

State of New York
Office of the State Comptroller
Division of Management Audit

**NEW YORK STATE
OFFICE OF PARKS, RECREATION AND
HISTORIC PRESERVATION
LONG ISLAND REGION**

**SELECTED FINANCIAL MANAGEMENT
AND ADMINISTRATIVE PRACTICES**

REPORT 96-S-57



H. Carl McCall
Comptroller



State of New York Office of the State Comptroller

Division of Management Audit

Report 96-S-57

Ms. Bernadette Castro
Commissioner
New York State Office of Parks, Recreation and Historic Preservation
Empire State Plaza, Agency Building #1
Albany, New York 12238

Dear Ms. Castro:

The following is our audit report on selected financial management and administrative practices in the Long Island Region of the Office of Parks, Recreation and Historic Preservation.

We did this audit according to the State Comptroller's authority as set forth in Section 1, Article V of the State Constitution and Section 8, Article 2 of the State Finance Law. We list major contributors to this report in Appendix A.

*Office of the State Comptroller
Division of Management Audit*

June 24, 1997

Executive Summary

New York State Office Of Parks, Recreation And Historic Preservation Long Island Region Selected Financial Management And Administrative Practices

Scope of Audit

The New York State Office of Parks, Recreation and Historic Preservation (Parks) administers 11 regions, including the Long Island Region (Region) encompassing Nassau and Suffolk counties. In fiscal year 1995-96, the Region expended more than \$20 million, including \$17.2 million for personal services and \$3.1 million for other-than-personal services. During July 1996, the Region employed 392 permanent full-time workers, 63 of whom were Park Patrol Officers (Officers), and approximately 1,700 temporary seasonal employees, including 52 seasonal Officers. The Region spends almost \$8 million annually for seasonal employees.

Parks maintains 51 housing units on the Region's park grounds, most of which are reserved for employees whose presence helps deliver a service to the public and protect Parks property. It also maintains a fleet of 73 motor vehicles in the Region for business-related travel.

Our audit addressed the following questions regarding Parks' hiring practices and its residential and vehicle assignments practices:

- Does the Region use an open competitive method for hiring seasonal employees?
- Are housing units assigned according to Parks Policy?
- Do Regional officials manage their vehicle fleet cost effectively?

Audit Observations and Conclusions

We found that an environment exists in the Long Island Region of Parks that appears to provide benefits to favored individuals. In these times of fiscal restraint, it is important for Parks management to reassess their approach to the issues we identify in this report and to ensure public resources are used in a reasonable and cost effective manner.

Regional officials need to improve their procedures regarding the hiring of seasonal employees. Parks does not have a formal written policy that governs such hiring. When a vacant position needs to be filled, permanent full-time employees and previously-employed seasonal staff are encouraged to reach out to friends and neighbors and ask them to submit applications. By not publicly advertising and openly soliciting applications from the public, Parks officials are limiting the number of new applicants for vacant positions and leaving an impression that favored individuals may be given preference for park jobs. For example, we found 13 seasonal employees related to permanent employees based on surnames, four of which had the same mailing addresses - we did not attempt to identify relatives employed as seasonals with different surnames and addresses than permanent employees. (See pp. 3-5)

The Region uses most seasonal employees during the 12-13 week peak summer season (Memorial Day to Labor Day) to coincide with the increased volume

of activity on the beach and picnic grounds. We found that about 15 seasonal Officers are retained for more than 20 weeks each year, which is the minimum number of weeks necessary to qualify for unemployment insurance benefits, at an annual cost to Parks of about \$54,000. Parks officials had no analysis indicating the number of Officers needed during the summer season or before Memorial Day and after Labor Day. (See p. 6)

The State maintains housing units located on Parks grounds which, according to Parks policy, are to be assigned to employees whose presence in the parks will contribute to the delivery of service to the public and the protection of property. Most parks have two houses; however, there are six houses in or near Belmont Lake Park (Belmont). We found that four of the Region's houses are assigned to senior Regional officials, including a Deputy Commissioner, contrary to Parks' policy. These houses are located on a private road adjoining Belmont grounds and are not accessible to the general public. While the rents paid are established by the Division of the Budget for job-related housing, they are far below their respective fair market values. A local real estate broker indicated that the fair market rental value of these four properties ranged from \$1,000 to \$1,700 per month. Compared to the actual rents received for these properties, the State is subsidizing at least \$29,280 annually.

The intent of providing employee housing at lower-than-market value is to compensate for the additional services and benefits that result from the occupant residing within the park. These four individuals do not provide such services. The broker also conducted a market analysis and estimated that the respective sales values of these houses range from \$190,000 to \$235,000 and that three additional building lots could be developed at this location. If Parks officials were to sell the four houses and the three potential lots, the State could realize approximately \$1 million and would no longer have the expense of maintaining the property. (See pp. 9-13)

Parks officials need to strengthen controls over motor vehicle assignments. Twenty-two of the Region's fleet vehicles are permanently assigned to various officials and supervisors on a 24-hour basis and are taken home by the assigned operators at the end of their work shifts. We reviewed the Equipment Use Reports on file for 18 of these vehicles and found that most did not contain the information required by Parks policy. Thus, there is no way of readily determining whether these 18 vehicles met prescribed business usage criterion. However, we did find that the drivers of eight of the vehicles had apparently not driven the minimum numbers of miles required by State guidelines to qualify for permanent assignments. Upon further review, it does not appear necessary for 12 of these vehicles to be assigned to Parks employees on a permanent basis. (See pp. 15-18)

Response of Parks Officials

Parks officials replied that they agree with the intent of most of our findings. However, they also felt that we may not have been aware of the many vital steps that have been taken to strengthen controls in the housing and vehicle sections of the audit and that we have not considered the many variables outside of their control which affected seasonal employment.

Contents

Introduction	Background	1
	Audit Scope, Objectives and Methodology	1
	Response of Parks Officials	2
Personnel Practices - - Seasonal Employees	Hiring Practices -- Civilian Employees	3
	Hiring Practices -- Seasonal Park Patrol Officers	5
	Using Seasonal Park Patrol Officers	6
Employee Housing	9
Vehicle Usage and Assignment	15
Appendix A	Major Contributors to this Report	
Appendix B	Response of Parks Officials	

Introduction

Background

The New York State Office of Parks, Recreation and Historic Preservation (Parks) administers 11 regions, including the Long Island Region (Region). This Region, which covers both Nassau and Suffolk counties, is made up of 17 parks, 2 arboretums, and 1 historic site. Its regional headquarters is located in Babylon, New York.

In fiscal year 1995-96, the Region expended more than \$20 million, including \$17.2 million for personal services and \$3.1 million for other-than-personal services. During July 1996, the Region employed 392 permanent full-time workers, 63 of which were Park Patrol Officers; and about 1,700 seasonal employees, including 52 as seasonal Park Patrol Officers (Officers) .

There are 51 housing units located on the Region's park grounds. These units are available for employees whose presence in the parks will contribute to the delivery of a service to the public and to the protection of Parks property. Preference in such assignments are given to persons in park management, maintenance operations and security titles allocated to grades 20 and below.

The Region maintains a fleet of 73 motor vehicles to transport Parks officials between the various park sites and for other business-related trips. These 73 vehicles include trucks, jeeps and specialty-type vehicles utilized by park managers, maintenance staff, and non-uniformed Park Patrol Officers.

Audit Scope, Objectives and Methodology

We audited selected financial management and administrative practices in the Long Island Region for the period January 1, 1994 to November 15, 1996. Our objectives were to determine whether Parks is using an open competitive process for hiring seasonal employees in the Region, and to examine the nature and extent of such employment. We also sought to determine whether Parks was assigning housing units according to Parks policy and making equitable and cost-effective vehicle assignments to Regional employees. To accomplish our objectives related to seasonal employment, we reviewed hiring procedures and practices, personnel files, assignment rosters, and attendance records; and conducted unannounced site visits to verify identities of selected employees. We also checked the identities and job specifications of individuals living in Parks-owned houses, and reviewed Parks policy regarding housing assignments as well as the State Division of the Budget rental guidelines. For vehicle assignments, we reviewed utilization logs to assess the nature and propriety of the assignments and usage.

We did our audit according to generally accepted government auditing standards. Such standards require that we plan and do our audit to adequately assess those operations of Parks included in our audit scope. Further, these standards require that we understand Parks' internal control structure and its

compliance with those laws, rules and regulations that are relevant to the operations included in our audit scope. An audit includes examining, on a test basis, evidence supporting transactions recorded in the accounting and operating records and applying such other auditing procedures as we consider necessary in the circumstances. An audit also includes assessing the estimates, judgments, and decisions made by management. We believe our audit provides a reasonable basis for our findings, conclusions, and recommendations.

We use a risk-based approach when selecting activities to be audited. This approach focuses our efforts on those operations identified through our preliminary survey as having the greatest probability for needing improvement. Consequently, by design, finite audit resources are used to identify where and how improvements can be made. Thus, we devote little effort to reviewing operations that may be relatively efficient or effective. As a result, our audit reports are prepared on an “exception basis.” This report, therefore, highlights those areas needing improvement and does not address activities that may be functioning properly.

Response of Parks Officials

We provided a draft copy of this report to Parks officials for their review and comment. Their comments have been considered in preparing this report and where appropriate have been included in the report. The Parks’ response to our draft report is included in its entirety as Appendix B.

Within 90 days after final release of this report, as required by Section 170 of the Executive Law, the Commissioner of the New York State Office of Parks, Recreation and Historic Preservation 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.

Personnel Practices -- Seasonal Employees

In fiscal year 1995-96, the Region expended almost \$8 million for seasonal employees. Most of the civilian positions held by such employees are classified by the New York State Department of Civil Service as either non-competitive or labor class. The labor class positions have no education, job experience, or training requirements. Parking lot attendants, toll collectors, cleaners, landscapers, custodians, and/or clerks employed at the regional headquarters are included in these titles. Minimum training and/or education may be required for selected non-competitive positions, such as lifeguard.

Seasonal Park Patrol Officers employed in the Region perform the same safety- and security-related functions as their full-time permanent counterparts and must meet minimum law enforcement training and experience requirements.

Due to the time and effort devoted to training seasonal employees, Parks officials believe that it is cost effective and administratively responsible for them to invite former seasonal employees to return each year. Remaining seasonal vacancies may be filled by anyone applying who meets the qualifications of the position.

Hiring Practices -- Civilian Employees

Candidates for competitive service positions in New York State are required to pass an examination, written and/or oral; and are usually interviewed by employer representatives, who assess each candidate's potential to succeed in the position they are applying for. For non-competitive and labor class positions, no examinations are required; therefore, employers usually rely heavily on a review of application forms and the interview process to identify the most-qualified candidate.

It is good business practice for employers to attract a large diverse pool of qualified job candidates by publicly advertising vacant positions. Advertisements are often placed in news media read in the appropriate geographic area(s) and, where applicable, included in specialty trade publications. In addition, some New York State employee collective bargaining agreements require notices of vacant positions to be posted at the applicable operating units.

Parks does not have a formal written policy that governs the hiring of the Region's seasonal employees. When a vacant position needs to be filled, permanent full-time employees and previously-employed seasonal staff are encouraged to reach out to friends and neighbors and ask them to submit applications. We were also informed that notices regarding vacant seasonal positions are posted at local high schools, colleges and vocational program centers. Further, Park officials reportedly have found, through experience, that

targeted advertising of seasonal positions is more effective than broad advertising in attracting a large number of qualified candidates. After Parks receives the applications, candidates are interviewed by either Regional staff or individual park managers, depending on where the vacant positions are located. In addition, Parks has initiated a program where students at regional vocational schools are called upon to repair and maintain Parks equipment throughout the year for no charge, and in turn are given preference when filling seasonal positions.

Parks officials told us that, at times, they do not receive sufficient applications to fill all available seasonal positions. They said that the low hourly wage paid to most seasonal staff (between \$4.25, the Federal minimum hourly wage during the audit period, and \$7.03), the seasonal nature of the positions, Parks' lag payroll and the general nature of the seasonal work make the positions unattractive to job candidates. Further, when the State budget is not approved early in the fiscal year, they hesitate to make firm commitments to seasonal applicants without knowing the actual dates they can begin work nor how many seasonals can be hired. In 1995, a hiring freeze further delayed the hiring of seasonal staff and potential employees took other jobs. They also stated that the majority of the seasonal positions are assigned to a bargaining unit which does not require notices of vacant seasonal positions to be posted. However, by not publicly advertising and openly soliciting applications from the public, Parks officials may be limiting the number of new applicants for vacant positions, and leave the impression that the Region employs a restrictive hiring policy. For example, our review of seasonal employee personnel files for the audit period found that 12 seasonal hires had the same surnames as permanent Regional employees. Four of these seasonal employees shared the same mailing address as those permanent employees with the same surnames.

According to Park officials, their hiring policies do not preclude more than one member of a family working for them, as long as one doesn't supervise the other. They also note that the seasonal employees we cite herein do not even work in the same location as their permanent employee family members, which they believe does not constitute evidence of favoritism.

We acknowledge that family members of permanent Parks employees are not precluded from seasonal Parks employment. Therefore, it is all the more important for the Region's hiring practices to be objective in appearance as well as practice.

Hiring Practices -- Seasonal Park Patrol Officers

Because seasonal Park Patrol Officers must meet specialized training requirements, they receive a slightly-higher hourly wage (\$12.89) than the highest hourly wage earned by civilian employees.

As in the hiring of civilian employees, vacant seasonal Officer positions are not publicly advertised. Previously-employed Officers who have satisfactory work records are offered the opportunity to return each year; and if vacant positions remain after that process, Officers are asked to reach out to their own friends and former colleagues for the names of new applicants. In fact, a significant number of seasonal Officers -- 33 for the 1994, 1995, and 1996 peak seasons -- return each year, leaving the impression that a restrictive hiring policy exists here, too. Based on surnames and addresses, our review of recent seasonal Officer hiring found at least one instance in which the relative of a full-time permanent Officer had been hired.

According to Parks officials, State law does not differentiate between permanent and seasonal Officers. Applicants for both types of positions are required to possess a high school diploma, be at least 20 years old, pass a medical examination, participate in a drug screening test, submit to a background investigation and psychological evaluation, possess a valid driver's license, and successfully complete 455 hours of a State-certified Municipal Police Training Course. Furthermore, most local police organizations in the area, such as the New York City Police Department and the Nassau and Suffolk County Police Departments, prohibit their employees from accepting concurrent law enforcement-related work for another employer. Thus, in the opinion of Regional officials, the job candidate pool is limited to former police officers and other applicants who have had the required training.

We understand that these restrictions do limit the number of qualified candidates for seasonal Officer positions in contrast to the potential pool of candidates for civilian seasonal positions. However, because they do not publicly advertise their needs, Parks officials have no basis for assessing the true size of the applicant pool.

Using Seasonal Park Patrol Officers

The Region hires most seasonal employees for a maximum period of six months or less. It uses most seasonal employees during the peak summer season (Memorial Day to Labor Day, approximately 12 to 13 weeks) to coincide with the increased volume of activity on the beach and picnic grounds. In 1993, 19 officers were retained beyond Labor Day. In 1995 the number retained increased to 35. These individuals reportedly are used to cover for vacationing permanent full-time Officers, and to provide security coverage at Parks facilities until the colder weather reduces patronage to a minimum. Parks officials stated that the number of work-hours needed is the guiding factor for all seasonal hiring. Seasonal needs in their totality do not change drastically from year to year and the agency reacts to special events and emergencies, and makes adjustments as needed. However, we found that Parks had no formal analysis indicating the number of Officers needed during the regular season, before Memorial Day or after Labor Day.

We found that about 15 of the same seasonal Officers (at a cost of about \$54,000) are retained for more than 20 weeks each year, the minimum number of weeks necessary to qualify for unemployment insurance benefits. According to Parks officials, selection of seasonal Officers for extended service is based on their past performance and availability to work weekends and evenings, not on potential unemployment eligibility. However, Parks could not document its selection process including that all seasonal Officers had been queried about their availability or interest in being retained for extended service.

In response to our inquiries, Parks officials used assignment rosters and attendance sheets to prepare a description of the assignments given these Officers before and after the peak summer seasons in our audit period. The description showed that most of the seasonal Officers had been deployed during the day. In addition, the absence of records indicating that all Officers were given the opportunity for extended service, gives the appearance that Parks offers this opportunity to Officers on a selective basis.

Recommendations

1. Develop a formal system for hiring seasonal employees incorporating an open, fair and competitive selection process.
2. Analyze staffing needs to support the number of seasonal employees hired, and the number retained for pre-Memorial Day and post-Labor Day extended service.
3. Review the cost-effectiveness of keeping seasonal Officers on the payroll for 20 weeks or more, and maintain documentation to support the Region's efforts to ensure that all seasonal Officers have the opportunity to participate in the extended service process.

Employee Housing

There are 51 housing units located on the Region's park grounds. According to Parks policy, these units are assigned to permanent employees whose presence in the parks will contribute to the delivery of service to the public and to the protection of Parks property. Some housing is provided to employees rent-free as a condition of employment. Preference in residential rental assignments is given to individuals employed in park management, maintenance operations, or security titles. If housing units are still available after such assignments, consideration may be given to extending rental housing to administrative or supervisory personnel.

Eighteen of the housing units are currently provided rent-free to certain park staff based on their job responsibilities. Another house is provided rent-free to a non-employee, who serves as a caretaker at a historic site. Five houses, one of which is due to be razed as a result of fire damage, are currently unoccupied. The remaining 27 houses are rented to 24 park employees and three non-employees for a moderate maintenance charge, based on Budget's rental guidelines. The rental to non-employees is part of a licensing agreement between Parks and two non-profit organizations.

We identified four Regional housing units that we believe do not fall under Parks employee-related housing policy due to their physical location and occupancy history. These four units are located on a private road, separated from Park grounds by a controlled access highway, and are inaccessible to the general public. These houses are all impressive in size and appearance, located in a private cul-de-sac and reserved exclusively for senior Regional officials. Pictured on the next page are two of the four houses.



In addition,
all four
houses are

air-conditioned; the State pays for the electricity and water used by the tenants; and the surrounding grounds are maintained by Parks employees. Contrary to Parks policy, the houses are currently occupied by the Region's Deputy Commissioner, Director of Operations, General Park Manager, and Urban Parks Coordinator. These homes have never been made available to park managers, maintenance personnel, or security personnel. The cul-de-sac properties are near the Belmont Lake Park grounds but are not accessible to the general public. In fact, a traffic sign posted at the entrance to the cul-de-sac states "Service Road-Public Vehicles Do Not Enter" indicating that it is a private road. There are no signs identifying the area as Parks property. Clearly, the individuals occupying these houses cannot provide the benefits that occupants residing within the park can to the public.

Before July 1996, the monthly maintenance charges (rent) for these four housing units were calculated at \$768.67 each. However, the current occupants pay a discounted rental of \$614.93 because they pay their own heating costs and provide their own appliances. According to Parks policy, occupants who pay their own utility bills are entitled to pay less rent. For instance, if the employees pay for their own electricity, a 5-percent deduction is applied to the rental charge; for heat, 15 percent; and gas, 5 percent. When the occupants supply their own appliances, 5 percent of the utility cost is deducted.

We asked a local real estate broker to appraise the fair market sales and rental value of these four secluded homes, considering their size, amenities, location, and condition. The broker conducted a market analysis and estimated that they have the following sales and rental values:

House No.	Number of Bedrooms	Number of Bathrooms	Garage Space	Market Value Range	Fair Market Rental Value
LI 01	six	Five and Two Halves	Two	\$225,000 - 235,000	\$1,500 - 1,700
LI 02	five	Three and One Half	Two	\$215,000 - 225,000	\$1,300 - 1,500
LI 03	four	One and Two Halves	Two	\$190,000 - 200,000	\$1,000 - 1,200
LI 04	three	Two and One Half	Two	\$200,000 - 210,000	\$1,100 - 1,300
TOTAL				\$830,000 - 870,000	\$4,900 - 5,700

At present, these houses generate a total monthly rental income of \$2,460 for the State. If the occupants were required to pay the fair-market rental values estimated by the broker, Parks could generate a total monthly rental revenue of between \$4,900 and \$5,700. Therefore, the State is subsidizing at least \$2,440 monthly, a total of \$29,280 annually, in the use of this property.

The broker inspected the cul-de-sac properties and determined that three additional building lots could be developed at this location. It was the broker's opinion that each of these lots could sell for \$55,000 to \$65,000 each, considering their location and the neighboring community. Therefore, if Parks officials were to sell the four houses and the three potential lots, the State could realize approximately \$1 million and would no longer have the expense of maintaining the property.

In response to our draft report, Parks officials concurred that these four housing units represent an anomaly in the State Parks' housing system and warrant further investigation. They will pursue a final determination from the Federal government as to what options they have as Belmont Lake State Park is the recipient of Federal Water Conservation Fund monies. However, they direct our attention to their policy to occupy Park housing as explained on page 7 of this report, and that the Region's cul-de-sac housing units have been occupied according to that policy.

In response to our draft report, Parks officials inferred that we were not cognizant of recent changes to their administration of Park housing. They cite a recent in-house study which evaluated each housing unit's condition and location classification (e.g., town/village, metro, etc.), which resulted in rental

income increases where appropriate. Their study included the creation of a video library of their housing inventory. During the course of our audit, we reviewed, in great detail, Parks' evaluation of their housing units, the corresponding rent modifications, and the video inventory. The findings included in this report reflect, and are based on, these activities.

Parks officials also report that they have initiated a Statewide review to determine how State housing could best be utilized as short or long term rentals. As a result, they are currently rehabilitating a number of these units.

In our view, as explained above, the manner in which these houses are assigned, as well as their secluded location, does not meet the intent of Parks policy for employee-related housing assignments.

Recommendations

4. Evaluate the cost benefits of selling these properties and the surrounding land. As part of this evaluation, contact the Federal Government to determine the extent of any needed approvals.
5. In the interim, these houses should be offered to Park employees according to Park and DOB housing policies. Because the location of the houses preclude them from being accessible to serving the public, the rents should be increased to reflect their fair market values.



Vehicle Usage and Assignment

The Region maintains a fleet of 73 motor vehicles to transport Parks officials between the various park sites and for other business-related trips. The fleet includes trucks, jeeps and specialty vehicles used by park managers, engineers, maintenance staff, and non-uniformed Officers. Fifty-one of these vehicles are housed on Parks property and are used by various employees on a day-to-day business. The remaining 22 are permanently assigned to various officials and supervisors on a 24-hour basis and are taken home by the assigned operators at the end of their respective work shifts. Eight of these vehicles are unmarked sedans assigned to Park Patrol supervisory and specialty personnel, while the other 14 are assigned to various administrative and engineering personnel. We estimate that it costs Parks approximately \$101,000 annually to maintain these 22 vehicles, considering depreciation, fuel, and normal maintenance.

Parks officials have not established their own criteria for assigning State vehicles to employees. Instead, they have adopted the criteria developed by the State Division of the Budget. According to Budget's policy, vehicles should be assigned on a 24-hour basis only to personnel who travel 14,800 or more business miles a year and/or in excess of 200 business days a year. To document vehicle usage, Parks requires vehicle operators to maintain a daily log (Equipment Use Report) that illustrates beginning and ending odometer readings, fueling and maintenance intervals, and destinations. We reviewed the logs on file for 11 of these vehicles for calendar year 1995, and for 7 of the vehicles for the 12-month period April 7, 1995 (Date Placed In Service) to April 5, 1996. At the time of our review, just two monthly reports were on file for the remaining four vehicles, which had been placed in service during the second quarter of 1996; thus, they had not been reviewed for trends.

Most of the logs reported only periodic, not daily, odometer readings; most did not record maintenance intervals and driver destinations. Thus, there is no way of readily determining whether these 18 vehicles met the 200 day business usage criterion. However, as noted in the following table, we did find that the drivers of eight of the vehicles had apparently not driven the minimum numbers of miles required by Budget to qualify for permanent assignments.

Control	Title	Log Dates		Recorded Mileage
		From	To	
1	General Park Manager	4-07-95	4-05-96	10,290
2	Director of Operations	4-07-95	4-05-96	12,577
3	Urban Prog. Coordinator	4-07-95	4-05-96	13,021
4	Recreation Supervisor	4-07-95	4-05-95	11,447
5	Director of Engineering	1-01-95	12-31-95	7,117
6	Engineer	1-01-95	12-31-95	13,685
7	Park Manager	1-01-95	12-31-95	8,990
8	Strike Force Supervisor	1-01-95	12-31-95	12,991

The first three vehicles had been assigned to supervisory personnel whose responsibilities might require them to respond to an emergency or special event at any time of day or night. Each of them lives approximately one-half mile from the regional headquarters, so their commuting costs are negligible. Vehicle No. 8, used by the Strike Force Supervisor, is in the field on a daily basis; therefore, the need for his vehicle has been documented.

However, we found that the operators of vehicles No. 4, 5, and 6 generally report to regional headquarters or the same initial location every day, driving directly from their homes. Their job specifications do not require them to be on 24-hour call or to respond to off-hour emergencies. In addition, Vehicle No. 7 is used by a Park Manager to commute from regional headquarters to the park she manages, a usage we consider inappropriate. Therefore, it does not appear necessary for these four vehicles to be assigned to Parks employees on a permanent basis.

When we discussed our observations with Parks officials, we were told that the vehicle assigned to one of the eight operators listed in our chart, the Parks Recreation Supervisor who functioned as an assistant to the Deputy Commissioner, had been reassigned as a pool vehicle. In addition, three of the other operators (Nos. 1, 2, and 3) were scheduled to take on additional responsibilities that would require them to drive the 14,800 miles per year.

We also asked Park Patrol officials to document the need for Officers to take eight unmarked sedans home overnight. In response, we received copies of

time and attendance reports illustrating the number of times the assigned operators were summoned to report to headquarters on their regular days off or after their normal work shift. However, there was no description of the nature of these “call-backs.” Thus, we could not tell whether the officers had been called in to replace an absentee officer or to respond to an emergency situation.

According to Park Patrol officials, the individual occurrences are not documented in a central listing because there are so many emergencies and other situations requiring Officer call-backs. However, most law enforcement officers are required to maintain a diary/log describing the situations to which they respond in an official capacity. Thus, off-hour call-backs should be documented in some form that is available for review. Upon completion of our field work, we were provided with the various applications for overtime credit submitted by these Officers during the audit period. Although these documents illustrate the work they performed outside of their normally scheduled work tours, there is no evidence regarding the emergency nature of these occurrences and the travel routes taken to warrant permanent vehicle assignment.

In response to our draft report, Parks officials also stated that they will initiate a complete review of all vehicle assignments and assess the results in relationship to the criteria established by the Division of the Budget, which they have deemed appropriate for their own use.

Recommendations

6. Ensure that the criteria currently utilized to govern vehicle assignments are appropriate for Parks activities. If they are not, develop internal criteria.
7. Ensure that all vehicle operators complete the Equipment Use Reports as required. Review these reports periodically to assess the appropriateness of vehicle utilization.
8. Reassign vehicles to the motor vehicle pool if they are not necessary for 24-hour availability.
9. As vehicles age and are considered for retirement, compare the cost benefits of reimbursing administrative and engineering personnel who use their personal vehicles for business-related trips with the cost of providing those employees with State-owned vehicles.

Major Contributors to This Report

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April 28, 1997

Mr. David R. Hancox
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Dear Mr. Hancox:

We have reviewed your draft audit report (No. 96-S-57) resulting from an audit of selected financial management and administrative practices in the Long Island Region of the NYS Office of Parks, Recreation and Historic Preservation (State Parks). As you can envision, in taking control of a park system that had been basically under the same management team for over 20 years, we have had to employ extensive manpower and time in reviewing financial and administrative practices and welcome your assistance in helping us complete this necessary and complex task.

While we agree with the intent of most of your findings, we feel that you may not have been aware of the many vital steps that have been taken to strengthen controls in the housing and vehicle sections of the audit and, secondly, have not considered the diverse variables, outside of our control, such as a hiring freeze during the year being audited which affected seasonal employment.

Hiring Practices

- Civilian Employees and Seasonal Park Patrol Officers

The system by which State Parks hires seasonal employees, meets the operating needs of the agency. Seasonal positions are offered to previously employed seasonal personnel who have performed satisfactorily. State Parks has invested time and effort in training ALL seasonal employees and it is cost effective, administratively responsible and to the agency's benefit to invite former seasonal employees to return who are already trained and familiar with State Park policies, procedures, and operations.

Remaining positions available may be filled by anyone applying who meets the qualifications of the position. Historically, there are adequate numbers of applications from which to select candidates for interview. Applications are reviewed for qualifications against job descriptions. The region makes a considerable effort to recruit seasonal employees by outreaching to high schools, colleges, vocational program centers, job fairs, etc.

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Contrary to the audit report, the majority of seasonal positions are assigned to the CSEA bargaining unit which does not require notices of vacant seasonal positions to be posted. State Parks has found through many years' experience that targeted advertising of seasonal positions is more effective than broad advertising which does not necessarily result in a larger pool of qualified candidates.

The year of the audit, 1995, a hiring freeze had recently been implemented, therefore approval to hire was delayed and potential employees took other jobs. Other factors influencing the recruitment for seasonal positions are the lag payroll, which delays the employee's first paycheck by 5 weeks after they begin working, weekend and shift work, and custodial and janitorial duties such as cleaning restrooms and raking beaches.

The majority of seasonal positions are in the Park and Recreation Aide 1-5 series with salaries which range from \$4.75 to \$7.03 per hour. The hourly salary of \$12.84 noted in the audit is the highest rate and availability of these titles is very limited.

State Parks Policy #5 regarding "Employment of Relatives" provides guidelines for the fair and equitable hiring and employment of related employees. The policy section applicable to the examples provided in the audit does not preclude more than one member of a family working for State Parks, as long as one member of the family does not supervise another member. In reviewing the list of names, none of the same-name employees were supervising others of the same name. In fact, none of the employees were even working in the same location. Of the 1800 seasonal hires on Long Island in 1995, only 13 appeared to be related to other employees (a rate of .0072) which certainly does not constitute evidence of favoritism as implied by the audit.

The audit suggests that State Parks does not analyze its needs to determine seasonal staffing levels. To the contrary, the number of work-hours needed is the guiding factor for all seasonal hiring. Seasonal needs in their totality do not change drastically from year to year and in fact, the agency reacts to weather conditions, utilization levels, special events and emergencies and makes adjustments as needed.

The hiring and termination process at State Parks for Park Patrol Officers is based on operating needs and the availability of officers with the necessary qualifications to ensure the health and safety of park patrons - not on potential unemployment eligibility.

Recommendations

1. **Develop a formal system for hiring seasonal employees incorporating an open, fair and competitive selection process.**

Agency Response:

The system by which State Parks hires seasonal employees, meets the operating needs of the agency. State Parks will continue to monitor and improve its current system and will continue to insure that all applicants are considered and all candidates meet established minimum qualifications.

2. **Analyze staffing needs to support the number of seasonal employees hired, and the number retained for pre-Memorial Day and post-Labor Day extended service.**

Agency Response:

Various factors, such as facility utilization due to weather conditions and routine/emergency maintenance projects/repairs, will always influence the number of seasonal work-hours needed to insure adequate and safe services available to the public. As year to year variations occur, agency management makes the necessary adjustments.

3. **Review the cost-effectiveness of keeping seasonal officers on the payroll for 20 weeks or more, and maintain documentation to support the Region's efforts to ensure that all seasonal Officers have the opportunity to participate in the extended service process.**

Agency Response:

The initial hiring of seasonal Park Patrol Officers as well as the Agency's need to extend their service outside of our main operating season is based on the same factors as the hiring/retention of any other seasonal employee. Such factors include early/late facility openings, timing of special events, and employee scheduling factors. The Agency will insure that the selection of seasonal employees for extended service is fair and equitable.

Employee Housing

While the audit is only performed on an exception basis, generally accepted government auditing standards require that the auditor understand the internal control structure and its compliance with those laws, rules and regulations that are relevant to the operations included in the audit scope. This would then require the audit to identify any recent changes to those guidelines which are fundamental to the operation.

If the audit had identified and included those changes this administration had initiated, there would have been reference made to the complete review of all rent recalculations that had been instituted in July of 1996. This review resulted in 39 of the 51 houses in this region having their location classification changed from Town/Village to Metro and, where mandated, a corresponding increase in rent was made as calculated in compliance with the Division of Budget guidelines.

In addition, we have created a complete video library of every house in our statewide inventory. This library is utilized as a check against our housing repair approval process which mandates Albany Office sign-off before repairs totaling \$500 or more are initiated. Each time a repair is approved, the quality rating (another rent calculation variable) is reviewed

We also initiated a statewide review to determine how State Housing could best be utilized perhaps as short or long term rentals. As a result of this study, we are currently rehabilitating a number of units statewide that will be rented to the general public this summer.

In addition it should be noted that the previous administration had provided housing to five Regional Directors. We have now made four of those units available to line employees or are preparing them as long term rentals.

As to your specific recommendations:

4. Evaluate the cost benefits of selling these properties and the surrounding land. As part of this evaluation, contact the Federal Government to determine the extent of any needed approvals.
5. In the interim, these houses should be offered to Park employees according to Park and DOB housing policies. Because the location of the houses preclude them from being accessible to serving the public, the rents should be increased to reflect their fair market values.

We concur that these four houses represent an anomaly in the State Park Housing system and do warrant further investigation, and we will pursue a final determination from the Federal Government as to what options we may pursue.

The audit cites the State Park Housing Policy and Procedures Manual and states that given existing guidelines, these upper management employees do not warrant such housing. We believe you have not recognized the unique situation or circumstance surrounding this location. The policy in section two clearly states, "Except in unusual and temporary circumstances, state housing on a rental basis should only be assigned to permanent state employees whose presence in the park will contribute to the delivery of a service to the public and to the protection of property. Preference in such assignment shall be given to persons in maintenance, operation or security titles allocated to SG-20 and below. If housing is still available subsequent to the above assignments, consideration may be given to affording rental housing to administrative or supervisory personnel in positions allocated to SG-21 and above."

Additional houses located in positions better to serve the public within Belmont Park are used as rent-free with staff employees. The Long Island Park region, with its 7.5 million annual visitors during the four seasons, is equivalent to any individual metropolitan city. Given the proximity of these homes to the Regional Office, the past administration chose to house seniors officials in this locale. While this may have been the tradition since the days of Robert Moses, this administration initiated a comprehensive review of all housing, based upon their location and condition to ascertain if they could best be utilized in another manner such as a rental unit available to the public or public sale of the property as was stated earlier.

We had obviously taken this matter under review prior to your audit and will provide you with our final determination within ninety (90) days after final release of the report as required by Section 170 of the Executive Law.

Vehicle Usage and Assignment
Audit Recommendations

6. Ensure that the criteria currently utilized to govern vehicle assignments are appropriate for Parks activities. If they are not, develop internal criteria.

7. Ensure that all vehicle operators complete the Equipment Use Reports as required. Review these reports periodically to assess the appropriateness of vehicle utilization.
8. Reassign vehicles to the motor vehicle pool if they are not necessary for 24-hour availability.
9. As vehicles age and are considered for retirement, compare the cost benefits of reimbursing administrative and engineering personnel who use their personal vehicles for business-related trips with the cost of providing those employees with State-owned vehicles.

In reference to recommendations 6, 7, 8, and 9, regarding vehicle usage and assignment, we have, since the inception of this audit, reviewed the criteria developed by the Division of Budget for assigning vehicles to employees and feel that it is appropriate to our needs. Therefore, we will be initiating a complete review of all vehicle assignments with this criteria as our standard. In addition, we will issue reminders to vehicle users of their responsibility to complete the daily log (Equipment Use Report) and, if necessary, provide training on the use of this report.

Sincerely,



Nancy A. Palumbo
Deputy Commissioner for
Administration & Fiscal Affairs