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STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

June 22, 2010

Ms. Carol Ash  
Commissioner  
Office of Parks, Recreation & Historic Preservation  
Empire State Plaza, Agency Building 1  
Albany, NY 12238

Re: Report 2010-F-23

Dear Ms. Ash:

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 followed up on the actions taken by officials of the New York State Office of Parks, Recreation and Historic Preservation (OPRHP) to implement the recommendations contained in our audit report, *Selected Payroll Practices at the Long Island Region* (Report 2007-S-89).

**Background, Scope and Objectives**

OPRHP operates and maintains a Statewide system of more than 225 diverse properties that are visited by nearly 55 million people annually. Headquartered in Albany, OPRHP's operations are administered through a network of 11 regional offices. It has a permanent workforce of about 2,100 employees and supplements that staff with another 4,000 seasonal workers. Most seasonal employees work as park and recreation aides and are hired directly by OPRHP's regional offices. Park and recreation aides perform a wide variety of tasks, such as mowing lawns, landscaping, cleaning facilities and grounds, escorting tours at historic sites, assisting group outings, collecting parking and admission fees, performing office work, supervising other seasonal staff, and responding to patron needs.

The Long Island (L.I.) region is the agency's largest operational region with 32 State parks and facilities. As of July 4, 2009, the L.I. regional office employed 544 year-round (annual) employees, including Park Police, and 1,500 seasonal staff. The region had payroll expenditures totaling \$39.3 million for the year ended December 31, 2009. The L.I. regional office employs 31 park managers who oversee the various parks and facilities. The park managers are responsible for hiring and monitoring all seasonal workers.

Our initial audit report, which was issued on July 31, 2008, examined whether employees at the L.I. region were paid only for time actually worked. We found that OPRHP needed to strengthen its payroll practices to ensure that employees are paid only for time actually worked.

We identified a number of internal control weaknesses, as well as overpayments to employees. The objective of our follow up was to assess the extent of implementation, as of June 9, 2010, of the eight recommendations included in our initial report.

### **Summary Conclusions and Status of Audit Recommendations**

Although in their October 2008 response to our final audit report OPRHP officials indicated that all our recommendations had been implemented, we found that OPRHP has only made some progress in correcting the problems identified in our initial report. Additional improvements are still needed. Of the eight prior audit recommendations, two recommendations have been implemented, two recommendations have been partially implemented, and four recommendations have not been implemented.

### **Follow-up Observations**

#### **Recommendation 1**

*Establish a policy and procedure that requires all seasonal employees to sign off on their time records, attesting to the accuracy of hours worked, and all supervisors to sign off on all employees' time records, reflecting their review and approval.*

Status - Implemented

Agency Action - In June 2007, while the initial audit was being conducted, OPRHP issued Internal Control Note #11 (Note #11), which stated that every employee is responsible for signing his or her timecard and that every supervisor is responsible for certifying the correctness of the timecards submitted. At the time of the initial audit, OPRHP officials stated that Note #11 did not apply to seasonal employees who use a punch card system. However, in June 2008, OPRHP officials notified the L.I. region park managers that, effective immediately, Note #11 would apply to these seasonal employees. As a result, while we concluded that OPRHP has implemented our specific recommendation, we also observed that the policy is still not being followed consistently. We selected a sample of ten time records for seasonal employees at two L.I. parks and found that none of the five records examined from one park had been signed by the employees.

#### **Recommendation 2**

*Take appropriate action against those employees who were paid for time not worked.*

Status - Not Implemented

Agency Action - Our prior audit identified two employees who had been paid a total of \$265 for time not actually worked as a result of various internal control weaknesses. We found insufficient evidence that any action was taken against the employees who were paid for time not worked.

**Recommendation 3**

*Monitor the new policy restricting staff from entering into HRIS their own time and the time of their relatives.*

Status - Not Implemented

Agency Action - During our prior audit, OPRHP officials established a policy restricting staff from entering their own time and the time of their relatives into the Human Resource Information System (HRIS). However, we found they have not taken steps to monitor compliance with this policy.

**Recommendation 4**

*Expand the audit function to include a periodic comparison of seasonal employees' time records with data input into HRIS.*

Status - Not Implemented

Agency Action - OPRHP officials stated that, due to limited resources, they focus on audits that carry higher risks, such as revenue audits. Consequently, they have not expanded the audit function to include a periodic comparison of seasonal employees' time records with data input into HRIS.

**Recommendation 5**

*Take appropriate action against those employees not found during our floor check who either did not charge time or were paid for time not worked.*

Status - Partially Implemented

Agency Action - OPRHP took action against four of the seven employees not found during our floor check, adjusting the timecard for each of the four, and issuing a letter of reprimand to one of the four. The supervisor of the fifth employee advised that that employee had, in fact, been working at the time of the floor check, so no action was taken. For the remaining two employees, no action was taken, and there was insufficient documentation to show officials had followed up on the matter.

**Recommendation 6**

*Implement a system for tracking the follow up and resolution of exceptions identified by all audits (regional and individual parks). This should include the disposition of the 12 individuals for whom there was no evidence of any follow up or verification.*

Status - Implemented

Agency Action - OPRHP has established a log to track the follow up and resolution of exceptions identified by all audits. The log captures pertinent information including the location of the audit and deficiencies noted and follow up actions taken. We observed that the vast majority of audits involve cash counts and cash register reviews. OPRHP officials explained that the 12 employees who were identified as not present during floor checks were seasonal employees, and they were no longer on OPRHP's payroll at the time OPRHP received the audit containing this recommendation.

### **Recommendation 7**

*Recoup the overpayment made to the employee who was not deleted timely from the payroll.*

Status - Not Implemented

Agency Action - Our prior audit identified \$659 overpaid to an employee who was not deleted from the payroll timely. OPRHP officials have not recouped this overpayment.

### **Recommendation 8**

*Ensure all required approvals and documentation are present and complete for all additions and deletions to the payroll. This includes confirmation with the Sexual Offender Registry and the I-9 forms.*

Status - Partially Implemented

Agency Action - For the period January 1, 2009 to April 30, 2010, there were 53 employees added to the payroll. We selected a random sample of six of them and found each had completed Employment Eligibility I-9 Forms (and the required supporting documentation) in their personnel files. We also found that completed I-9s (and the required supporting documentation) were now present for two of the three employees identified during the original audit. The third employee is no longer employed by OPRHP.

However, we found that the names of two of the six sampled employees had not been confirmed against the Sexual Offender Registry. OPRHP officials explained that this occurred because the date of birth for each of these employees was not entered into HRIS. Confirmation is conducted only for those employees whose date of birth is provided. This same problem (i.e., no action is taken when the date of birth is missing) was reported in our initial audit. OPRHP officials advised they will take steps to identify employees who do not have the dates of their birth recorded in HRIS and take steps to confirm them with the Registry.

For the period January 1, 2009 to April 30, 2010, 47 employees left the L.I. region's payroll. We selected a random sample of 5 of the 47 and verified that the final work dates reflected on the employees' time records agreed with the final dates on the payroll, and the effective dates of their separations.

Major contributors to this report were Myron Goldmeer, Diane Gustard, Carole Le Mieux and Kelly Evers.

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 OPRHP management and staff for the courtesies and cooperation extended to our auditors during this process.

Very truly yours,

Cindi Frieder  
Audit Manager

cc. Mr. Brian Jackson, Director of Internal Audit  
Mr. Tom Lukacs, Division of the Budget