
**Thomas P. DiNapoli
COMPTROLLER**



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**OFFICE OF THE
NEW YORK STATE COMPTROLLER**

**DIVISION OF STATE
GOVERNMENT ACCOUNTABILITY**

**DEPARTMENT OF
ENVIRONMENTAL
CONSERVATION**

**SELECTED PRACTICES
REGARDING PAYROLL
OVERTIME**

Report 2007-S-64

AUDIT OBJECTIVE

Our objective was to determine whether overtime at the Department of Environmental Conservation (Department) was properly approved, necessary and worked.

AUDIT RESULTS - SUMMARY

Department employees provide an array of diverse and specialized services such as forest fire protection, search and rescue missions, enforcement of environmental laws and regulations, oversight of hazardous waste cleanup and disposal, invasive species control, monitoring of the State's water and air quality, and dam inspections. During the fiscal year ended March 31, 2007, the Department spent about \$7.3 million for 207,000 hours of overtime for permanent and hourly employees.

We found the Department could not provide documentation to support about 30 percent of the overtime hours worked by employees in our sample. However, we determined that the overtime that was documented was consistent with the Department's necessary uses of overtime and we verified that employees scheduled to work overtime were present.

Among the employees that work for the Department's Office of Public Protection are conservation officers and forest rangers. The Department has Memorandums of Understanding (MOU) with the forest rangers and conservation officers. The MOUs include guidelines for overtime usage and mandate overtime be offered to these employees.

For the fiscal year ended March 31, 2007, 1,047 employees were paid \$1,000 or more in overtime. We sampled 50 of these employees who received 746 overtime payments for 7,628 hours totaling \$268,373. We found that the time sheets for 1,503 of the 2,146 hours of

overtime worked by the 50 employees were properly approved by supervisors after the overtime was worked and agreed with the hours paid for each employee. However, we could not determine if all of the overtime in our sample was pre-approved as required, in part, because the Department does not require pre-approvals to be in writing and maintained.

Ten of the 50 employees in our sample worked 643 overtime hours totaling \$23,887, but the Department could not provide documentation supporting the supervisor's approval of the overtime or showing the nature of the work completed using overtime. Department officials advised us that the main reason the hours could not be supported was loss of data on computers.

The collective bargaining agreements provide employees with up to 26 hours of discretionary overtime per year (overtime may be worked at the employee's discretion). While employees decide when they work discretionary overtime, supervisors are required to keep track of how much discretionary overtime is offered to and worked by their employees. However, we found one supervisor did not keep track of discretionary overtime by forest rangers. Further, we found inconsistencies among supervisors in interpreting discretionary overtime rules for forest rangers. Some of these interpretations may not be in compliance with the forest rangers' MOU.

The Department makes adjustments to the payroll for reasons such as to correct errors on time sheets. For fiscal year 2006-2007, we identified 737 overtime adjustment payments. We judgmentally selected a sample of 20 adjustments to determine the reason for them. We found that the Department did not retain documentation to support four of the 20 overtime adjustment payments.

Our report contains four recommendations for improving the Department's overtime controls. Department officials were in general agreement with our recommendations and have already taken steps to make improvements.

This report, dated April 23, 2009, is available on our website at: <http://www.osc.state.ny.us>. Add or update your mailing list address by contacting us at: (518) 474-3271 or Office of the State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, NY 12236

BACKGROUND

The Department of Environmental Conservation (Department) is responsible for conserving, improving and protecting the State's natural resources and environment. To enhance the health, safety and welfare of all the State's residents the Department works to control water, land and air pollution. It provides diverse and specialized services such as forest fire protection, search and rescue missions, enforcement of environmental laws and regulations, oversight of hazardous waste cleanup and disposal, invasive species control, monitoring of the State's water and air quality, and dam inspections. The Department also operates 12 fish hatcheries, a tree nursery, 52 campgrounds, the Belleayre Mountain Ski Center, and 23 vehicle maintenance centers.

The Department incurs both scheduled overtime and unscheduled overtime. Scheduled overtime includes seasonal Departmental activities such as fish stocking, operating campgrounds 24-hours a day during the summer months, and patrols during hunting season. Unscheduled overtime is for unforeseen events such as floods, eradication of insects, and forest fire suppression. The

Department's Management and Budget Services (MBS) monitors temporary service and overtime/holiday pay allocation and spending for each Division and communicates the status to Division heads on a monthly basis. When budget allocations are exceeded, MBS sends a memo to the applicable program managers to inform them of the over expenditure, and advises them to allocate it to another eligible funding source.

A comparison of overtime costs among State agencies for 2005 showed that the Department's \$10.4 million expense was the second highest. According to the State's payroll system, the Department spent almost \$11.2 million on overtime for the State fiscal year ended March 31, 2007. We found that \$2.5 million of the overtime was retroactive payments to conservation officers based on a settlement of a dispute between the State and various bargaining units, \$1 million was for automatic pre-shift briefing payments to conservation officers, and about \$372,000 was for miscellaneous overtime categories such as overtime meals. The remaining \$7.3 million was for 207,000 hours of overtime for permanent and hourly employees; \$4.7 million (65 percent) in the Department's Office of Public Protection and \$1.9 million (26 percent) in other units for permanent employees, and \$666,000 (9 percent) for hourly employees.

The Department's Office of Public Protection includes conservation officers and forest rangers. Conservation officers are responsible for the enforcement of environmental laws and regulations, for detection and investigation of suspected violations and for responding to incidents regarding both State and Federal mandates. They generally work in the field, are stationed out of their homes and are dispatched to calls by a Statewide dispatch center located in Ray Brook. Overtime is assigned as necessary on a case-

by-case basis. Off-duty officers called in to work are automatically allowed four hours of overtime. Conservation officers are allowed to self-dispatch up to two hours of overtime before getting supervisory approval. As of July 2007, there were 326 conservation officers.

Forest rangers are responsible for the protection of almost four million acres of State-owned and Department managed lands including nearly three million acres in the Adirondack Park. They are required to assist other regions and states in fighting wildfires and other forest threats such as insect infestation. The forest rangers work out of their homes and can receive calls from the public, municipalities and the Ray Brook dispatch center. As of June 2007, the Department employed 133 forest rangers.

The Department uses the Leave and Accrual Tracking System (LATS), which is an electronic time sheet, for employee attendance, leave usage, and time spent on specific tasks for each Division. In addition, Office of Public Protection employees use two different electronic calendars to track a range of activities including overtime hours worked and the reasons for the overtime.

As of June 11, 2007, the Department had 3,413 permanent employees and 1,008 hourly employees. Department staff is represented by seven different bargaining units. Collective bargaining agreements with these units contain rules about overtime usage. In addition, the Department had two Memorandums of Understanding (MOU) during our audit period; one with forest rangers and the other with conservation officers. The MOUs include guidelines for overtime usage and mandate overtime be offered to these employees. The Department has its headquarters in Albany and has nine primary regional offices throughout the State.

AUDIT FINDINGS AND RECOMMENDATIONS

Proper Approval of Overtime

According to the Department's Time and Attendance Manual, each employee is required to complete an electronic time sheet in LATS showing all hours worked. Supervisors are required to verify that the time sheets submitted by employees are accurate, including days worked, and appropriate charges to leave credits. Supervisory approval of the time sheets indicates that the time sheet is correct and that all time recorded was approved. Supervisor's cannot change an employee's LATS time sheet on their own, but are to reject and return inaccurate time sheets for correction by the employee.

The New York State Archives established a retention and record keeping policy (Part 6, Section 90003) that requires time and attendance sheets, vacation exchange information, and other records used to account for time, attendance, and time accruals, including overtime, to be retained for three fiscal years after the date of last entry for reference and auditing purposes. The policy also indicates that State agencies that do not adopt this recordkeeping policy have to develop their own retention schedule and communicate it to supervisors for use in the retention and disposition of documentation for time and activity records.

To determine whether employees received proper approval to work overtime, we randomly selected 50 out of the 1,047 employees that were paid \$1,000 or more in overtime from April 1, 2006 through March 31, 2007. For the 50 employees, there were 746 overtime payments for 7,628 hours totaling \$268,373. We judgmentally selected 118 of these payments for 2,146 hours that

totaled \$72,416. We also visited nine regional offices to determine how overtime for the employees in our sample was documented and to obtain any supporting documentation for the overtime payments. We found that the LATS time sheets for the 50 employees were properly approved by supervisors after the overtime was worked and agreed with the hours paid for each employee. However, we could not determine whether 25 of these payments for 643 hours (30 percent) that totaled \$23,887, was approved at the time it was worked. We also could not determine whether the need for overtime was established, because the Department does not require pre-approvals to be in writing and maintained. Instead it is left up to each program and some units verbally approve overtime.

In addition, to determine whether employees working overtime were present and received pre-approval to work overtime, we conducted seven unannounced floor checks between September 24, 2007 and October 13, 2007. Four floor checks were done at Department Headquarters, two at Belleayre Mountain, and one at the Five Rivers Environmental Education Center. In total, 13 Department employees were scheduled to work overtime at the times of our floor checks. We found all 13 were present and had pre-approval to work overtime.

We note that Department officials told us that they investigated a case of an employee with high overtime that occurred during our audit period. The employee incurred about \$25,000 of overtime in fiscal year 2006-2007 which was higher than the overtime for this position in fiscal years 2004-2005 and 2005-2006 (about \$8,000 and \$11,000 respectively), and higher than other Department employees performing similar duties. Their investigation found that the overtime was not authorized in advance by a supervisor and there was no

documentary evidence that it was necessary. The investigation resulted in eight recommendations to correct the weaknesses noted including establishing Department guidelines related to overtime approval and documentation, providing supervisory training related to overtime policies and procedures, and requiring the employee's supervisors to reconcile claimed overtime to supporting documentation.

Documentation of Overtime

The Department is required to retain documentation relating to all overtime worked, including the reasons for the overtime. We found the Department could not provide documentation to support some of the overtime hours worked.

Of the 50 employees in our sample, we found 40 of them had supporting documentation, such as electronic calendar information, for 1,503 overtime hours totaling \$48,529. For the remaining ten employees who worked 643 overtime hours (30 percent) totaling \$23,887, there was no documentation of the reason for the overtime such as the nature of the work to support the supervisor's approval of the overtime.

For the ten employees who worked the 643 overtime hours that could not be supported:

- Five employees who worked 450 overtime hours did not have documentation due to the loss of computer data. According to Office of Public Protection officials, since their employees use an electronic calendar, some documentation was lost when laptop computers crashed and there was no back-up of the information. Additional documentation was lost when a supervisor's computer was erased when he retired (his computer

archived employee's electronic calendars) and the electronic calendar had not been set up properly on other computers. Department officials told us that the Office of Public Protection is transitioning to a different scheduling and daily calendar system that will record and archive overtime and daily activities on secure servers.

- Five employees who worked 193 overtime hours did not retain any supporting documentation. One employee who worked 33 hours of overtime received verbal approval. Department officials told us it was normal procedure to verbally approve the overtime and that the overtime occurred due to staff shortages at the time. However, employees are still required to maintain documentation to support overtime hours worked. Further, the Department could not explain why documentation was missing for the four other employees.

The Department does not have any written policies to support the New York State Archives policy. Instead, it allows its separate divisions and units to determine how they will comply with retention requirements. We believe the Department should have one set of criteria to ensure all employees comply with retention requirements. With such documentation, the Department can be better assured that employees are authorized to work overtime and are being paid appropriately for this work.

Recommendations

1. Retain all documentation relating to overtime including, but not limited to, performing routine back-ups for electronic records, in accordance with New York State Archive's policy.

2. Establish and communicate specific document retention requirements for pre-approval of overtime and support for work performed.

Necessity of Overtime

Department employees are expected to respond to emergencies that will affect the health, safety and welfare of the people of the State. Department officials told us that significant events, some of which are beyond their control, caused overtime during our audit period, such as the following:

- Floods north of Binghamton during June and July 2006 involved forest rangers, conservation officers, and staff from the Divisions of Lands and Forests, Fish and Wildlife, Operations, and Environmental Remediation. Department-wide overtime associated with the floods was about 1,600 hours.
- The Asian Longhorned Beetle infected trees on Pralls Island in New York City. Forest rangers, conservation officers, and staff from Lands and Forests and Operations helped to eradicate and prevent further beetle infestation. Forest ranger overtime was approximately 1,470 hours, but overtime for the other units was not tracked.
- The manhunt for Ralph "Bucky" Phillips from June to early September 2006 involved forest rangers and conservation officers working with other State and Federal law enforcement agencies. Forest ranger overtime was approximately 920 hours, but overtime for the conservation officers was not tracked.

- The Department sent three 20 person crews to assist with forest fire suppression in the western United States during August and early September 2006. The Department incurred 6,556 hours of overtime and received Federal reimbursement of about \$544,000 for personal service, non-personal service and indirect costs, including overtime.

State Budget Bulletin 1024 states that overtime work should be held to a minimum consistent with the needs and requirements of sound and orderly administration of State government. The State requires supervisors to hold overtime work to a minimum by properly scheduling and assigning activities, simplifying work processes, and requiring compliance with realistic standards of performance.

We reviewed the overtime for the 50 employees in our sample and found the overtime was consistent with the Department's necessary uses of overtime, except for the previously mentioned cases where documentation of overtime in our sample were missing. Further, we note that the Department has a number of controls in place to monitor and minimize overtime usage. For example, the Manual, collective bargaining agreements, and the MOUs allow for flexible work schedules for employees to meet program needs. This enables employees to adjust their schedules to ensure coverage of Department activities such as seasonal details within their normal work hours. During our regional visits and floor checks, we found that supervisors adjust their employee's work schedules to meet work needs and minimize overtime.

We also found that the Office of Public Protection tracks the overtime hours of its officers and rangers to ensure that overtime is

not excessive and that no one officer or ranger is being assigned more overtime than the others. A report from the LATS system is used as a management tool to identify forest rangers with the highest and lowest overtime, identify any anomalies and reasons for high overtime, and whether overtime is being used wisely. The LATS report was also used by one region we visited to analyze the number of overtime hours per various productivity statistics such as complaint calls, to determine if overtime usage is consistent with the productivity levels of each conservation officer. This process could perhaps be shared with other regions as a management tool to monitor overtime usage.

Recommendation

3. Evaluate the practice used by one region of using the LATS report to analyze the productivity statistics to determine if it should be introduced in other regions.

(Department officials replied to our draft audit report that OPP provides the LATS overtime report to each Regional OPP Captain. Each Captain also has access to the complaint tracking database. Supervisors have been advised how comparisons can be made using the two systems, however there is no link between the two databases at this time. The lack of automated linking of the data, results in extensive calculations which are very time consuming. Based on this fact, we do not feel it appropriate to mandate this procedure.)

Auditor's Comments: We understand the Department's concern about the time to do the necessary calculations. While the Department may not wish to mandate this practice, it could be encouraged as a management tool.

Discretionary Overtime

The collective bargaining agreements provide employees with up to 26 hours of discretionary overtime per year (overtime may be worked at the employee's discretion). The MOU with conservation officers provided each officer with up to 16 hours of discretionary overtime between November 16, 2005 and December 28, 2005, and allowed for subsequent continuation of discretionary overtime.

The MOU with the conservation officers specifies circumstances when conservation officers are allowed to self-dispatch to respond to emergencies (e.g., a complaint where there is reason to believe there is an immediate danger to the public health, safety or the environment, or to assist law enforcement or a fire agency with specialized personnel or equipment such as K-9, boat, or snowmobile) without prior supervisory approval. Self-dispatch results in a minimum of one hour overtime or the actual time spent up to two hours, whichever is greater.

The MOU and a related Stipulation of Settlement between the Department and forest rangers specified the number of discretionary overtime hours to be offered to each forest ranger. This MOU states that a forest ranger will notify the dispatcher or a supervisor prior to working discretionary overtime.

While employees decide when they work discretionary overtime, supervisors are required to keep track of how much discretionary overtime is offered to and worked by their employees. In reviewing the overtime worked by the 50 employees in our sample, we did not observe any non-compliance for the conservation officers with its MOU. However, we found one supervisor did not keep track of discretionary overtime by forest rangers in two regions. Further, we

found inconsistencies among supervisors in interpreting discretionary overtime rules.

We interviewed six supervisors of forest rangers in eight regional offices about forest rangers' discretionary overtime. Their responses confirmed that there is no uniform process for handling discretionary overtime. In fact, one supervisor noted that forest rangers notify supervisors of discretionary overtime after the fact, which is inconsistent with the MOU.

Department officials told us the MOU covering forest rangers expired on March 31, 2008, and they no longer use discretionary overtime. If another MOU is entered into in the future, we recommend the Department clarify the responsibilities of supervisors so discretionary overtime is tracked and used consistently.

Overtime Distribution

While employees decide when to work discretionary overtime, supervisors must also distribute regularly scheduled overtime to employees. According to Budget Bulletin G-1024 and collective bargaining agreements, reasonable steps are to be taken for an equitable distribution of scheduled overtime opportunities among qualified employees of the appropriate work unit. The agreements require overtime to be rotated among qualified employees who normally do such work on the basis of seniority. In addition, the two MOUs specify that employees must have the ability to do the work, and address the distribution of overtime to employees within geographic work areas such as zones, sectors and regions. The MOUs require that seniority overtime lists be maintained for both voluntary and involuntary overtime assignments to ensure that overtime is distributed properly within each geographic work area.

To determine if overtime was being equitably distributed in compliance with applicable policies and bargaining agreements, we interviewed Department managers and supervisors at the Headquarters and all nine regional offices, and reviewed documents relevant to overtime distribution such as seniority lists. We found that supervisors were knowledgeable of and followed applicable requirements to distribute overtime to employees.

Documentation of Overtime Adjustments

The Department makes adjustments to the payroll to correct errors on time sheets. The Department's practice is for the Human Resources office to note the reasons for such adjustments. The New York State Archives requires agencies to maintain copies of payroll and personnel transactions, including records used to account for employee time and attendance, for three fiscal years. We found that the Department did not always maintain records for overtime adjustments.

For fiscal year 2006-2007 we identified 737 overtime payments to 341 employees for 22,793 overtime hours totaling about \$860,000 that were paid from two weeks after the overtime was worked to four years, eight months after the overtime was worked. We judgmentally selected a sample of 20 payments to determine the reasons the payments were delayed. These payments totaled \$16,412 for 447 hours to 19 employees. We found that the Department did not retain documentation to support four of the 20 overtime adjustment payments for three employees totaling 34 hours. We could not determine the amount paid for the retroactive adjustments because they were combined with current overtime. Department officials said that Human Resources employees who entered the adjustments no longer work at the Department. Further,

current Human Resources employees were unfamiliar with the adjustments and could not explain them. Due to the lack of documentation for the four payments, Department officials cannot be assured that the adjustments were proper.

Recommendation

4. Retain all supporting documentation for overtime adjustments as required by the New York State Archives.

AUDIT SCOPE AND METHODOLOGY

We audited the Department's overtime practices to determine whether overtime was properly approved, necessary and worked for the period of April 1, 2006 through October 7, 2007. Our audit focused on the \$7.3 million in overtime paid to permanent and hourly employees.

To accomplish our objective, we interviewed Department officials, and reviewed Department policies, procedures and records. We obtained a download of full-time and hourly employees' regular overtime paid from the State's payroll system for the period April 1, 2006 through March 31, 2007 that totaled \$7.3 million for 207,343 overtime hours. We analyzed the download and identified 1,047 employees that were paid overtime of \$1,000 or more. The 1,047 employees received 16,350 payments for 169,984 hours totaling over \$6.8 million. From the 1,047 employees we selected a random sample of 50 employees with 7,628 overtime hours that totaled \$268,373. For six employees in one region we selected a judgmental sample of five payments, and for the remaining 44 employees we selected a judgmental sample of two payments, for a total of 118 payments for 2,146 overtime hours that totaled \$72,416. We based our sample selection on the dollar amount and date of the payments.

We visited nine regional offices to meet with supervisors of the 50 sampled employees and obtain time and attendance records to determine if the overtime was properly approved, necessary, and the hours were actually worked. We conducted seven unannounced floor checks of Department employees scheduled to work overtime on September 24, 25, and 26, 2007, and October 6, 7, 12 and 13, 2007. We also obtained and analyzed the Department budget allocation for overtime for fiscal year 2006-2007. We did not audit the hourly rate each employee was paid for overtime. We also did not audit retroactive overtime payments to conservation officers due to arbitration, pre-shift briefing payments, or miscellaneous overtime categories such as overtime meals.

We conducted our audit in accordance with 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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In addition to being the State Auditor, the Comptroller performs certain other constitutionally and statutorily mandated duties as the chief fiscal officer of New York State. These include operating the State's accounting system; preparing the State's financial statements; and approving State contracts, refunds, and other payments. In addition, the Comptroller appoints members to certain boards, commissions and public authorities, some of whom have minority voting rights. These duties may be considered management functions for purposes of evaluating organizational independence under generally accepted government auditing standards. In our

opinion, these functions do not affect our ability to conduct independent audits of program performance.

AUTHORITY

The audit was performed 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.

REPORTING REQUIREMENTS

A draft copy of this report was provided to Department officials for their review and comment. Their comments were considered in preparing this final report, and are included as Appendix A.

Within 90 days of the final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the Department of Environmental Conservation shall report to the Governor, the State Comptroller, and the leaders of the Legislature and fiscal committees, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

CONTRIBUTORS TO THE REPORT

Major contributors to this report include Carmen Maldonado, Gerald Tysiak, Steve Goss, Alexander Marshall, Gayle Clas, Rachelle Luchkiw, and Sue Gold.

APPENDIX A - AUDITEE RESPONSE



DAVID A. PATERSON
GOVERNOR

STATE OF NEW YORK
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
ALBANY, NEW YORK 12233-1010

ALEXANDER B. GRANNIS
COMMISSIONER

JAN 26 2009

Ms. Carmen Maldonado
Audit Director
Office of the State Comptroller
Division of State Government Accountability
123 William Street, 21st Floor
New York, NY 10038

Dear Ms. Maldonado:

On November 25, 2008, the New York State Department of Environmental Conservation received the Office of the State Comptroller's draft audit report 2007-S-64, entitled "Selected Practices Regarding Payroll Overtime." The enclosed pages contain DEC's response to the draft report.

Thank you for the opportunity to respond to the draft report. If you need to discuss any of this response, please contact Mr. Thomas Kulzer at (518) 402-9147.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Grannis", written over a horizontal line.

Alexander B. Grannis

Enclosure

c: T. Kulzer

**NEW YORK STATE
DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

**Response to the Office of the State Comptroller's
Draft Audit Report 2007-S-64**

Selected Practices Regarding Payroll Overtime

The New York State Department of Environmental Conservation (DEC) has reviewed the findings contained in the draft audit report submitted to DEC by the Office of the State Comptroller (OSC) on November 25, 2008 entitled Selected Practices Regarding Payroll Overtime. DEC's response is presented below and contains three sections as follows:

- General Comments
- Comments on Described Conditions
- Response to Recommendations

General Comments

DEC is in general agreement with the recommendations provided in this draft report. However, based on the information shared by OSC auditors with DEC during the course of this audit, DEC originally thought the sample selected for review was 100 DEC employees. This draft audit report pertains to a sample of 50 employees and is focused on DEC's high overtime earners during the audit period. For example, the reported information for SFY 2006 -07 indicates DEC incurred \$7.3 million in overtime (OT) for 207,343 hours and that 1,047 employees received more than \$1,000 in OT payments. The sample size of 50 employees reportedly represents \$268,373 in OT payments for 7,628 hours (or an average of roughly \$5,367 in OT per selected employee). In addition, the sample of 118 pay periods selected represents \$72,416 in OT for 2,146 hours which leaves the impression that each DEC employee earns an average of \$1,448 OT for the audit period.

A key finding of the report is that for 25 pay periods (or 21.2 percent of the sample) selected for review, the auditors found no documentary support to justify OT approval. It should be noted that computer and laptop crashes within the Office of Public Protection (OPP) accounted for most of the lack of documentary support (64 percent or 16 of 25 pay periods). Only two DEC employees, based in two separate regional offices accounted for the remaining nine pay periods of undocumented justification of OT approval. DEC has also determined that for 20 percent (5 of 25) of the sampled pay periods, a seasonal regional office supervisor had been given verbal supervisory approval to earn OT as a result of the lack of staff to fulfill duties.

Comments on Described Conditions

The following are specific comments the Department has regarding selected wording contained in the draft report.

Page 9 of 10, Documentation of Overtime Adjustments Section - 1st Full Paragraph, 2nd and 3rd Sentences: “We judgementally selected a sample of 20 payments to determine the reasons the payments were delayed. These payments totalled \$16,412 for 447 hours to 19 employees.”

Department Response: Virtually all the employees reported with a large gap between the first overtime payment period and the last overtime payment period received their earlier overtime payment as a result of an audit of the old paper time cards. The DEC has and continues to pay earned overtime as quickly as possible. Virtually all 20 of the highlighted alleged delays were solely because of an audit of the earliest period, not a delay in normal overtime processing. In fact, it should be noted that virtually all of the employees that earned overtime between the earliest and last overtime payment period were paid the intervening overtime without unwarranted delay.

Page 9 of 10, Documentation of Overtime Adjustments Section - 1st Full Paragraph, 4th Sentence: “We found that the Department did not retain documentation to support four of the 20 overtime adjustment payments for three employees totalling 34 hours... Due to the lack of documentation for the four payments, Department officials cannot be assured that the adjustments were proper.”

Department Response: During 2005, an enhancement was made to LATS where the system automatically duns supervisors with emails when they failed to review/approve LATS time cards submitted by their employees. It is a stretch to say that because an explanation is not entered, that the DEC cannot determine if an overtime payment was proper. While an explanation could be entered for each adjustment, the reasons for many adjustments are self-evident. The supervisor’s approval of an employees LATS timesheet is the supervisor’s representation that the employee has worked the hours indicated.

Response to Recommendations

The following presents the Department’s response to each recommendation contained in the draft audit report.

Recommendation #1 - Retain all documentation relating to overtime including, but not limited to, performing routine back-ups for electronic records, in accordance with New York State Archive’s policy.

Response to Recommendation #1 - OPP is working with the Division of Management & Budget Services to develop a different overtime tracking method using our current Dispatch blotter database combined with our LATS time records system. The objective is to record and archive the approval and description for all overtime as well as the identity of the approving supervisor on the secure LATS servers. Once this information is stored within LATS, the routine backups and minimum three year record retention period will be met.

Recommendation #2 - Establish and communicate specific document retention requirements for pre-approval of overtime and support for work performed.

Response to Recommendation #2 – Due to varied nature of services delivered by DEC divisions, different negotiated agreements with ten bargaining units and several side memoranda of understanding with certain bargaining units, each division within DEC will establish and communicate its own specific documentation requirements for the pre-approval of overtime and support for work performed. DEC will ensure that pre-approval and support of overtime work performed is properly maintained and filed by all divisions in accordance with records retention schedules established with the New York State Archives.

Recommendation #3 - Evaluate the practice used by one region of using the LATS report to analyze the productivity statistics to determine if it should be introduced in other regions.

Response to Recommendation #3 – OPP provides the LATS overtime report to each Regional OPP Captain. Each Captain has also been given access to the Complaint tracking database. Supervisors have been advised how comparisons can be made using the two systems, however there is no link between the two databases at this time. This lack of automated linking of the data, results in extensive manual calculations being required which is very time consuming. Based on this fact, we do not feel it appropriate to mandate this procedure.

Recommendation #4 - Retain all supporting documentation for overtime adjustments as required by the New York State Archives.

Response to Recommendation #4 – Notes concerning audit adjustments, including overtime adjustments, made by Payroll staff are maintained in LATS. Dispatch records are maintained by OPP in perpetuity.