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STATE COMPTROLLER



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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

July 19, 2001

Mr. James McMahon
Superintendent
Division of State Police
Harriman State Office Building Campus
Building 22
Albany, NY 12226

Re: Report 2001-F-13

Dear Mr. McMahon:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have reviewed the actions taken by officials of the Division of State Police (Division) as of June 5, 2001, to implement the recommendations contained in our audit report, *Overtime Controls at the Division of State Police*, (Report 98-S-48). Our report, which was issued on October 20, 1999, examined whether Division's policies and procedures were adequate to ensure that the services area agencies reported were actually being provided to the intended recipients.

Background

Formed in 1917, the Division's mission is to preserve peace; enforce the law; protect life, liberty, and property; detect crime; and apprehend criminals throughout New York State (State). One of the ten largest law enforcement agencies in the nation, it is made up of 11 geographically-located units known as troops. Within the troops' coverage areas are zones that are further divided into stations and sub-stations. During fiscal year 2000, the Division employed 4,200 sworn officers (known as troopers) and 990 civilian employees.

The Division's payroll expenditures, including overtime, increased from \$283.3 million in the State's fiscal year 1998-99 to \$285.8 million during fiscal year 1999-2000 (the most current information available). During fiscal year 1999-2000, the Division's overtime expenditures were \$30.6 million. Many factors contributed to the use of overtime, from routine occurrences such as tour of duty coverage (\$6.7 million), vehicle and traffic court (\$3.5 million), and criminal arrests and investigations (\$3.8 million), to unforeseen emergencies and other disasters.

Summary Conclusions

Our prior audit found that, generally, Division controls over overtime, which involved a system of multiple approvals, were sound. However, we reported that the Division could potentially save costs by tightening control procedures to avoid duplicate overtime payments that we had identified in our prior report, and by securing an agreement for the reimbursement of security services rendered to the Jacob Javits Center.

Our follow-up review found that the Division has strengthened its controls, which now include procedures to avoid duplicate overtime payments. In addition, the Division has reached an agreement with the Jacob Javits Center for the provision of security services.

Summary of Status of Prior Recommendations

Of the three prior audit report recommendations, Division officials have implemented two recommendations. One recommendation is no longer applicable.

Follow-up Observations

Recommendation 1

Focus efforts to ensure that the supervisory overtime review and approval process is conducted thoroughly and accurately.

Status - Implemented

Agency Action - The need for thoroughness and accuracy in the processing of overtime payments was reinforced with supervisors, and the Division modified its overtime procedures to ensure that requests for overtime are properly reviewed and approved. In addition, a Division-wide project to update the overtime codes and provide better management tools was implemented in 1999. Our review of a sample of 20 overtime payments, found that they were all processed appropriately.

Recommendation 2

Investigate remaining possible duplicate payments and seek reimbursement for duplicate payments.

Status - No Longer Applicable

Agency Action – According to Division officials, since our 1999 audit there was significant staffing changes in the Administration and Payroll Units of the Division. Accordingly, at the time of our follow-up review, documentation that reimbursement for validated duplicate payments had been made, could not be found. No files could be located that contained the summary sheets or other working papers. However, Division officials indicated that, as a general practice, overpayments made to Division employees are recovered pursuant to the State Finance Law. Overpayments made for salary items that are specified in the law that must be recovered (i.e., geographic differential, inconvenience pay), are recovered. In other cases, when appropriate

and in compliance with the Finance Law, recovery is not made based on a review as to whether an employee may have reasonably not known that the amount received was in excess of the amount due. In addition, since the prior audit, the Division has strengthened controls over overtime and has implemented a new overtime entry system that should significantly reduce the possibility that duplicate payments are made.

Recommendation 3

Discuss the reimbursement issue with [Jacob Javits] Center management, securing an agreement that outlines the full amounts of security coverage the [Jacob Javits] Center will pay for.

Status - Implemented

Agency Action - The Division has entered into a verbal agreement with the Jacob Javits Center providing for the reimbursement of security services the Division incurs at the Center. Our review of two quarterly billings found that costs for security services were appropriately invoiced and reimbursed.

Major contributors to this report were Richard Sturm and Michael Filippone. We thank the Division of State Police management and staff for the courtesies they extended to us during our review.

Very truly yours,

William P. Challice
Audit Director

cc: Deirdre A. Taylor
Margaret Marshall