

H. CARL McCALL
STATE COMPTROLLER



A.E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12236

STATE OF NEW YORK
OFFICE OF THE STATE
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September 29, 1998

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

Re: Report 98-F-43

Dear Ms. Castro:

Pursuant 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 have reviewed the actions taken by officials of the New York State Office of Parks, Recreation and Historic Preservation (Parks), as of August 31, 1998, to implement the recommendations contained in our audit report, *Long Island Region: Selected Financial Management and Administrative Practices* (Report 96-S-57). Our report, which was issued on June 24, 1997, examined the procedures used by the Parks' Long Island Region to hire seasonal employees, manage its fleet of motor vehicles, and assign employees to State-owned housing units.

Background

Parks administers 11 geographic park regions, including the Long Island Region (Region), which encompasses Nassau and Suffolk counties. In fiscal year 1997-98, the Region expended more than \$29.6 million, including \$23.9 million for personal services and \$5.7 million for other-than-personal services. During July 1998, the Region employed 393 permanent full-time workers, 63 of whom were Park Patrol Officers (Officers), and approximately 1,780 temporary seasonal employees, including 46 seasonal Officers. The Region spends almost \$10 million annually on seasonal employees. Parks maintains 51 housing units on the Region's park grounds, most of which are reserved for employees whose presence on the grounds makes it possible for them to deliver a service to the public and to protect Parks property. The Region also maintains a fleet of 67 motor vehicles for business-related travel.

Summary Conclusions

Our prior audit found that Regional officials did not have a formal written policy to govern the hiring of seasonal employees. We also found that certain seasonal Officers were regularly retained for longer periods than other seasonal employees, without documentation of need. We further found that four of the Region's park housing units were assigned to senior Regional officials who did not provide direct services to the public, contrary to Parks policy. Lastly, Parks officials assigned 22 of the Region's fleet vehicles to various officials and supervisors on a 24-hour basis. Our review of the equipment use reports on file for 18 of these vehicles found that most did not contain the information required by Parks policy to evidence business usage. In our follow-up review, we found that Parks and Regional officials have taken steps to strengthen controls over seasonal hiring, employee housing, and vehicle assignments.

Summary of Status of Prior Audit Recommendations

Our prior audit contained nine recommendations. We found that Parks and Regional officials have implemented seven recommendations, and partially implemented two recommendations.

Follow-up Observations

Recommendation 1

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

Status - Implemented

Agency Action - Parks' officials have formalized their seasonal employee hiring procedures in writing. They have evidenced their efforts toward an open, fair, and competitive selection process by periodically advertising vacant positions in regional, as well as local, newspapers; and by an extensive outreach program in local high schools and colleges.

Recommendation 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.

Status - Implemented

Agency Action - Parks officials have formally analyzed their staffing needs. To evidence the thorough process that precedes each season's hiring, their internal communications regarding seasonal staffing are now conducted in written form. They further document

instances in which weather conditions and special events have caused staffing to change. In addition, they supplied us with their past pre-, prime-, and post-season assignment schedules, which have remained relatively stable each year even though they are subject to budget allowances.

Recommendation 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.

Status - Implemented

Agency Action - Parks officials prepared a needs assessment to support the extended service of seasonal Officers. The assessment addresses pre- and post-summer coverage for special events, coverage for vacationing full-time permanent officers, and coverage for firearms training. Park officials have also developed a formal process for soliciting and approving extended service for seasonal Officers.

Recommendation 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.

Status - Implemented

Agency Action - Parks officials contacted the United States Park Service. They were informed that the land in question is protected to the extent that, if it is sold, Parks would have to replace it with a similarly-valued parcel. Thus, there would be no cost benefit in selling these properties.

Recommendation 5

In the interim, these houses should be offered to Park employees according to Park and [Division of the Budget] DOB housing policies. Because the location of the houses precludes them from being accessible to serving the public, the rents should be increased to reflect their fair market values.

Status - Partially Implemented

Agency Action - Parks officials have vacated one of the four residences and are attempting to generate rental income from that property. However, they told us they believe the occupants of the remaining three residences warrant such housing by virtue of their job

responsibilities. Although the monthly rents for the residences have increased slightly in accordance with DOB guidelines, they have not been increased to the extent of their fair market value.

Auditors' Comments - Since Parks officials have documented their various efforts to enhance the usefulness and income potential of these properties, we believe they are working toward the spirit of our recommendation.

Recommendation 6

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

Status - Implemented

Agency Action - Parks officials have revisited the DOB criteria for 24-hour vehicle assignments and have concluded that they are appropriate for Parks activities. As noted in response to the following recommendations, greater compliance with these criteria has resulted in vehicle reassignments and fleet downsizing.

Recommendation 7

Ensure that all vehicle operators complete the Equipment Use Reports as required. Review these reports periodically to assess the appropriateness of vehicle utilization.

Status - Implemented

Agency Action - Parks officials now require all vehicle operators to complete the monthly equipment-use reports. Our review of a sample of these reports noted operator compliance with this requirement. We also noted evidence that these logs are reviewed periodically by supervisory personnel.

Recommendation 8

Reassign vehicles to the motor vehicle pool if they are not necessary for 24-hour availability.

Status - Implemented

Agency Action - As a result of a Parks' in-house assessment of vehicle usage, the number of vehicles permanently assigned to specific individuals has been reduced from 22 to 16. The reassigned vehicles have been added to the Region's motor pool.

Recommendation 9

As vehicles age and are considered for retirement, compare the cost benefits of reimbursing administrative and engineering personnel for use of their personal vehicles for business-related trips with the cost of providing those employees with State-owned vehicles.

Status - Partially Implemented

Agency Action - Parks officials have not performed a cost-benefit analysis as recommended, noting the logical preference of employees to use State, rather than personal, vehicles for State business.

Auditors' Comments - Although Parks officials did not prepare the formal cost benefit analysis we recommended, they have reduced the number of permanently-assigned vehicles, and have increased controls and monitoring over fleet vehicle usage. Therefore, the objectives of this recommendation have been achieved by alternative means.

Major contributors to this report were Frank Patone and Myron Goldmeer.

We would appreciate your written response to this report within 30 days, indicating any additional actions planned or taken. We also thank the management and staff of the New York State Office of Parks, Recreation and Historic Preservation for the courtesies and cooperation extended to our staff during this review.

Very truly yours,

Frank J. Houston
Audit Director

cc: Robert L. King