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October 20, 2003

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

Re: Report 2003-F-34

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 August 21, 2003, to implement the recommendations contained in our audit report, *Lincoln Correctional Facility: Selected Payroll Practices* (Report 2001-S-23). Our report, which was issued on May 16, 2002, examined controls over selected payroll practices at the Lincoln Correctional Facility to determine whether they complied with applicable laws and regulations and Department policies and procedures.

Background

The Department's Lincoln Correctional Facility (Facility) is located in New York City. The Facility plays a transitional role in the release of male inmates who are 16 years of age or older and nearing the ends of their sentences. As of August 21, 2003, the Facility had a total population of 239 inmates. During the 2002-03 fiscal year, the Facility spent approximately \$5.9 million in personal service costs for a staff of 114.

Summary Conclusions

In our prior audit, we found that certain improvements were needed in controls over time and attendance procedures. Time cards were not always submitted on time and often were not signed by either the employee or the supervisor or neither. Supervisors were forwarding employee time cards without initialing overtime annotations, and their counseling for sick leave abuse was not timely. Military leave calculations were sometimes inaccurate and employees were not always submitting the required documentation. Workers' compensation calculations for leave benefits were sometimes inaccurate, and medical documentation for workers' compensation was sometimes missing.

In our follow-up review, we found that Facility officials have made significant progress in implementing the recommendations contained in our prior audit.

Summary of Status of Prior Audit Recommendations

Of the ten prior audit recommendations, eight recommendations have been implemented, one recommendation has been partially implemented, and one recommendation has not been implemented.

Follow-up Observations

Recommendations 1, 2, and 4

Remind supervisors to verify that all required signatures are on employee time cards before they are submitted to the timekeeper.

Remind supervisors to review time cards daily to verify that attendance data are complete and accurate, and to initial the time cards to document their review.

Remind supervisors to initial entries of overtime before submitting time cards to the timekeeper.

Status - Implemented

Agency Action - The Facility's Superintendent reminded supervisors in memos distributed in May 2002 and July 2002, as well as in remarks made at quarterly administrative meetings, that they were responsible for ensuring that time cards are accurate and complete and for indicating their approval of any modifications to an employee's routine schedule by initialing his or her time card. When we reviewed 20 time cards from the most recent payroll period for the required signatures and initials, as well as for accuracy and completeness, we found they had been completed properly.

Recommendation 3

Verify that employees are submitting time cards at the end of each pay period, as required; and discipline employees who do not comply with this requirement.

Status - Implemented

Agency Action - Facility procedures require timekeeping staff to notify supervisors when a time card is found to be delinquent. At the time of our review, just 2 of the 56 time cards we sampled from the most current time period had not been submitted. We determined that these cards belonged to employees on leave and were being held by their supervisors, awaiting signatures. This is a dramatic improvement from our prior audit results.

Recommendation 5

Monitor sick leave charges in a timely manner so that counseling and discipline may be provided when appropriate.

Status - Implemented

Agency Action - Department Directive 2202 requires continuous monitoring of sick leave charges so that abusers can be identified and steps can be initiated to control such abuse. We selected a sample of five employees from the “sick leave and tardy log” maintained by the Facility’s Time and Attendance Lieutenant and found that they had been counseled, in compliance with the Directive. We also noted that proper counseling action had been taken if employees had additional unexcused absences. In addition, the Time and Attendance Lieutenant now submits to the Facility’s executive staff, a summary report of counseling activities for each payroll period. The report is submitted at the end of the period it covers.

Recommendation 6

Enforce the requirement that employees charging military leave submit verification of participation in military duty (LES).

Status - Implemented

Agency Action - To encourage the submission of military leave documentation, the Facility has added two controls to its monitoring of military leave charges. In one case, a timekeeper’s report tracks the number of military leave days used by an employee. In the other, timekeeping staff send a “missing documentation” form to employees who have been authorized military leave but had not submitted the required Leave and Earning Statement (LES) forms. We reviewed the military leave files for two of the Facility’s employees who were on active duty during the past year and verified that all the required forms were on file, in accordance with the Department’s directives on documenting military leave.

Recommendation 7

Enforce the requirement that medical documentation be submitted and pursue those documents that are not, and that written notice of the terms and conditions for workers’ compensation leave be retained in the employee’s case folder.

Status - Implemented

Agency Action - We selected the case folders of two employees who had charged workers’ compensation leave during the prior year, and sought to determine whether they contained medical leave documentation and other required forms. We found that the folders we selected contained the proper medical documentation and other required forms.

Recommendation 8

Continue to pursue the medical documentation from the employee who did not submit it for the month of December 2000; if not received, adjust their leave accruals, as appropriate.

Status - Implemented

Agency Action - The Facility received the medical leave documentation and placed it in the employee's workers' compensation file in April 2002.

Recommendation 9

Re-instruct appropriate staff in Workers' Compensation Board procedures.

Status - Not Implemented

Agency Action - Facility staff did not attend the workers' compensation training provided to all facilities by the Department.

Recommendation 10

Work with the Department's Central Office, to enhance their central computerized payroll system to count the number of military leave days and workers' compensation leave days taken.

Status - Partially Implemented

Agency Action - Facility officials told us that modifications to the central computerized payroll system must be made by the Department's Central Office, which currently does not consider such enhancements a priority. However, both the Department's Automated Timekeeping System, which records military leave day charges, and the Department's human resource system, which records the inclusive dates of workers' compensation eligibility, provide running totals of the number of leave days charged to either leave category. Facility staff have been instructed to use these systems to help track leave charges. Our review of military leave and workers' compensation case files did not identify any cases in which employees had exceeded the leave maximums.

Major contributors to this report were John Buyce, Joel Biederman, and Don Wilson.

We would appreciate your response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in this report. We also thank the management and staff of the Lincoln Correctional Facility for the courtesies and cooperation extended to our auditor during this review.

Very truly yours,

Frank J. Houston
Audit Director

cc. Joseph Williams, Superintendent
Leo Bisceglia, Director of Internal Control
Dierdre A. Taylor, Division of the Budget