, they may leave early from one job or arrive late at the second job without charging accruals.

How Should Time and Attendance Be Monitored and Recorded for Employees With Dual Employment?

An effective time and attendance (T&A) system requires internal controls to provide reasonable assurance that T&A activities are properly authorized, approved and accurately recorded. Written policies and procedures provide clear guidance for recording time worked and should include attestations, verifications and approvals. Attestation is an employee's affirmation that the reported T&A is true, correct and accurate; verification is a supervisor's confirmation that the recorded T&A is true, correct and accurate to the best of the verifier's knowledge; and approval is management's agreement to employee leave and the T&A data.

T&A records serve as the basis for employees to receive payment for time worked and authorized paid leave taken. Therefore, the Board should develop and implement policies and procedures to ensure that employees' T&A records are accurate and complete, and that their time records support the employee's leave accrual records.

Employees should have their arrival and departure times recorded, verified and closely monitored. Each employee should complete and sign (certify) a time sheet that includes the start and end times of their shift/workday, and their time sheet should be reviewed and approved by their supervisor and maintained on file. If employees are allowed to work flexible schedules, rather than a specific start and finish time, the use of a time sheet to track actual hours worked is even more important to ensure that required hours are worked and that leave time is used and recorded appropriately. Regardless of how T&A is recorded, management must have a system of controls in place to provide reasonable assurance that the recorded information reflects actual time worked and leave taken or other absences.

Leave accruals (vacation, sick, personal and compensatory time) represent time off earned by employees. Procedures should be designed to ensure that leave accruals used by employees are properly deducted from their leave accrual balances. Proper accounting for employee leave accruals requires the periodic verification of records to ensure that leave balances are accurate and up to date. Documents used to corroborate accrual records should include certified time sheets and time off request forms. The Board and Village officials, including department heads, should ensure that leave time is verified, approved and

monitored. Proper accounting for employee leave time also requires centralized leave records to be periodically reconciled with time sheets and time off request forms.

Village Officials Did Not Maintain Adequate Time and Attendance Records

Village officials did not require adequate T&A records for the three employees identified with dual employment. As a result, records did not adequately document time worked, verify hours worked or certify the employees actually worked the hours they were scheduled to work.

The Village requires full-time employees to work 70 hours each pay period. The Village’s biweekly time reports¹ are prepopulated with 70 hours and do not reflect the actual days/hours worked (Figure 1). As a result, the employees did not submit time sheets that showed specific dates and times actually worked in any given pay period, did not certify that they worked those hours, and did not properly charge leave accruals for absences.

FIGURE 1

Time Report Example

Department of Code Enforcement											
Payroll Period											
9/26/16 to 10/07/16											
Employee	Hours	MON 9/26	TUES 9/27	WED 9/28	THURS 9/29	FRI 9/30	MON 10/3	TUES 10/4	WED 10/5	THURS 10/6	FRI 10/7
Employee A	70 8:30 am - 4:30 pm					1.5 ✓					
Employee B	70 8:30 am - 4:30 pm		7-V ✓		7-V ✓	7-V ✓	7-V ✓	7-V ✓	7-V ✓		
Employee C	70 8:30 am - 4:30 pm										
Employee D	70 8:30 am - 4:30 pm										
Employee E	70 8:30 am - 4:30 pm			4.8-C ✓					7-P ✓		
Employee F	70 9:00 am - 5:00 pm					7-FH ✓		7-V ✓	7-P ✓	2-C ✓	7-C ✓
Employee G	70 8:30-4:30 pm										
Employee H	35 8:30 am - 4:30 pm	7				7	7	7		7	
Employee I	70 9:00 am - 5:00 pm	7	7	7	7	7	7	7	7	7	7
Employee J	35 9:00 am - 5:00 pm			7	7	7			7	7	

H-Holiday V-Vacation S-Sick P-Personal C-Comp Time WC-Workers Comp JD-Jury Duty
 B-Bereavement F-Funeral FH-Floating Holiday

Director of Code Enforcement: [Redacted]

¹ Village officials referred to these biweekly documents as “time sheets.” For clarity, we refer to them here as “time reports” in order to distinguish them from time sheets that would represent approved and certified records of time actually worked.

Policies and Procedures – The Board did not develop policies and procedures for maintaining accurate attendance and timekeeping records. The Village Manager said that, generally, the Village guidelines are within the employees’ collective bargaining agreement (CBA). However, we found the CBA guidelines were limited to a fire inspector’s work schedule – 8:30 a.m. to 4:30 p.m. Monday through Friday with one hour unpaid lunch – and a statement that hours of work may be adjusted by the designated supervisor as required. However, Village officials allowed full-time employees with dual employment to work flexible schedules, including working nights and on weekends, with limited supervisory oversight. Without written policies and procedures, Village officials and employees had no guidance to follow to ensure that hours shown on the time records reflected actual time worked.

Time and Attendance Documentation – Village officials did not require the three full-time employees to submit time sheets for the time and hours they worked each day. Instead, every pay period the Director, who oversaw the employees, submitted a report listing the total hours the employee was scheduled to work and any leave time used. A clerk assumed employees worked the required hours and prepared a biweekly (every two weeks) time report that the Director reviewed and signed before submitting the report to the Finance Department for payroll processing. The three employees told us they did not see or review their time reports before they were submitted to the Finance Department.

The Village Manager told us the Village tracked total hours worked but not the exact days worked. For example, if an employee worked 70 hours, the specific dates and times were not recorded and/or entered on the time report; only the 70 hours (and time off) would be reflected.

Figure 1 shows an example of a time report prepared by the Department secretary, certified by the Department head and used to generate payroll. While it shows that employees worked 8:30 a.m. to 4:30 p.m. Monday through Friday, it does not show that employees worked on weekends. The Village Manager told us employees were allowed to work the 70 hours during the week, including weekends.

According to the Director of Code Enforcement, the Village has a computer-based calendar (calendar) where employees could enter their daily work schedules showing time and activity (time worked), but Village officials did not require employees to do so. As a result, some employees used the system regularly while others did not. However, the calendar was not secure as almost all Department employees had access to it and could make changes to their time records. The Director also said that his signature on the biweekly time report was not to certify that employees were actually at work, but rather to certify the exceptions. In addition, the Village Manager stated that the Village did not require full-time employees to keep a breakdown of their time.

Although we found instances where the employees were scheduled to be at both jobs at the same time, we could not determine what hours they actually worked because the employees were not required to use timesheets and insufficient T&A records were maintained. In addition, Village officials informed us that an employee might be listed as working at the Village Monday through Friday from 8:30 to 4:30 but they may have worked nights and weekends instead to complete the required 70 hours. Since there were no records showing the actual hours worked, Village officials could not provide documentation of the actual hours that employees worked for the Village. In addition, the Village's time reports only have space to enter the time and total hours scheduled Monday through Friday, but not to enter the actual hours worked or time worked on a weekend. Without a fixed schedule or documentation of the flexible schedule worked, we could not verify that employees worked the required 70 hours per pay period.

Because T&A records serve as the basis for employees to receive payment, failure to ensure adequate T&A documentation increases the risk that errors or irregularities could occur and not be detected. In addition, without proper monitoring of T&A, Village officials have no assurance that the employees worked the 70 hours required each pay period.

Leave Accruals Were Not Properly Monitored

While employees were required to submit a time off request form, Village employees did not always use these forms to obtain supervisory approval when using leave accruals. Furthermore, Village officials did not adequately oversee the payroll clerk who maintained employee leave accrual records, or periodically review leave records to ensure leave used was properly recorded.

We examined the leave accrual for the three employees with dual employment and found numerous instances where the time-off forms were not submitted for supervisory approval. Village officials stated that supervisory approval was often given or provided in person, by phone or by email.

Three employees with dual employment were compensated for leave usage that was not always properly approved, reported, recorded or deducted from leave accruals, as follows:

- One employee was paid \$10,463 for 259 hours of time off at the Village; although his leave accruals were reduced for his leave usage, he did not submit time off forms, as required. In addition, in five instances the employee properly requested and took time totaling 35 hours, or \$1,414, but the payroll clerk did not deduct the hours from the employee's accrual balances because the time off was not recorded on the biweekly time reports.

-
- A second employee was paid \$7,303 for 185 hours of time off at the Village; although his leave accruals were reduced for his leave usage, he did not submit time off request forms, as required. In addition, in five instances the employee requested and used time totaling 29 hours or \$1,144 which were not deducted from the employee's accrual balances by the payroll clerk. The employee submitted the time off request forms for the 29 hours, but the Village did not record 19 of the 29 hours on the biweekly time reports.
 - A third employee was paid \$3,632 for 92 hours of time off at the Village; although his leave accruals were reduced for his leave usage, he did not submit time off request forms, as required. In addition, in five instances the employee requested and used time totaling 36 hours or \$1,421. Twenty-two of the 36 hours were not recorded on the biweekly time reports or deducted from the employee's accrual balance. The other 14 hours were reported on the biweekly time reports, but the payroll clerk did not deduct the hours from the employee's accrual balances.

The Village Manager told us that leave slips had to be submitted prior to the leave date, but sometimes were submitted after leave was taken or after the pay period ended; and that in those instances, the Finance Office made sure the appropriate time was charged.

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 which they have not earned. In addition, Village officials cannot properly determine the amount of payments due to employees when they leave Village employment or ensure they are compensated for the leave time to which they are contractually entitled.

What Do We Recommend?

The Board should:

1. Develop policies and procedures to ensure that all employees' T&A records are accurate and complete and document the actual hours worked.

Village officials should:

2. Improve T&A tracking to ensure all employees are paid only for actual hours worked.
3. Ensure that all employees complete and submit certified (signed) time sheets to support their hours worked.
4. Ensure employees and department heads certify that the time records correctly report time worked, leave accruals used and overtime to be paid.

-
5. Ensure that full-time employees work the required hours every pay period by documenting the actual hours worked in accordance with the Board policy.
 6. Ensure that accurate employee leave time records are maintained and that leave time is properly approved, monitored and deducted from employee accrual balances.
 7. Take appropriate actions to address instances where leave was taken and accruals were not reduced.

Appendix A: Response From Village Officials



VILLAGE OF
PORT CHESTER
222 Grace Church Street, Port Chester, NY 10573

Christopher D. Steers
Village Manager

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E-mail: csteers@portchesterny.com

May 15th, 2020

Office of the New York State Comptroller
Division of Local Government & School Accountability
C/O Lisa Reynolds, Chief Examiner of Local Government and School Accountability
33 Airport Center Drive, Suite 103
New Windsor, NY 12553

RE: Village of Port Chester Dual Employment Report of Examination 2018M-91: RESPONSE TO DRAFT STATE AUDIT 2018M-91

Dual Employment & Time and Attendance

The Village has received a draft audit report prepared by the Office of the State Comptroller entitled Village of Port Chester Dual Employment Report of Examination 2018M-91.

The report's objective was to determine whether Village officials maintained accurate time and attendance records and monitored employees with dual employment. Naturally this is a laudable objective and any municipality, including the Village of Port Chester, would appreciate any technical assistance that could be provided to improve operations and record keeping. Even so the initial allegations against the specific employees was that "double dipping" was occurring and as we noted at the time and as this audit represents this was not the case. We have also transitioned the Finance Department with the appointment of a new Village Treasure who is ensuring that proper checks and balances are put in place to meet the new mandates. Before dealing with any of the other specifics contained in the report we offer the following comments that were made to the audit staff that were not necessarily included.

1. The Village of Port Chester, similar to many jurisdictions throughout the State, has previously paid their employees on an *exception* payroll basis. This means that the number of hours worked were tracked and not necessarily the days worked. While supporting documentation is nevertheless required and was submitted and recorded the premise is unless an exception is noted to not pay it is presumed the payment is appropriately authorized. Adequate documentation was kept in line with this type of payroll system specifically tracking only number of hours worked.

See
Note 1
Page 17

Page 1 of 4

This is a salient fact and it was explained to the field auditors that the Village tracked hours worked during the two week period not necessarily days or shift period worked (as these changed as needed). I.e. 35 hours could be achieved in 3-4-5-6 or over 7 days during the week. Further, the field auditors thought that since time sheets had 5 days per week on the sheet, and didn't reflect weekend work, that the listed employees worked each of those 5 days. This was not the case.

2. The applicable collective bargaining agreement for the staff of the Building and Code Enforcement departments indicate the hours of work are five days Monday through Friday 8:30 a.m. to 4:30 p.m. The language of the agreement goes on to state "hours of work may be adjusted by the designated supervisor as required". In fact the hours and days of work for the Village were routinely adjusted to accommodate their dual employment and provide the coverage the Village sought while preventing unlawful job overlap. These hours/schedules were reviewed at least on a monthly basis with the Department Director(s).
3. The Village of Port Chester has implemented a biometric time clock system and new payroll system two and a half years prior to the conclusion of this audit (live usage in 2018). This initiative was directed by the Village Board of Trustees and the Village. The time clock system requires an individual employee to punch in when reporting to work and punch out at the end of their work period via fingerprint. The registering of an employee scheduled to work a given day is recorded by punching in and out. For employees who are not at work on a given scheduled day department timekeepers will be required to enter an appropriate paid leave status for the employee to be paid for this time based upon signed certification on approved forms requiring secondary authorization from the Department Head. The elapsed hours will be the basis for pay for that day. Payments made will be consistent with FLSA and applicable union collective bargaining agreements. When a timekeeper makes an entry for an individual to report a paid leave period the system will automatically adjust the employee's accrued leave balances.

See Note 2 Page 17

Recommendation # 1

We agree that a Board should have policies and procedures developed to ensure that all employees' time and attendance records are accurate and complete and document the actual hours worked. In fact in or about 2017 the Board of trustees directed the purchase and implementation of a biometric time clock system and new payroll system to ensure same. The System has been fully implemented and operational since 2018. Further, on July 6th, 2018 ADMINISTRATIVE ORDER 2018-002: PAYROLL RECORDING SYSTEM (TIME CLOCKS) was issued (attached). Failure to comply with same shall subject the individual to disciplinary action.

Recommendation # 2

We agree that the Village should improve its time and attendance tracking to ensure that employees are paid only for actual hours worked. In fact we have already done so in accordance with Board policy through the purchase and implementation a biometric time clock system and new payroll system to ensure same. The System has been fully implemented and operational since 2018. Further, on July 6th,

Page 2 of 4

2018 ADMINISTRATIVE ORDER 2018-002: PAYROLL RECORDING SYSTEM (TIME CLOCKS) was issued (attached). Failure to comply with same shall subject the individual to disciplinary action.

Recommendation # 3

We agree that the Village is to ensure that all employees completes and submit certified signed time sheets to support their hours. In fact this has been mandated in accordance with Board policy through the purchase and implementation a biometric time clock system and new payroll system to ensure same. The System has been fully implemented and operational since 2018. Further, on July 6th, 2018 ADMINISTRATIVE ORDER 2018-002: PAYROLL RECORDING SYSTEM (TIME CLOCKS) was issued (attached). Failure to comply with same shall subject the individual to disciplinary action. Additionally, any leave requests, missed punches and/or other adjustments are approved only upon signature/certification on approved forms by both the employee and the Department Head as required by the above.

Recommendation # 4

We agree that the Village is to ensure that employees and Department Heads certify that the time records correctly report time worked, leave accruals used and overtime paid. In fact this has been mandated in accordance with Board policy through the purchase and implementation a biometric time clock system and new payroll system to ensure same. The System has been fully implemented and operational since 2018. Further, on July 6th, 2018 ADMINISTRATIVE ORDER 2018-002: PAYROLL RECORDING SYSTEM (TIME CLOCKS) was issued (attached). Failure to comply with same shall subject the individual to disciplinary action. Additionally, any leave requests, missed punches and/or other adjustments are approved only upon signature/certification on approved forms by both the employee and the Department Head as required by the above.

Recommendation # 5

We agree that the Village is to ensure that full-time employees work the required hours every pay period by documenting the actual hours worked in accordance with Board and resultant administrative policy. In fact this has been mandated in accordance with Board policy through the purchase and implementation a biometric time clock system and new payroll system to ensure same. The System has been fully implemented and operational since 2018. Further, on July 6th, 2018 ADMINISTRATIVE ORDER 2018-002: PAYROLL RECORDING SYSTEM (TIME CLOCKS) was issued (attached). Failure to comply with same shall subject the individual to disciplinary action.

Additionally, any leave requests, missed punches and/or other adjustments are approved only upon signature/certification on approved forms by both the employee and the Department Head as required by the above.

Recommendation # 6

We agree that the Village is to ensure that accurate employee leave time records are maintained and that leave time is properly approved, monitored and deducted from employee accrual balances in accordance with Board and resultant administrative policy. In fact this has been mandated in accordance with Board policy through the purchase and implementation a biometric time clock system and new payroll system to ensure same. The System has been fully implemented and operational since 2018. Further, on July 6th, 2018 ADMINISTRATIVE ORDER 2018-002: PAYROLL RECORDING SYSTEM (TIME CLOCKS) was issued (attached). Failure to comply with same shall subject the individual to disciplinary action. Additionally, any leave requests, missed punches and/or other adjustments are approved only upon signature/certification on approved forms by both the employee and the Department Head as required by the above.

Recommendation # 7

We agree that the Village is to take appropriate actions to address instances where leave was taken and accurate accruals were not reduced in accordance with Board and resultant administrative policy, contractual obligations, and applicable laws. In fact this has been mandated in accordance with Board policy through the purchase and implementation a biometric time clock system and new payroll system to ensure same. The System has been fully implemented and operational since 2018. Further, on July 6th, 2018 ADMINISTRATIVE ORDER 2018-002: PAYROLL RECORDING SYSTEM (TIME CLOCKS) was issued (attached). Failure to comply with same shall subject the individual to disciplinary action. Additionally, any leave requests, missed punches and/or other adjustments are approved only upon signature/certification on approved forms by both the employee and the Department Head as required by the above.

Sincerely yours,

Christopher D. Steers
Village Manager

Attachments

CC: Mayor and Board of Trustees
Antony Siligato, Village Treasure
Senior and Executive Staff



Village of Port Chester

Office of the Village Manager

MEMORANDUM

TO: Leonie Douglas, Village Treasure
Janusz Richards, Village Clerk
Tony Cerreto, Village Attorney
Richard Conway, Chief of Police
Eric Zamft, Planning & Economic Development Director
Lawrence Chiulli, Code Enforcement Director
Kevin Donahue, Building Inspector
Rocco Cambareri, DPW General Foreman
Regina Hill, Court Clerk
Heather Krakowski, Recreation Supervisor
Carol Neilson, Nutrition Program Director

FROM: Christopher D. Steers, Village Manager

DATE: July 6th, 2018

RE: ADMINISTRATIVE ORDER 2018-002: PAYROLL RECORDING SYSTEM (TIME CLOCKS)

This memorandum is a follow up to several internal conversations relating to the new bio-metric payroll system. As you are all aware the target date for going live is 8/1/18 (the exception will be the Police Department whose go live date is TBD). The Treasurer's Office has been holding joint and individual training sessions for several months. It is incumbent upon each department head and their assigned time keepers to seek out and obtain adequate training from the Treasurer's Office necessary for the successful implementation of the system.

MANDATORY POLICY:

Accurate time records shall be kept for every employee. All employees are required to utilize the time clock system in accordance with their approved work schedules. All Paid Time Off (PTO) and Overtime (OT) shall be pre-approved or otherwise authorized by their appropriate Department Head in writing. Employees shall adhere to their approved work schedule unless otherwise altered in writing by their Department Head. Each Department is required to maintain documentation of all time records in accordance with the retention schedules prescribed by NYS and/or the Village's records management officer. All time shall be approved no later than 10:00AM on the Monday prior to the issuance of pay checks: on holidays as may be prescribed by the Treasurer's Office. Failure to comply with the policies and procedures herein (and as may be modified from time to time) shall subject the individual to disciplinary action.

PROCESS:

The following guidance is provided for Department Heads (managers) and department time keepers as we continue the implementation of the new payroll system. In addition are instructions from the Treasurer's Office for the Department Heads' approval process and instructions on how to print various reports. The Treasurer's Office is available to you and your staff to provide additional support or training, and to answer any questions you may have.

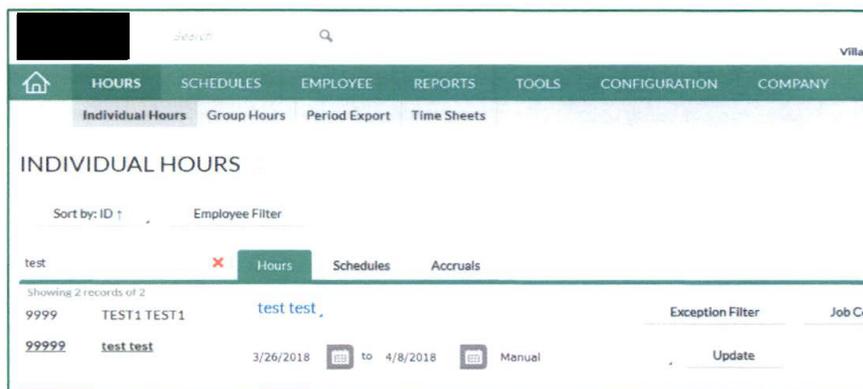
1. Each Department must designate a time keeper and an alternate to perform the functions discussed below. It is strongly recommended that the time keeper and alternate share these responsibilities on a rotating basis to insure both are well versed in the tasks that must be performed. It is also strongly suggested as a Department Head you designate an alternate to approve weekly entries.
2. All Management personnel shall report their time and leave (paid time off) to the timekeeper in the Village Manger's office for recording and approval.
3. On a daily basis the time keeper will insure that each department employee is accounted for as they have "punched in" using the time clock, have been approved for paid time off, or have called the timekeeper saying they are working off-site such as training, court appearances, meetings or conferences. Employees may record their presence as described above no earlier than seven minutes before the start of their shift, tour or workday and will have a grace period of seven minutes after the start of their shift, tour or workday
4. At the end of the shift, tour or workday the employee must punch out no later than seven minutes after the end of the workday
5. Employees who punch in before the permitted time or punch out later than permitted without permission from an authorized supervisor will be in violation of Village work rules. It is preferred that supervisory approval is secured in advance of extra work being performed. Nevertheless there may be circumstances where this is not practicable and supervisory personnel can authorize such work after the work has been performed. Repeated early or late punches without approval can result in disciplinary action.
6. Employees approved to work before or after the end of their normal or scheduled workday or who are called in to work when otherwise off should punch in when beginning such approved work and punch out when the approved period of work is completed.
7. Notification to the employee's supervisor of illness must be made before the start of the employee's work day. Supervisors must notify the timekeepers of an employee illness and use of sick leave time.

8. Occasionally an employee will fail to “punch in” or call as required. In such instances the time keeper must be notified of the individual’s presence at work at the earliest possible time and the appropriate form must be filled out to insure their presence for the day is recorded in the system. Failure to submit the required form will result in the employee not being paid for that time until the procedure is followed. Employees who fail to properly sign in may be subject to disciplinary action.
9. Reporting attendance outlined in 2, 3, 4 and 5 above must be modified for departments with shifts or work schedules that do not comport with a typical nine to five or eight to four work day in accordance with approved schedules/shifts/tours. In such instances the shift supervisory person will be responsible for receiving telephone calls or noticing employee neglect in “punching in”. Shift supervisory personnel shall forward these activities for the time keeper to record in the system.
10. Department Heads must forward pre-approved requests for leave (PTO) for themselves or their subordinates in a timely manner to the time keepers for entry into the system. Failure to submit the proper leave request form in a timely manner may lead to the employee not being paid for that time off. A copy of the approved leave request form must be forwarded to payroll immediately for verification and record keeping.
11. Department Heads (managers) must approve weekly time clock entries for their personnel by no later than 10:00AM on the Monday prior to the issuance of pay checks: on holidays as may be prescribed by the Treasurer’s Office. If the department head is not available the staff member they designate shall be responsible to perform these approvals.
12. When the Village goes live with the system time worked recorded by time clock entries and punches will be the basis for pay.

PROCEDURES:

Manager Approval Process Go to:

- **HOURS / INDIVIDUAL EMPLOYEE**



- GO TO FIRST EMPLOYEE
- SELECT DATE RANGE / UPDATE

The screenshot shows a web interface for time tracking. At the top, there are filters for 'Exception Filter', 'Job Code Filter', and 'Cost Code Filter', along with a 'Download' button. Below these are date pickers for '3/26/2018' to '4/8/2018' and a 'Manual' button. A 'Resolve Period' button is highlighted in blue. A summary box in the top right corner shows: Regular 70.00, OT1 3.00, OT2 0.00, Leave 0.00, Total 73.00. The main table lists 10 records with columns for 'Time In', 'Time Out', 'Hours', 'Shift Total', 'Week Total', 'Job Code', and 'Rate'. A red dot is visible next to the entry for 3/30/2018.

Time In	Time Out	Hours	Shift Total	Week Total	Job Code	Rate
3/26/2018 09:00 AM	3/26/2018 05:00 PM	8.00	8.00		100 - Regular Pay	0.00
3/27/2018 09:00 AM	3/27/2018 05:00 PM	8.00	8.00		100 - Regular Pay	0.00
3/28/2018 09:00 AM	3/28/2018 05:00 PM	8.00	8.00		100 - Regular Pay	0.00
3/29/2018 09:00 AM	3/29/2018 05:00 PM	8.00	8.00		100 - Regular Pay	0.00
3/30/2018 09:00 AM	3/30/2018 05:00 PM	8.00	8.00	40.00	100 - Regular Pay	0.00
4/2/2018 09:00 AM	4/2/2018 04:00 PM	7.00	7.00		100 - Regular Pay	0.00
4/3/2018 09:00 AM	4/3/2018 04:00 PM	7.00	7.00		100 - Regular Pay	0.00
4/4/2018 09:00 AM	4/4/2018 04:00 PM	7.00	7.00		100 - Regular Pay	0.00
4/5/2018 09:00 AM	4/5/2018 04:00 PM	7.00	7.00		100 - Regular Pay	0.00
4/6/2018 09:00 AM	4/6/2018 04:00 PM	7.00	7.00	35.00	100 - Regular Pay	0.00

- Go over the employee's time and make sure he/she has an entry for every day of the week including leave if any, and pay attention to overtime. You can see the summary of hours in the little blue box on the top right corner with Regular, OT1, OT2, Leave and Total.
- RESOLVE PERIOD (If you hover over the red dot it will tell you what the exception is. After you approve the Time it either disappears or turns Blue.)
- MANAGER APPROVAL, OVERTIME APPROVAL (If Any)
- APPLY

The 'Resolve Period' dialog box is shown with a blue background. It has a title bar 'Resolve Period' and two buttons: 'Unapprove' and 'Approve'. Below these are six rows of approval options, each with a radio button: 'Employee Approval', 'Manager Approval', 'Other Approval', 'Early In', 'Late Out', and 'Overtime'. The 'Employee Approval' radio button is selected. At the bottom is an 'Apply' button.

The 'Resolve Period' dialog box is shown with a blue background. It has a title bar 'Resolve Period' and two buttons: 'Unapprove' and 'Approve'. Below these are six rows of approval options, each with a radio button: 'Employee Approval', 'Manager Approval', 'Other Approval', 'Early In', 'Late Out', and 'Overtime'. The 'Overtime' radio button is selected. At the bottom is an 'Apply' button.

APPROVED FORMS:

As part of this transition there is a need to standardize the forms used for time and leave recording. The Village Clerk has worked with the Treasurer's Office to develop standardized fillable forms including but not limited to the following:

- Overtime Request form
- Paid Time Off Request Form
- Missed Punch Reporting Form

These forms will be distributed and discussed prior to 8/1/18; thereafter you are directed to utilize these standardized forms. Please see the Village Clerk and/or the Treasurer's Office if you have questions about the forms once they are released.

The mandatory policies and procedures contained herein are to be considered directives. Failure to comply with same shall subject the individual to disciplinary action. Further, your failure to follow the prescribed policy and process may result in either yourself and or your staff not being compensated for work performed, leave requested, and or overtime worked in a timely fashion. If you need any clarification on the contents herein, please do not hesitate to contact me.

CC: Ed Brancati, HR/Risk Management
Pamela J. Tarlow, Assistant to the Village Manager
Vincent Masucci, Village Engineer
Mary-Anne Veltri, Senior Office Assistant
Krishna Radha, Technical Support Specialist
Aylone Katzin, Administrative Intern to the Village Manager
Senior / Executive Staff
File

Appendix B: OSC Comments on the Village's Response

Note 1

The payroll “by exception” method is used when employees’ fixed work schedule rarely changes. This was not the case with the employees in question who worked for the Village. Officials told us the employees worked flexible schedules and were allowed to work any day of the week, including weekends, to make up the required 70 hours per pay period. As stated in our report, because Village officials did not require employees to maintain a record of their daily work schedules, they could not provide documentation of the actual hours or days that employees worked for the Village.

Note 2

The time report the Village used for payroll did not show the adjustments made to reflect the actual hours and days the employees in question worked. Instead, the time report inaccurately showed that employees worked Monday through Friday from 8:30 a.m. to 4:30 p.m.

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, our audit procedures included the following:

- To gain an understanding of the internal controls over the T&A process, including overtime and leave accruals, we interviewed Village officials and employees within the two departments and the Finance Department.
- We received a report from the New York State and Local Retirement System (NYSLRS) which identified individuals who worked for the Village and other municipalities. We selected individuals with dual employment who appeared to have worked full-time for both municipalities based on days reported to NYSLRS during our audit period. We confirmed that three employees actually worked at both municipalities.
- We reviewed the employees' CBA to determine whether there was any information regarding employees' T&A and dual employment.
- We reviewed hours recorded on employees' calendars, time off request/ approval forms and overtime/compensatory time preauthorization forms to determine whether employees selected worked the 70 hours required per pay period.
- We interviewed Village officials and employees, including employees with dual employment, to gain an understanding of the T&A process and leave accruals. We confirmed that the three employees with dual employment worked full-time at their outside jobs.
- We reviewed the three employees' biweekly time reports to determine whether the Director reviewed and approved (signed) them.
- We reviewed the time-off documentation for the three employees to determine whether there was evidence of supervisory reviews and approvals.

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.

The Board has the responsibility to initiate corrective action. 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 Board to make the CAP available for public review in the Clerk's office.

Appendix D: Resources and Services

Regional Office Directory

www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2018-12/regional_directory.pdf

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

www.osc.state.ny.us/local-government/costsavings

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

www.osc.state.ny.us/local-government/fiscal-monitoring

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

www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263206&issued=All

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

www.osc.state.ny.us/local-government/resources/planning-resources

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

www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-05/cyber-security-guide.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/local-government/required-reporting

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

www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263211&issued=All

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

www.osc.state.ny.us/local-government/academy

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

www.osc.state.ny.us/local-government

Local Government and School Accountability Help Line: (866) 321-8503

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