

*A REPORT BY THE NEW YORK STATE  
OFFICE OF THE STATE COMPTROLLER*

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**Alan G. Hevesi  
COMPTROLLER**



***NEW YORK CITY DEPARTMENT OF  
EDUCATION***

***SELECTED CONTROLS OVER THE HIRING OF  
PER DIEM TEACHERS***

***2001-N-8***

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**DIVISION OF STATE SERVICES**

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**Alan G. Hevesi**  
**COMPTROLLER**

**Report 2001-N-8**

Mr. Joel I. Klein  
Chancellor  
New York City Department of Education  
52 Chambers Street  
New York, NY 10007

Dear Chancellor Klein:

The following is a report addressing selected controls over the New York City Department of Education's hiring of per diem teachers.

This audit was performed under the State Comptroller's authority as set forth in Article V, Section 1, of the State Constitution; and Article III, Section 33, of the General Municipal Law. Major contributors to this report are listed in Appendix A.

*Office of the State Comptroller*  
*Division of State Services*

April 24, 2003

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# **EXECUTIVE SUMMARY**

## **NEW YORK CITY DEPARTMENT OF EDUCATION SELECTED CONTROLS OVER THE HIRING OF PER DIEM TEACHERS**

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### **SCOPE OF AUDIT**

The New York City Department of Education (Department) oversees the largest school system in the nation. For the 2000-2001 school year, payments to all per diem titles such as substitute teacher and school counselor totaled \$102.2 million, including fringe benefits. During that year, per diem teachers were employed on more than 747,000 occasions at the more than 1,100 public schools.

The Department requires that all applicants for per diem teaching must be fingerprinted, must pass a criminal history review and must possess required credentials. One credential is known as an Occasional Per Diem Certificate (OPDC). Under the Chancellor's Regulations, applicants for substitute teaching services who do not possess a New York State Teaching Certificate, but who work for the Department providing per diem teaching services for 40 or more days in a school year, will not have their OPDCs renewed unless they earn six semester hours of academic study per year. The Department also implemented computer matching of its records with a listing from the Social Security Administration to insure that active teachers on the Department's records are not using the Social Security number for a deceased individual.

The Department implemented a new Per Diem Payroll System (PDPS) in the fall of 2000. PDPS is linked to the Department's Employment Eligibility database. Therefore, PDPS provides the districts with the ability to determine whether substitute teachers are eligible to teach. The Department also has a "Smart Card" system that makes it easier to verify the identity and eligibility of substitutes. This system is not fully implemented yet at some schools.

Our performance audit addressed the following question about the Department's controls for the hiring of per diem teachers for the period September 1, 2000 through April 30, 2002:

- Do controls provide reasonable assurance that only qualified per diem teachers are hired and that such teachers are appropriately paid for services when a regular teacher is absent?

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## **AUDIT OBSERVATIONS AND CONCLUSIONS**

Our audit concluded that the Department's controls provide reasonable assurance that teachers who meet the Department's minimum qualifications are hired as substitute teachers and that such individuals are paid appropriately for services when regular teachers are absent. However, some improvements in the controls should be made to strengthen controls.

The Department requires that a per diem teacher have at least one of six approved credentials in order to provide per diem teaching services. From our random sample of 135 substitute teachers providing services during the 2000-2001 school year, we found four individuals lacked required credentials to be substitute teachers, but rendered per diem services in the classroom during the 2000-2001 school year. Untimely updating of computerized databases caused the problems related to these four teachers. For 2 of the 135 teachers in our sample, the Department had no records to support that fingerprints had been taken. According to the Department, these substitutes were former full-time teachers whose fingerprints had been taken and whose criminal history had been reviewed prior to the time when the Department kept records for these transactions. Department officials said that a program is underway to re-fingerprint such employees. Also, another teacher in our sample failed the Department's criminal history review, but still taught 141 days as a substitute during the 2000-2001 school year. This situation arose because the Department did not update its records in a timely manner. (See pp. 5-7)

For five judgmentally selected high schools, we reviewed 5,643 instances recorded in PDPS when substitutes covered for absent teachers during the 2000-2001 school year. For 539 instances, we were unable to identify charges to the absent teachers' leave accruals. The Department was in the process of following up on these exceptions and noted that 79 resulted from incorrect data entry into PDPS and for another 155, required charges to leave accruals had not been made. (See pp. 9-10)

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## **COMMENTS OF DEPARTMENT OFFICIALS**

Department officials agree with our audit recommendations and indicate that actions have been taken, or are being considered to implement them.

# CONTENTS

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## ***Introduction***

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Background	1
Audit Scope, Objective and Methodology	2
Response of Department Officials to Audit	4

## ***Hiring of Substitute Teachers***

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Criminal History Clearance	5
Teaching Qualifications	7
Teacher Absences	9
Recommendations	10

## ***Controls Over the Per Diem Payroll***

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Recommendations	12
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## ***Appendix A***

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Major Contributors to This Report

## ***Appendix B***

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Comments of Department of Education Officials

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# INTRODUCTION

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## Background

The New York City Department of Education (Department), formerly known as the New York City Board of Education, oversees the largest school system in the nation. For the 2000-2001 school year, payments to all per diem titles such as substitute teacher and school counselor totaled \$102.2 million, including fringe benefits. During that year, per diem teachers were employed on more than 747,000 occasions (full or partial days) at the more than 1,100 public schools throughout the New York City (City) system.

Individuals working as substitute teachers in the City's school system must be fingerprinted, pass a criminal history review and must possess valid credentials such as the Certificate for Occasional Per Diem Substitute Service (OPDC). OPDC certificates issued for subject areas other than classroom teaching may not be used for classroom service, and an OPDC holder may serve only occasionally as a per diem teacher on a day-to-day basis in place of an absent teacher.

The Department's computerized Per Diem Payroll System (PDPS), which was implemented in December 2000, is used to record and monitor the time and attendance of substitute teachers. All of the City's school districts began using PDPS between December 2000 through June 2001 and training was made available during that introductory period. Because PDPS is linked to the Department's Employment Eligibility database, the Department is able to facilitate the monitoring of substitutes' eligibility to work in the school system.

Since the 1999-2000 school year, the Department has been implementing a "Smart Card" system for all per diem substitutes. This identification card is produced at the Department's Central Office for each substitute teacher after he or she is fingerprinted and photographed. Department officials informed us that this system is in place at more than 300 schools, with additional schools scheduled for implementation during the 2002-2003 school year. The primary function of the "Smart Card" is to permit online verification of the current identity and eligibility of substitute teachers. The system is also

integrated with the Employee Eligibility database. When a substitute comes to work and presents the card to the school payroll secretary for swiping at a computer terminal, the secretary can compare the person's appearance and the photo on the card with the photo identity stored in the computer. The "Smart Card" system also informs the payroll secretary whether the substitute is eligible for employment as a teacher that day.

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## ***Audit Scope, Objective and Methodology***

We audited selected Department controls over the hiring of per diem substitute teachers for the period September 1, 2000 through April 30, 2002. These controls included those for verifying social security numbers of employees, fingerprinting applicants for per diem teaching positions and reviewing their criminal histories, and checking per diem applicants for required teaching credentials. We also audited PDPS controls for payment transactions for substitute teachers. The objective of our performance audit was to determine whether controls provided reasonable assurance that only qualified substitute teachers were hired and that such teachers were paid appropriately for services when a regular teacher was absent. To accomplish our objective, we interviewed appropriate Department management and staff. We also visited selected schools and reviewed relevant Department and State Education Department procedures and practices, as well as other records, data and documentation that were significant and relevant to our audit objectives.

Our audit included matching the social security numbers recorded in PDPS for 13,449 substitute teachers hired during the 2001 school year to the social security numbers recorded for these individuals by a commercial validation service. We also performed the same type of matching for the 51,720 teachers who were reportedly absent at least once during this same period. We requested the New York State Division of Criminal Justice Services (DCJS) to provide us with a criminal history background check of a random sample of 135 individuals from a total population of 13,449 who had been hired to teach on a per diem basis during the period September 1, 2000 through June 30, 2001. For this same sample of 135 teachers, we checked compliance with substitute teaching qualifications. We also reviewed 5,643 instances where PDPS indicated that substitutes covered for absent teachers at five judgmentally selected high schools for the period September 1, 2000 through

June 30, 2001. We selected the five high schools because they had a relatively high volume of teacher absences recorded in PDPS as compared to all 225 high schools. In addition, we selected for review 75 instances where PDPS showed a substitute teacher had at least 12 transactions recorded for a given day for the 2000-2001 school year.

It is our practice to request a representation letter in which agency management provides assurances, to the best of their knowledge, concerning the relevance, accuracy and competence of the evidence provided to the auditors during the course of the audit. The representation letter is intended to confirm oral representations made to the auditors and to reduce the likelihood of misunderstandings. In the representation letter, agency officials assert that, to the best of their knowledge, all relevant financial and programmatic records and related data have been provided to the auditors. Agency officials further affirm that either the agency has complied with all laws, rules and regulations applicable to its operations that would have a significant effect on the operating practices being audited, or that any exceptions have been disclosed to the auditors.

However, officials at the Department have informed us that Department officials will not provide representation letters in connection with this audit. As a result, we lack assurances from Department officials that all relevant information was provided to us during the audit. We consider this to be a scope limitation on our audit. Therefore, readers of this report should consider the potential effect of this scope limitation on the findings and conclusions presented in this report.

We conducted our audit in accordance with generally accepted government auditing standards. Such standards require that we plan and perform our audit to adequately assess those operations of the Department, which are included within the audit scope. These standards also require that we understand the Department's internal control structure and compliance with those laws, rules, and regulations that are relevant to the Department's 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 that our audit provides a reasonable basis for our findings, conclusions and recommendations.

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

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### ***Response of Department Officials to Audit***

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

Within 90 days of the final release of this report, we request the Chancellor of the Department to report to the State Comptroller, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons therefor.

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## HIRING OF SUBSTITUTE TEACHERS

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The Department requires that any teacher or substitute teacher must pass a criminal history review before they may be employed. Also, all individuals providing substitute teacher services for the Department must possess appropriate credentials. Generally, when a substitute teacher is hired to work for the Department, there should be a corresponding absence recorded for the teacher that is being substituted for. While the Department has several controls in place to meet these requirements, we identified some improvement opportunities.

An added control for determining that only appropriate teachers are hired is to verify that applicants for teaching positions are providing valid social security numbers that are accurately reflected on Department records. In May 2001, the Department implemented computer matching of its records with the records of the Social Security Administration to provide reasonable assurance that teachers submitted and Department records reflected valid social security numbers for employees. Our tests to validate Social Security numbers for substitute teachers found few exceptions and these were explained by the Department and/or were already under Department review.

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### ***Criminal History Clearance***

Section 2590-h, subdivision 20, of the New York State Education Law (Law) and Chancellor's Regulation C-205 require all applicants seeking a license to teach in New York City schools, including substitutes, to be fingerprinted by the Department before they begin work. The fingerprint information is sent to the DCJS and to the Federal Bureau of Investigation (FBI) to determine whether the applicant has a criminal history. Since July 1, 1990, DCJS has retained these fingerprint records so that it can provide automatic notification of subsequent arrest information to the Department. Since this same date, the Department has retained records of requests made for criminal history checks and results returned from the DCJS and the FBI. Department teaching applicants who have a criminal history are directed to appear before the Department's Office of Personnel

Investigation (OPI). OPI evaluates the nature of each applicant's criminal history results and decides whether the offenses are significant enough to deny employment.

We reviewed the results of the fingerprint-based criminal history background checks conducted by the DCJS and the FBI for a random sample of 135 substitute teachers from a population of 13,449 teachers that the Department hired during the period September 1, 2000 to June 30, 2001. We found that the Department had no records indicating that two teachers (teacher A and teacher B) in our sample had been fingerprinted or that the fingerprints had been sent to the DCJS and the FBI for a criminal history determination.

Our review showed that teacher A began working as a substitute on February 1, 2001, while Teacher B began working as a substitute on June 2, 1998. These teachers had worked 6 and 18 days, respectively, during the 2000-2001 school year.

In response to this finding, Department officials stated that the two teachers that we identified were former full-time teachers. Teacher A began working in 1966 and Teacher B began working in 1970. Officials explained that both teachers had their fingerprints taken before July 1, 1990, when the Department began maintaining fingerprint records. Officials also stated that a program is underway at the Department to re-fingerprint all employees who were originally fingerprinted before the Department began retaining records for fingerprint-based criminal history background checks. Also, according to Department officials, the "Smart Card" system and the Employee Eligibility database would presently not allow these teachers to be eligible to work in the New York City school system.

Of the remaining 133 substitute teachers in our sample, two had criminal history records requiring a review by the OPI. OPI cleared one of these teachers for employment. On September 3, 2000, OPI prohibited employment for the other teacher based on review of the available criminal history record. Nevertheless, this substitute teacher worked for a total of 141 days during the 2000-2001 school year. Subsequently, the substitute teacher was placed on the ineligible list for employment because of an allegation of misconduct made by the principal of the school where the substitute teacher had been working. This situation in which an individual failed the OPI criminal history review, but

was employed by the Department anyway, happened because the results of the OPI review were not entered in a timely manner into the appropriate Department computer records. Consequently, school officials were unaware of the OPI prohibition and hired the individual for substitute services.

As part of our examination, we independently asked the DCJS to provide us with the criminal histories for any of the 135 substitute teachers in our sample. From the DCJS information, we confirmed that criminal history checks had been performed for 133 of 135 employees in our sample. The DCJS reported that they had no fingerprints on file for the same two employees that we cited as lacking fingerprint records on file with the Department. The information provided to us by DCJS also showed that criminal history records existed for the same two employees that we previously cited. However, the DCJS information also identified a third individual with a misdemeanor driving infraction that had not been indicated by Department records.

According to Department officials, the two exceptions we found are unlikely to occur again because PDPS is now fully operational.

(In response to our draft audit report, Department officials stated that the re-fingerprinting of employees was almost complete, and that steps were taken to keep Department records up-to-date.)

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## ***Teaching Qualifications***

**C**hancellor's Regulation C-206 requires that individuals seeking to provide occasional per diem substitute service in the New York City school system must possess at least one of the following credentials:

- Regular Teacher Certificate
- Regular Substitute License
- Certificate to Serve as a Certified Provisional Teacher
- Certificate to Serve as a Proprietary Provisional Teacher
- Certificate to Serve as a Preparatory Provisional Teacher
- Certificate for Occasional Per Diem Substitute Service (OPDC)

The Chancellor's Regulation also requires that individuals who lack a Regular Teacher Certificate and who work 40 days or more in City schools may not have their licenses renewed unless they earn six semester hours of academic study per year toward their teaching credentials. This requirement was established to give the Department greater assurance that its substitute teachers are qualified to teach the City's children. Accordingly, all applicants for OPDC Certificates must commit themselves to fulfilling this academic obligation if they want to work more than 40 days as a substitute teacher. Teachers with OPDC Certificates are supposed to submit to the Department documentation of their intentions to attend courses that will provide them with the required six semester hours of academic study.

From our random sample of 135 substitute teachers hired during the period September 1, 2000 to June 30, 2001, we identified the following exceptions from Chancellor's Regulation C-206.

- One substitute teacher worked 141 days during the 2000-2001 school year, but his credential, a Regular Teacher Certificate for Social Studies, had been terminated on June 30, 1994. This situation arose because the termination of the teaching certificate had not been entered in a timely manner into the Department's Employment Eligibility database. Accordingly, schools were not alerted to the potential for a violation. On June 8, 2001 the Department identified this teacher as ineligible for work because of an unrelated matter.
- Three individuals provided substitute services in the classroom, but did not have licenses necessary for these assignments. One substitute was licensed as a school psychologist and the other two were licensed as secretaries. The school psychologist worked 71 days in the classroom, while one of the secretaries substituted for one day and the other substituted for two days. These errors occurred because school payroll secretaries apparently did not verify whether these individuals had the appropriate credentials for substitute services.

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## ***Teacher Absences***

According to the PDPS manual, when a substitute is assigned for an absent teacher, the school payroll secretary must data enter the absent teacher's file number in PDPS. In accordance with Department guidelines and time and attendance rules for pedagogical employees, teachers are required to charge their absences, such as sick leave, in the Department-wide Employee Information System (EIS). Thus, each time a substitute teacher is assigned to cover for an absent teacher, a corresponding absence charge should have been recorded in EIS for the absent teacher.

For five judgmentally selected high schools, we reviewed the 5,643 instances recorded in PDPS when substitutes covered for absent teachers between September 1, 2000 and June 30, 2001. The five high schools were selected because they had a relatively high volume of teacher absences recorded in PDPS as compared to all 225 high schools. To accomplish our review, we compared the file numbers for absent teachers as recorded in PDPS (and thus requiring a substitute) with the absent teachers' time and attendance charges as recorded in the EIS. Of the 5,643 instances in PDPS when substitutes covered for absent teachers, we were able to verify that EIS recorded corresponding teacher absences in 5,104 instances (90.4 percent). For the remaining 539 instances, we found no corresponding entries in EIS. The following table details these results:

School Location	PDPS Substitutes	EIS Teacher Absences	Unrecorded Teacher Absences
71M460	795	708	87
73K440	1,317	1,211	106
76K430	1,257	1,074	183
77Q445	999	898	101
77Q455	1,275	1,213	62
Totals	5,643	5,104	539

The discrepancies we identified may represent undercharges to teacher leave accruals, mistakes made by school payroll secretaries when recording absent teacher information on PDPS, or the use of substitute teachers for other than classroom purposes. In response to our analysis, Department

officials performed a follow up on the 539 exceptions and reported that 79 cases were the result of incorrect data entry in PDPS and another 155 represented instances where charges to leave accruals should have been made in EIS. Officials confirmed that absences are now entered on EIS and that, where appropriate, leave is charged to teachers' accruals. The full results of the Department review were not provided to us at the time of completion of our audit.

(In response to our draft audit report, Department officials agreed that control objectives can be further achieved through continued training of payroll secretaries and the implementation of additional PDPS monitoring screens.)

### **Recommendations**

1. Expedite completion of the program to re-fingerprint all employees who were originally fingerprinted before the Department began retaining fingerprint-based criminal history background checks.
2. Update appropriate computer records in a timely manner to reflect the results of OPI reviews and determination about criminal histories of applicants for employment.
3. Make certain that all criminal history determinations disclosed by background checks with the DCJS are timely referred to the OPI for determination and maintain documentation for all OPI determinations.
4. Update the Employment Eligibility database in a timely manner to reflect the termination of teaching certificates.
5. Reemphasize to school payroll secretaries the need to verify that individuals possess the appropriate credentials for substitute teaching services before such individuals are hired.
6. (Recommendation deleted from draft report.)

### **Recommendations (Cont'd)**

7. Periodically perform a computer match to determine those instances where teacher absences recorded in PDPS do not correspond to teacher charges to leave accruals in EIS. Follow up on any exceptions noted including those not yet resolved from our audit exceptions.
8. Take steps, including employee training and instruction, to reduce the incidence of data entry errors in PDPS with respect to recording file numbers for absent teachers.

(Department officials agree with recommendations number 1 to 5, 7 and 8. Regarding recommendation number 7, the Department stated that implementation of corrective action is pending a review by its Division of Instructional and Information Technology.)

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## CONTROLS OVER THE PER DIEM PAYROLL

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Controls over per diem payments should ensure that only one transaction is provided in PDPS to account for the payment of substitute teacher services on any particular day when school is in session. However, when reviewing PDPS data for the 2000-2001 school year we observed many instances where multiple transactions were recorded in PDPS for the same substitute teacher on a particular date. We selected for further review 75 instances when a substitute teacher had at least 12 PDPS transactions recorded on a given day. From this review we found three instances did result in actual overpayments to substitute teachers and the remainder represented data entry errors and related corrections. Department officials reported that they had recovered these overpayments. In addition, controls should prevent payment of substitute teaching services on Saturdays and Sundays when school is not in session. However, from our previously described test, we found five instances where a substitute teacher appeared to have been recorded as working on these days of the week. The Department confirmed that three of these were overpayments that have been recovered and two were the result of listing the incorrect date of service in PDPS. Department officials also explained that PDPS now has system edits to confirm that substitute teachers can neither be reported as working more hours than the maximum available in a given day nor reported for working on days other than when school is in session.

### Recommendation

9. Take steps, including employee instruction and training, to reduce the incidence data entry errors in PDPS with respect to date of service for substitute teachers.

(Department officials agree with recommendation number 9.)

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# MAJOR CONTRIBUTORS TO THIS REPORT

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Steven Sossei  
Michael Solomon  
Tom Trypuc  
Christine Chu  
Hugh Zhang  
Irina Kovaneva  
Abe Fish  
Marticia Madory



# THE NEW YORK CITY DEPARTMENT OF EDUCATION

JOEL I. KLEIN, *Chancellor*

OFFICE OF THE DEPUTY CHANCELLOR

Kathleen Grimm, Deputy Chancellor for Finance and Administration  
52 Chambers Street – New York, NY 10007  
(212) 374-0209 phone (212) 374-5588 facsimile

March 26, 2003

Mr. Jerry Barber  
Acting Assistant Comptroller  
Office of the State Comptroller  
110 State Street  
Albany, New York 12236

Re. Draft Audit Report on Selected Controls  
Over the Department of Education's  
Hiring of Per Diem Teachers (2001-N-8)

Dear Mr. Barber:

This letter, with attachments, reflects the New York City Department of Education's ("Department") response to the findings and recommendations made in the above-referenced Draft Audit Report ("Draft Report") of the Office of the State Comptroller ("Comptroller").

As recognized in the Draft Report, the Department has instituted a number of controls to ensure that only qualified individuals serve as per diem substitute teachers and that they are paid appropriately for their service. Specifically, the Draft Report notes that the Department (1) has been re-fingerprinting staff whose start date of employment pre-dated the Department's retention of fingerprint records; (2) conducts a regular computer match of Department employees' Social Security numbers with the Social Security Administration's Death Master List; (3) has implemented an electronic Per Diem Payroll System ("PDPS") that, among other functions, provides schools with information about a per diem teacher's eligibility to serve; and (4) has piloted a "Smart Card" system to make validation of per diem teachers' credentials easier at the school level.<sup>1</sup>

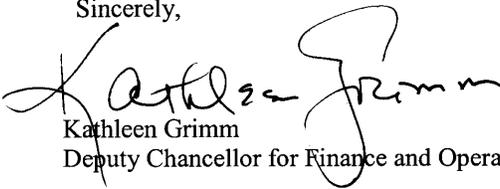
Even with these improvements, we agree with the Draft Report's conclusion that control objectives can be further achieved through continued training of payroll secretaries who use PDPS and implementation of additional PDPS monitoring screens. The Department is committed to providing students and staff with a safe environment and, to this end, has already begun implementing the Comptroller's recommendations concerning re-fingerprinting and updating the results of background investigations. Other recommendations, such as those relating to training payroll secretaries and making enhancements to PDPS will be further considered and implemented on a continuing basis, as explained in the attached responses.<sup>2</sup>

<sup>1</sup> The "Smart Card" is carried by the per diem teacher and "swiped" at a school's computer terminal before the teacher is assigned to a classroom for the day. The card brings up a photo image of the teacher to whom it had been issued and information indicating whether that individual is eligible to serve.

<sup>2</sup> The Department is not including a response to Recommendation number six because the Comptroller has advised of its intention to eliminate from the final report any findings and recommendations that are the subject matter of that recommendation.

I am advised by the Department's Office of Auditor General that the Draft Report is the product of an audit process that provided timely reports of findings and opportunities for Department staff to review and address them in the preliminary stages. We are appreciative of the professional and responsive manner in which the Comptroller's managerial staff supervised this engagement and believe that the Comptroller's and Department's mutual interests in sound controls have been well served by the working relationship we have established.

Sincerely,

A handwritten signature in black ink that reads "Kathleen Grimm". The signature is fluid and cursive, with the first name "Kathleen" and the last name "Grimm" clearly legible.

Kathleen Grimm  
Deputy Chancellor for Finance and Operations

KG:nf  
Enclosures

C: Joel I. Klein  
Anthony Shorris  
Chad Vignola  
Bruce Feig  
Susan Olds  
Stephen Allinger  
Charles Niessner  
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Andrew Levine  
Marlene Malamy  
Nader Francis

**NEW YORK CITY DEPARTMENT OF EDUCATION  
OFFICE OF AUDITOR GENERAL  
External Audit Services**

**PAGE 1 OF 4**

**RESPONSE DATE: 2/18/03**

**AUDIT TITLE: Selected Controls over the Hiring of Per Diem Teachers**

**AUDITING AGENCY: Office of the State Comptroller**

**DIVISION: Division of Human Resources**

**DRAFT REPORT DATE: 1/24/03**

**AUDIT NUMBER: 2001-N-8**

**A. RECOMMENDATION WHICH THE AGENCY  
HAS IMPLEMENTED**

The Division of Human Resources agrees with the recommendations pertaining to fingerprinting issues. Recommendations 1-4, concerning fingerprinting and updating of records are either already implemented or being implemented as quickly as possible within the constraints of available resources and staffing.

**RESPONSE TO RECOMMENDATION - IMPLEMENTATION PLAN**

The re-fingerprinting of employees has been mostly completed; remaining staff continue to be re-printed at 65 Court Street, Brooklyn. Computer records are updated in a timely fashion. DCJS discloses criminal history determinations to OPI and the Employee Eligibility database is being maintained.

**IMPLEMENTATION DATE**

Ongoing

**RESPONSIBILITY CENTER**

**Signature:**

**Lawrence Becker:**



**Date 2/18/03**

**Print Title: DEPUTY EXECUTIVE DIRECTOR, DIVISION OF HUMAN RESOURCES**

NEW YORK CITY DEPARTMENT OF EDUCATION  
OFFICE OF AUDITOR GENERAL  
External Audit Services

PAGE \_\_\_\_ OF \_\_\_\_

RESPONSE DATE: 3/3/2003

AUDIT TITLE: Selected Controls over the Hiring of per diem teachers

AUDITING AGENCY: NY State Comptroller

DIVISION: Division of Human Resources

DRAFT REPORT DATE: 1/24/03

AUDIT NUMBER: 2001-N-8

**A. RECOMMENDATION WHICH THE AGENCY  
HAS IMPLEMENTED**

Recommendation 5: Reemphasize to school payroll secretaries the need to verify that individuals possess the appropriate credential for substitute teaching services before such individuals are hired.

**RESPONSE TO RECOMMENDATION - IMPLEMENTATION PLAN**

The implementation of the "Smart Card" system in approximately 400 New York City public schools permits online verification of the hiring status of per diem substitutes before the commencement service. Full implementation of this system is currently under discussion and is pending funding. As an interim measure, the Department has reminded all payroll secretaries that they must verify the per diem teachers' eligibility to serve.

**IMPLEMENTATION DATE**

Ongoing

**RESPONSIBILITY CENTER**

Signature:

Steven Catalano  
Print Name:

  
\_\_\_\_\_

\_\_\_\_\_  
Date: 2/18/03

NEW YORK CITY DEPARTMENT OF EDUCATION  
OFFICE OF AUDITOR GENERAL  
External Audit Services

PAGE 3 OF 4

RESPONSE DATE: 3/3/2003

AUDIT TITLE: SELECTED CONTROLS OVER THE HIRING OF PER DIEM TEACHERS

AUDITING AGENCY: OFFICE OF THE STATE COMPTROLLER

DIVISION: DIVISION OF FINANCIAL OPERATIONS

DRAFT REPORT DATE: JANUARY 24, 2003

AUDIT NUMBER: 2001-N-8

**C. RECOMMENDATION WHICH THE AGENCY  
AGREES WITH BUT IS PENDING IMPLEMENTATION**

#7 – PERIODICALLY PERFORM A COMPUTER MATCH TO DETERMINE THOSE INSTANCES WHERE TEACHER ABSENCES RECORDED IN PDPS DO NOT CORRESPOND TO TEACHER CHARGES TO LEAVE ACCRUALS IN EIS. FOLLOW UP ON ANY EXCEPTIONS NOTED INCLUDING THOSE NOT YET RESOLVED FROM OUR AUDIT EXCEPTIONS.

**RESPONSE TO RECOMMENDATION**

PDPS HAS AN "ABSENCE COVERAGE CODE SUMMARY" SCREEN IN THE PDPS PER DIEM TIMEKEEPING MENU OPTIONS.

THIS SCREEN IS TO PROVIDE DISTRICT PERSONNEL WITH A MONTHLY COUNT OF THE OCCURRENCES OF SUBSTITUTE COVERAGE IN EACH CATEGORY. THE MONTHLY COUNTS CAN BE DISPLAYED BY SCHOOL OR BY DISTRICT.

THE CATEGORIES ARE: ABSENCE (EIS ID IN THE REPLACEMENT FIELD OF THE TIMEKEEPING DETAIL SCREEN), CONFERENCE (EIS ID), STAFF DEVELOPMENT (STAFF), VACANCY (VACY), PEAK LOAD FOR SCHOOL SECRETARIES (PEAK), MENTOR (MENT) AND NO EVENT.

"NO EVENT" SIGNIFIES THE NUMBER OF DAYS THE REPLACEMENT ID DOES NOT HAVE A CORRESPONDING EVENT CODE RECORDED IN EIS.

**TARGET IMPLEMENTATION DATE**

DEVELOPMENT OF A "NO EVENT" SCREEN IS PENDING REVIEW BY THE DIVISION OF INSTRUCTIONAL AND INFORMATION TECHNOLOGY.

**RESPONSIBILITY CENTER**

ONCE THIS SCREEN HAS BEEN IMPLEMENTED, THE DIVISION OF FINANCIAL OPERATIONS WILL NOTIFY THE DISTRICT OFFICES WITH REGARD TO THIS TIMEKEEPING OPTION, WHICH THE DISTRICTS WILL BE RESPONSIBLE FOR MONITORING. IN ADDITION, THE OAG WILL BE ABLE TO USE THIS SCREEN FOR ITS YEARLY FISCAL PERFORMANCE AND FRAUD WASTE AND MISMANAGEMENT AUDITS.

Signature: 

Date: 3/3/2003

Print Name: RICHARD BENVISTO

Print Title: DIRECTOR

NEW YORK CITY DEPARTMENT OF EDUCATION  
OFFICE OF AUDITOR GENERAL  
External Audit Services

PAGE 4 OF 4

RESPONSE DATE: 3/3/2003

AUDIT TITLE: SELECTED CONTROLS OVER THE HIRING OF PER DIEM TEACHERS

AUDITING AGENCY: OFFICE OF THE STATE COMPTROLLER

DIVISION: DIVISION OF FINANCIAL OPERATIONS

DRAFT REPORT DATE: JANUARY 24, 2003

AUDIT NUMBER: 2001-N-8

**A. RECOMMENDATION WHICH THE AGENCY  
HAS IMPLEMENTED**

#8 – TAKE STEPS, INCLUDING EMPLOYEE TRAINING AND INSTRUCTION,  
TO REDUCE THE INCIDENCE OF DATE ENTRY ERRORS IN PDPS WITH RESPECT TO  
RECORDING FILE NUMBERS FOR ABSENT TEACHERS.

#9 – TAKE STEPS, INCLUDING EMPLOYEE TRAINING AND INSTRUCTION,  
TO REDUCE THE INCIDENCE OF DATA ENTRY ERRORS IN PDPS WITH RESPECT TO DATE OF  
SERVICE FOR SUBSTITUTE TEACHERS.

NOTE: PLEASE CORRECT RECOMMENDATION #8 TO READ: THE INCIDENCE OF DATA ENTRY ERRORS ...

**RESPONSE TO RECOMMENDATION - IMPLEMENTATION PLAN**

PDPS TRAINING FOR PER DIEMS IS HANDLED THROUGH THE DIVISION OF INSTRUCTIONAL AND  
INFORMATION TECHNOLOGY (DIIT.)

PDPS TRAINING IS ON-GOING THROUGHOUT THE SCHOOL YEAR FOR PAYROLL SECRETARIES,  
ASSISTANT PRINCIPALS, PRINCIPALS AND DISTRICT PERSONNEL.

THE "PER DIEM PAYROLL TIMEKEEPING GUIDE" IS DISTRIBUTED TO ALL PERSONNEL  
ATTENDING THE TRAINING.

WITH RESPECT TO DATE OF SERVICE ERRORS, THE POTENTIAL FOR SUCH ERRORS HAS BEEN  
ELIMINATED THROUGH THE IMPLEMENTATION OF PDPS EDITS WHICH FLAG PER DIEM  
TRANSACTIONS THAT EXCEED THE MAXIMUM HOURS PER DAY OR REFLECT WORK FOR DAYS  
THAT SCHOOL IS NOT IN SESSION.

**IMPLEMENTATION DATE**  
**PDPS INCEPTION**

**RESPONSIBILITY CENTER**

DIVISION OF INSTRUCTIONAL AND INFORMATION TECHNOLOGY STAFF PERFORM PDPS PER  
DIEM TRAINING FOR ALL PERSONNEL.

Signature: 

Date: 3/3/2003

Print Name: RICHARD BENVISTO

Print Title: DIRECTOR