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August 15, 2002

Mr. Glenn S. Goord
Commissioner
Department of Correctional Services
The Harriman State Campus
1220 Washington Avenue
Albany, New York 12226-2050

Re: Report 2002-F-23

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 Department of Correctional Services (Department) as of July 18, 2002, to implement the recommendations contained in our audit report, *Shawangunk Correctional Facility Selected Payroll Practices* (Report 2000-S-38). Our report, which was issued on April 18, 2001, examined the internal controls relating to various payroll practices at the Shawangunk Correctional Facility.

Background

The Shawangunk Correctional Facility (Facility) is located in the town of Wallkill, New York. It is a maximum-security facility housing inmates serving terms from 25 years to life. For the 2001-02 State fiscal year, the Facility spent approximately \$15.3 million in personal service costs, including \$239,000 in overtime. At the time of our follow-up review, the Facility employed 352 staff, including 252 correction officers.

Summary Conclusions

In our prior audit, we found the Facility needed to improve controls over military leave. We reported that the Facility did not require individuals taking military leave to submit the appropriate documentation indicating that their leaves were authorized. We identified several instances of military leave abuse, including two cases in which individuals had falsified records to indicate they were on military duty when they were not. We also found that certain other time and attendance practices needed strengthening.

In our follow-up review, we found that the Facility has made significant progress in all areas where improvements were needed. We also found that the Department had investigated the individual abuses identified in our prior audit and had taken appropriate action where necessary.

Summary of Status of Prior Audit Recommendations

Of the four prior audit recommendations, Department and Facility officials have implemented two recommendations, partially implemented one recommendation, and have not implemented one recommendation.

Follow-up Observations

Recommendation 1

Comply with Department directives regarding documentation of paid military leave.

Status – Partially Implemented

Agency Action – We found that the Department and Facility have sent several memos to staff to increase staff awareness of the Department’s directives on documenting the use of military leave. For three employees who had used military leave a total of 12 times, we reviewed Facility files to determine whether Department directives were being followed regarding documentation of paid military leave. We found that the Facility lacked proper documentation for 5 of the 12 instances we reviewed. The Facility must continue to improve procedures for ensuring that, whenever paid military leave is requested, permitted, or used, Department directives are followed.

Recommendation 2

Review the instances of improper military leave usage and take appropriate disciplinary action, including recoupment of funds.

Status – Implemented

Agency Action – For the first case cited in our prior report, we found that the Department had investigated the matter and brought disciplinary action against the employee. Since our audit, the Department has revised its directive to provide for other forms of acceptable documentation, such as a letter from the military Unit Commander. The employee subsequently obtained documentation in the form of a letter from his Unit Sergeant attesting to his presence at the scheduled military meetings. As a result, the Department dropped the incident without further action.

The second case cited was also investigated by the Department, which found that the employee had used his full allotment of paid military leave for that year and had submitted the extra days as vacation leave. According to Facility officials, the improper charge of time against military leave was a timekeeping error that has since been corrected.

Recommendation 3

Verify with the individual service branches the incidences of military leave for the five correction officers cited in this report who were in the Reserves.

Status – Not Implemented

Agency Action – Facility officials told us that letters had been sent to the individual service branches, asking them to document the incidences of military leave for the five employees in question. However, the officials were unable to provide us with copies of the letters. They also informed us that none of the individual service branches had replied to their requests for documentation. As a result, the Facility still lacks adequate documentation supporting the use of paid military leave for these five correction officers.

Recommendation 4

Strengthen existing control procedures to ensure that: each individual punches only his or her own time card; and both parties to a swap are identified on the time cards of the individuals involved in the swap.

Status – Implemented

Agency Action – Since our audit, the Department has implemented Directive #2223, which outlines the process by which the correction officers are to document shift swaps. Facility officials have reinforced this directive by issuing two memos reminding staff and supervisors of their responsibility to ensure that swaps are documented appropriately and that time cards are accurate. We tested a sample of time and attendance cards to determine whether swaps were being recorded properly and found no exceptions. In addition, officials informed us that, in an effort to discourage employees from punching the time card of another employee, as well as their own, the presence of the supervising sergeant at the time clock has been increased.

Major contributors to this report were John Buyce, Larry Wagner, and Don Wilson.

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

Very truly yours,

Frank J. Houston
Audit Director

cc: Leonard A. Portuondo, Superintendent
Leo Bisceglia, Director of Internal Audit
Deirdre A. Taylor, Division of the Budget