

H. CARL McCALL  
STATE COMPTROLLER



110 STATE STREET  
ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

March 22, 2002

Mr. Glenn S. Goord  
Commissioner  
Department of Correctional Services  
Building #2 State Campus  
1220 Washington Avenue  
Albany, NY 12226-2050

Re: Report 2001-F-62

Dear Mr. Goord:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the New York State Department of Correctional Services (Department) as of December 5, 2001, to implement the recommendations contained in our audit report, *Watertown HUB - Selected Financial Management Practices*. (Report 99-S-38). Our report, which was issued August 29, 2000, reviewed the adequacy of internal controls over selected financial practices including purchasing, inmate cash, and time and attendance.

**Background**

In 1990, the Department developed the HUB program, in which all prisons it operated at the time were grouped into operational regions or HUBs. Currently, there are 70 facilities grouped into nine HUBs, each of which has a Supervising Superintendent at a designated facility who coordinates and monitors HUB operations. The Watertown HUB (HUB) includes five medium security facilities in two counties in northern New York State. The five facilities are: Ogdensburg, Riverview, Gouverneur (St. Lawrence County), Cape Vincent and Watertown (Jefferson County). A Superintendent, who is assisted by management staff, including a Deputy Superintendent for Administration, manages each facility. The Supervising Superintendent for the HUB is located at the Gouverneur facility. The five facilities employ over 2,400 staff, house over 5,000 inmates and have operating budgets, which totaled about \$96 million. Approximately 92 percent of these expenditures for the five facilities were for personal services.

Department directives require facilities to document the work time of most facility employees, including security staff, through the use of time cards. Employees punch time cards to indicate their attendance at work. Supervisors review the time cards daily and sign completed cards to ensure their completeness and accuracy. Each facility uses a computerized system to track and

control employee time and attendance data for payroll purposes. HUB facilities enter payroll changes directly into the State's payroll system (PaySR).

About 1,600 employees at HUB facilities are eligible to participate in mutual shift swapping (swapping), a practice by which Department employees doing similar work agree to exchange work hours. Employers are specifically permitted by Section 134 of Civil Service Law (Law) and the Federal Fair Labor Standards Act to allow employees to exchange work hours with other employees doing similar work in the same institution. Section 135 of the Law prohibits an employee from receiving extra salary or compensation for working swapped time. HUB facilities document swapped time in Swap Books and by the use of swap slips, which note the officers involved in the swap and the swap repayment date. All five facilities in the HUB data enter the swaps on their automated time and attendance system.

### **Summary Conclusions**

In our prior audit, we found that all five HUB facilities maintained adequate controls over purchasing and inmate cash. However, HUB management at one facility (Cape Vincent) needed to improve time and attendance controls over time card use and supervisory review. We also found individuals at three facilities (Cape Vincent, Gouverneur and Ogdensburg) who appeared to abuse their swapping privileges. Also, one facility (Watertown) may have overpaid officers' pre-shift briefing pay in those cases where the officer worked two consecutive shifts, and only attended one pre-shift briefing.

In our follow-up review, we found that HUB officials have made progress in implementing the recommendations contained in our prior audit report. The HUB now uses swap slips to monitor swapping activity by officers. Swap slips are data entered into a time and attendance system, which monitors the schedule that swaps owed are to be repaid. In addition, HUB management has implemented procedures to ensure that all employee time cards are punched in accordance with department directives and submitted every pay period. Improvements are still needed regarding the daily review of time cards and adjusting pre-shift briefing pay when two consecutive shifts are worked due to a swap.

### **Summary of Status of Prior Audit Recommendations**

Of the seven prior audit recommendations, HUB officials have implemented five recommendations and have not implemented two recommendations.

### **Follow-up Observations**

#### **Recommendation 1**

*Take disciplinary action against any employee who repeatedly fails to properly punch a time card. When an employee does not punch a time card, verify that the employee was at his or her assigned post for the entire shift.*

Status – Implemented

Agency Action – This recommendation pertained to Cape Vincent. The facility has implemented a procedure requiring the timekeeper to issue a Record of Attendance memorandum to the Time and Attendance Lieutenant regarding time cards that are missing punches, signatures, swap information, and/or charges to leave credits for absences. The Lieutenant then notifies the shift supervisor and asks that he/she verifies that the employee was at his/her assigned post for the entire shift. The shift supervisor requires the employee to document all missing information and then sign off on it. The employee is reminded of the Department's policy concerning the requirement that all employees maintain an adequate and accurate record of attendance. Subsequent instances will result in formal counseling of the employee. If a Record of Attendance memorandum is issued regarding a particular employee on a consistent basis, disciplinary action may be taken at the shift Supervisor's discretion. The Deputy Superintendent for Administration closely monitors the memorandums issued by the timekeeper.

### **Recommendation 2**

*Remind all HUB facility supervisors to review time cards daily and document their review of the time cards in accordance with Department directives, and periodically monitor adherence to these requirements.*

Status – Not Implemented

Agency Action – This recommendation pertained to Cape Vincent. The facility has not taken the necessary steps to foster adherence with the requirement that supervisors review employee time cards on a daily basis. We reviewed 100 time cards and found that 61 (61 percent) were missing supervisor initials indicating that they had been reviewed. The facility indicated that it would have the supervisors initial the time cards as part of their daily review.

### **Recommendation 3**

*Ensure that all employees submit time cards for every pay period.*

Status – Implemented

Agency Action – This recommendation pertained to Cape Vincent. The facility now requires the timekeeper to issue a memorandum to the Time and Attendance Lieutenant regarding time cards that have not been submitted. The Time and Attendance Lieutenant follows up with the employee in question to ensure that the time card is submitted.

We reviewed a sample memorandum listing the time cards that have not been submitted for a specific pay period. The timekeeper provided us with a copy of a missing time card, which is then attached to the memorandum and filed. Also, the Deputy Superintendent of Administration of the facility closely monitors the memorandums. Follow-up is done as

needed with the Time and Attendance Lieutenant and timekeeper to ensure that any missing time cards are submitted.

#### **Recommendation 4**

*Require all HUB facilities to trace payroll adjustments to the supporting worksheets and authorizations to ensure the accuracy of the data entered into the PaySR system. This review should take place prior to payroll certification.*

Status – Implemented

Agency Action – This recommendation pertained to all HUB facilities. The facilities have implemented a procedure to trace payroll adjustments to supporting worksheets and authorizations to ensure the accuracy of data entered into PaySR. Training has been provided to HUB facility Stewards to ensure that this procedure takes place prior to payroll certification.

Ogdensburg traces all payroll adjustments, while Gouverneur traces every other adjustment, as well as any that are out of the ordinary (i.e., hazardous duty pay). Also, Gouverneur performs a biweekly overtime adjustment audit to review the adjustments to overtime for the pay period. All facilities obtain from the Payroll System a "Listing of all Miscellaneous Payment Records" report that details any adjustments for the pay period. The adjustments listed on the report are traced back to their supporting documentation.

#### **Recommendation 5**

*Review swapping activity for the individuals identified by this audit who appear to be abusing swapping privileges and determine if abuses have occurred. If so, take appropriate disciplinary action against those individuals, and ensure that any swaps owed are scheduled to be repaid.*

Status – Implemented

Agency Action – This recommendation pertained to Ogdensburg. The HUB Supervising Superintendent reviewed the swapping activity for the individuals identified by the audit. He concluded that there was no long-term intentional abuse but acknowledged that some individuals had not repaid their swaps on a timely basis. He has addressed this matter. Swap slips are now completed by the correction officers with one copy going to the timekeeper for filing and the other copy goes to the Time and Attendance Lieutenant for data entry into the Time and Attendance System. The facility uses its Time and Attendance System to track all swaps owed. The system is used to schedule the repayment of swaps owed by correction officers.

### **Recommendation 6**

*In conjunction with the Department, establish effective procedures to monitor swapping, such as the use of swap slips, at each facility to ensure that each swap is a mutual exchange of hours as provided for in the law. The Gouverneur facility should consider recording swaps on the automated time and attendance system to assist them in monitoring swaps.*

Status – Implemented

Agency Action – This recommendation pertained to Gouverneur. The facility has implemented a procedure, in which, swap slips are data entered into a time and attendance system to monitor the swapping activity. Swap slips are completed by the correction officer, signed by the supervisor and then data entered by the timekeeper. Gouverneur has been recording swaps on the automated system since the early part of 2000.

### **Recommendation 7**

*When officers' swapping activity results in one of them working two consecutive shifts, pay only for the pre-shift briefing that is attended.*

Status – Not Implemented

Agency Action – This recommendation pertained to all HUB facilities. The issue was referred to the Department, which reviewed it and concluded that it did not believe that it would not be cost effective to require facilities to adjust the payroll for cases where swapping resulted in an officer being paid for two pre-shift briefings even though only one was attended.

Auditor's Comments – Our prior audit estimated that four of the five HUB facilities reviewed (Gouverneur did not have the necessary swap data), had spent between \$84,000 - \$108,000 unnecessarily by making this adjustment. Currently, payroll adjustments are made on a quarterly basis, for leave time used (e.g., sick, personal, and vacation leave). We suggest the Department determine if adjustments for pre-shift briefing could be made in a similar manner.

Major contributors to this report were Ron Skantze and Jeffrey Dormond.

We would appreciate your response to this report within 30 days, indicating any actions planned or taken to address any unresolved matters discussed in this report. We also thank the management and staff of the Watertown HUB and Department of Correctional Services for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

William P. Challice  
Audit Director

cc: Don Felter  
Deirdre A. Taylor