



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

December 20, 2007

Dr. Matthew Goldstein
Chancellor
The City University of New York
535 East 80th Street
New York, New York 10021

Dr. Marcia V. Keizs
President
York College
94-20 Guy R. Brewer Boulevard
Jamaica, New York 11451

Re: Report 2007-F-37

Dear Chancellor Goldstein and President Keizs:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution; and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of The City University of New York's (CUNY's) York College (College) to implement the recommendations contained in our audit report, *Selected Financial Management Practices* (Report 2004-S-86).

Background, Scope and Objective

The College is located in the borough of Queens in New York City. Founded in 1966, it is one of the eleven senior colleges in the CUNY system. The College provides a broad range of baccalaureate programs with emphasis on the liberal arts, sciences, business, and health. It confers bachelors' degrees in more than 40 majors. As of the fall 2007 term, the College had 6,811 students. The College has an annual budget of about \$32 million and employs about 180 full-time faculty members.

Our prior audit determined that certain internal controls over overtime (including pre-approvals, document retention, and timeliness of payments) were in need of improvement. In addition, we found that controls over employee access to the Student Information Management System (SIMS) needed to be strengthened. We also identified weaknesses in controls over undelivered paychecks and unclaimed student refunds that officials needed to address.

The objective of our follow-up, which was conducted in accordance with generally accepted government auditing standards, was to assess the extent of implementation, as of October 18, 2007, of the ten recommendations included in our initial report.

Summary Conclusions and Status of Audit Recommendations

We found that College officials have made considerable progress in implementing the recommendations contained in our prior audit report. Of the ten prior audit recommendations, six recommendations have been implemented, three recommendations have been partially implemented, and one recommendation has not been implemented.

Follow-up Observations

Recommendation 1

Instruct and remind staff to prepare and retain all required records to support the approval and payment of overtime.

Status - Implemented

Agency Action - College officials provided us with documentation indicating that they met with staff to discuss our initial report's findings and recommendations regarding overtime. This discussion included matters related to the preparation and retention of documentation supporting overtime. Moreover, for the five employees we selected judgmentally, we found that the required documents supporting the approval and payment of overtime were prepared and maintained.

Recommendation 2

Require supervisors to formally approve all non-emergency overtime prior to employees working it.

Status - Not Implemented

Agency Action - College supervisors did not formally pre-approve all non-emergency overtime for the five employees (selected judgmentally) whose records we reviewed. Officials told us that supervisors in the College's Department of Buildings and Grounds (which incurs much of the College's overtime costs) generally approved non-emergency overtime verbally. However, they did not prepare the required Request for Overtime Coverage form when assigning overtime to staff. Officials added that supervisors in Buildings and Grounds did not see a need for the formal pre-approval of non-emergency overtime because they were the individuals responsible for assigning it. We maintain that the required formal pre-approvals of non-emergency overtime should be made to enable management to properly control overtime costs.

Recommendation 3

As necessary, provide training to employees on the administrative processes governing overtime, including (but not limited to) the requirements for prior approvals, time and attendance recording, payment approvals, and record retention.

Status - Partially Implemented

Agency Action - As noted previously, College officials provided us with documentation indicating that they met with staff to discuss our audit findings regarding overtime. However, we could not determine from the documentation provided what specific guidance (or training) was provided to staff.

Recommendation 4

Ensure that all overtime payments due are made timely.

Status - Implemented

Agency Action - As noted previously, officials met with staff to discuss audit findings pertaining to overtime. Moreover, for the five employees we selected for review, we found that all overtime payments they received were made timely.

Recommendation 5

Return all paychecks to the Office of the State Comptroller's Remittance Control Unit if they are not delivered to the proper employee within 30 days of issuance.

Status - Implemented

Agency Action - College officials returned paychecks to the Office of the State Comptroller's Remittance Control Unit when they were not delivered to the proper employee within 30 days of issuance. At the time of our follow-up, we determined that the College did not have any paychecks on hand that were more than 30 days old.

Recommendation 6

Delete individuals from the State payroll system timely when they are no longer active College employees.

Status - Partially Implemented

Agency Action - We determined that full-time employees are deleted from the State payroll system timely (to correspond with their last date of their employment with the College). However, adjunct faculty members are often not deleted from the payroll system immediately upon the end of their employment terms. Officials noted that adjunct faculty members are frequently re-hired soon after the end of one term to teach during a subsequent term. (Nonetheless, according to CUNY central administration, adjunct faculty should be taken off the payroll when they are inactive for three payroll cycles.)

Recommendation 7

Limit user IDs for SIMS access to individual College employees. Do not issue user IDs for generic use by multiple employees. Terminate any existing generic user IDs that are used by multiple employees.

Status - Implemented

Agency Action - College officials formally assessed employees' access to SIMS and took steps to limit such access. Specifically, officials reduced the total number of user IDs from 517 to 374 (a decrease of 143 user IDs). In addition, we determined that all generic user IDs were eliminated.

Recommendation 8

Periodically, perform a formal assessment of employees' access to SIMS. For each employee, determine if access is necessary and if the access level is appropriate. Make adjustments to employees' access to SIMS, as appropriate per the results of the formal assessment.

Status - Implemented

Agency Action - As previously noted, College officials performed a formal assessment of employees' access to SIMS, and they eliminated 143 user IDs. In addition, officials have developed new forms to initiate, modify and terminate employee access to SIMS. The forms are part of a new process to strengthen controls over employee access.

Recommendation 9

Maintain listings of unclaimed tuition refunds and retain pertinent information regarding the disposition of refund checks.

Status - Implemented

Agency Action - College officials developed and have maintained a spreadsheet which lists unclaimed student tuition refund checks and pertinent information, including the disposition of such checks, as appropriate.

Recommendation 10

Attempt to locate students due tuition refunds and document the results of those attempts. If students cannot be located, transmit the unclaimed funds to the Office of the State Comptroller.

Status - Partially Implemented

Agency Action - College officials stated that they attempted to locate students due tuition refunds. However, they did not document their efforts. Officials advised us that they will document such efforts in the future. Officials also maintain that unclaimed tuition refunds should be deposited with the City University Construction Fund after a 5-year

period has elapsed. Therefore, such funds have not been sent to the State Comptroller's Bureau of Unclaimed Funds.

Major contributors to this report were Stephen Lynch and Daniel Raczynski.

We would appreciate a response to this report within 30 days, indicating any actions planned to address the unresolved issues discussed in the report. We also thank the management and staff of CUNY and York College for the courtesies and cooperation extended to our auditors during this process.

Very truly yours,

Brian E. Mason
Audit Manager

cc: Mr. Gordon Taylor, CUNY Internal Audit and Management Services
Lisa Ng, DoB