



# Town of Goshen

## Police Payroll

### Report of Examination

Period Covered:

January 1, 2012 — April 7, 2014

2014M-244



Thomas P. DiNapoli

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# State of New York Office of the State Comptroller

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## **Division of Local Government and School Accountability**

January 2015

Dear Town Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and Town Board governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the Town of Goshen, entitled Police Payroll. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller  
Division of Local Government  
and School Accountability*



## State of New York Office of the State Comptroller

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### EXECUTIVE SUMMARY

The Town of Goshen (Town), located in Orange County, has a population of approximately 13,700 residents, including approximately 5,200 that reside within the Village of Goshen. The Town is governed by an elected five-member Town Board (Board), which comprises the Town Supervisor (Supervisor) and four Board members. The Board is the legislative body responsible for managing Town operations. The Supervisor serves as the Town's chief executive officer and the Director of Budget serves as the chief fiscal officer. The Town provides a range of services to its residents including police protection, road maintenance and general governmental support. The Town's Police Department (Department) employs 20 individuals, including nine full-time and nine part-time officers and two part-time administrative employees. The Town's budgeted appropriations for the 2014 fiscal year were approximately \$10.3 million. Of this amount, about \$1.2 million was for police protection.

#### **Scope and Objective**

We examined internal controls over the Town's police payroll processing for the period January 1, 2012 through April 7, 2014. Our audit addressed the following related question:

- Did Town and Department officials ensure that internal controls over police payroll were adequately designed and operating effectively?

#### **Audit Results**

The former Police Chief (Chief) left Town service in September 2011, and the highest ranking sergeant took over the Chief's responsibilities at that time. However, the Town did not hire a replacement until April 2013. During this time, Department employees did not comply with established procedures regarding payroll, creating an environment that allowed errors and irregularities to occur.<sup>1</sup> Specifically, all eighteen officers did not sign the member attendance record (MAR) 746 times,<sup>2</sup> and overtime of approximately \$19,300 was not properly documented. In addition, an officer working for another entity had time overlaps of about 47 hours totaling \$2,153. We also found six instances where a full-time officer scheduled to work did not appear to have worked the hours claimed on his timesheet. This officer received payment, at his higher rate, while part-time officers who were not on the schedule worked in his place but did not claim or receive payment for time worked. Additionally, four officers,

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<sup>1</sup> The new Chief has increased internal controls.

<sup>2</sup> For perspective, we estimate the sign-in population to be between 2,290 and 2,500 as follows: There are two officers per tour with three tours for each of the 365 days in the year ( $2 \times 3 \times 365 = 2,190$ ). This is only the normal schedule and does not include overtime, call in or other instances that require sign in on the MAR. We estimate the number of the other instances is between 100 and 310. This would bring the population between 2,290 and 2,500.

including a sergeant, were given a total of 11 chart days (paid days off due to scheduling) totaling approximately \$3,300, to which they were not entitled. Furthermore, these four officers claimed and received a total of \$240 in Officer-In-Charge pay to which they were not entitled.

Finally, leave time was not properly managed. Leave time records maintained at the Department did not match those in the Town payroll register. For example, during 2012, seven employees took leave time totaling 50 hours and were paid approximately \$1,800. However, this time off was not reflected in the payroll department's payroll register. Additionally, two employees exceeded the maximum personal leave balance allowed for the year and four employees exceeded the maximum compensatory leave balance allowed. These inconsistencies occurred because leave taken was not always reported or was reported erroneously to payroll.

Without employees' compliance with time and attendance policies and procedures and with provisions of the Collective Bargaining Agreement regarding paid leave, the Board cannot assure taxpayers that all moneys spent on police payroll represent proper Town charges.

**Comments of Local Officials:**

The results of our audit and recommendations have been discussed with Town officials, and their comments, which appear in Appendix A, have been considered in preparing this report. Town officials agreed with our report and indicated they have initiated corrective action. The report has been referred to the Orange County District Attorney's office.

# Introduction

## Background

The Town of Goshen (Town), located in Orange County (County), has a population of approximately 13,700, including approximately 5,200 that reside within the Village of Goshen. The Town Board (Board) is the Town's legislative body and is responsible for managing operations. The Town Supervisor (Supervisor), who is also on the five-member Board, serves as chief executive officer. The Budget Director serves as the chief fiscal officer. The Board is responsible for establishing policies and procedures governing Town operations. The Town provides services for its residents including police protection, highway maintenance, water, sewer and general government support. Budgeted appropriations for the 2014 fiscal year were approximately \$10.3 million. Of this amount, about \$1.2 million was for police protection.

The Budget Director is responsible for overseeing the Town's finances, including payroll. All time and attendance functions are performed by various Town departments. Payroll is processed biweekly based on summaries supplied by each department. Each Town department has its own records, procedures and controls over employee time and attendance. Police Department (Department) payroll responsibilities are handled by the Police Chief (Chief) assisted by a sergeant and a secretary. The Department has 20 employees, including nine full-time and eight part-time officers, a part-time Chief and two part-time administrative employees.

## Objective

The objective of our audit was to review internal controls over Department payroll. Our audit addressed the following related question:

- Did Town and Department officials ensure that internal controls over police payroll were adequately designed and operating effectively?

## Scope and Methodology

We examined the internal controls over the Town's police payroll processing for the period January 1, 2012 through April 7, 2014.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit is included in Appendix B of this report.

**Comments of  
Local Officials and  
Corrective Action**

The results of our audit and recommendations have been discussed with Town officials and their comments, which appear in Appendix A, have been considered in preparing this report. Town officials agreed with our report and indicated they have initiated corrective action. The report has been referred to the Orange County District Attorney's office.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the Town Clerk's office.

## Police Payroll

An important Board responsibility is to establish a system of internal controls over payroll to ensure that employees are paid only those wages and salaries and provided benefits to which they are entitled. Good controls include having and enforcing written policies and procedures to provide reasonable assurance that complete and accurate time and attendance records are maintained, overtime is adequately documented, the use of leave accruals is monitored and payroll transactions are monitored and reviewed routinely.

According to Town officials, the former Chief left Town service in September 2011, and the highest ranking sergeant took over the Chief's responsibilities at that time. The Town did not hire a replacement until April 2013. During this time, Department employees did not comply with established procedures regarding payroll, creating an environment that allowed errors and irregularities to occur. In February 2014, we received a complaint concerning Department payroll irregularities. Prior to that, the Board also received similar allegations. Town officials took steps to address these issues, including contacting the appropriate County and State agencies and internally administering disciplinary measures. The current Chief, hired effective April 1, 2013, has been working with Town officials to improve internal controls over Department time and attendance.

There were significant weaknesses in internal controls over the police payroll. Town and Department officials did not always ensure and monitor employees' compliance with policies and procedures regarding time and attendance and use of leave time. As a result, some employees have received payments and benefits to which they were not entitled.

### Time and Attendance

Department policies and procedures should provide clear guidance for recording the time worked and the employees' duties performed during a shift. It is important that Department officials ensure that employees comply with the collective bargaining agreement (CBA) and Department policies regarding documenting time worked, on duty and off duty times (signing in at the start and signing out at the end of a shift) and leave taken. Also, Department officials should ensure that all components of time and attendance records are retained and reviewed for reasonableness and accuracy. When officers work for other entities, it is essential that the arrival and departure times of those employees are verified. All employees should complete and sign (certify) a timesheet to receive payment for time worked and authorized paid leave taken in a given pay period. Time sheets should

be verified and signed by the Chief before Departmental preparation of the biweekly payroll summary that is submitted to the Town's Budget Office for payroll processing.

We identified significant internal control weaknesses over the Department's time and attendance and leave time records. Time worked was not adequately documented and leave time was not properly managed. As a result, Town taxpayers do not have adequate assurance that all Department payroll expenditures represent legitimate Town charges.

Payroll Documentation – Town and Department policies and procedures require that employees sign in on the daily member attendance record (MAR).<sup>3</sup> At the start of each patrol shift, police officers are also required to log on to the Department software and record a roll call entry stating they are in service and to call the Orange County Emergency Communications E-911 Center to provide information that they are on patrol. For overtime work, whether for shift coverage, case investigation or other valid reason, the procedures require that the work be documented in addition to all other attendance documentation requirements. Officers are to complete all fields of the MAR, indicate the reason for the overtime and record any incidents.

At the end of the pay period, officers are required to complete, certify (sign) and submit biweekly time sheets to the secretary, documenting number of hours worked, shift and work day. The secretary is responsible for reviewing time sheets for accuracy and forwarding them to the Chief for approval. The secretary uses the approved time sheets along with other payroll records to prepare the biweekly payroll summary sheet and faxes it to the Town payroll department for further processing and salary payments. The Town relies on the individual departments to submit accurate biweekly payroll summaries. The payroll department does not review the payroll summaries.

These time and attendance records serve as the basis for employees to receive payment for time worked and authorized paid leave taken. Therefore, it is important that Town and Department officials ensure and monitor employees' compliance with time and attendance policies and procedures. However, Town and Department officials did not monitor employees' compliance with time and attendance policies and procedures. Department staff did not consistently sign the daily MAR and sometimes they signed in but did not sign out. Also, employees did not always sign time sheets or properly document overtime.

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<sup>3</sup> The MAR provides a line for each officer and employee, the sergeants and the Chief, and includes various information fields such as tour (or shift), reported for duty time, patrol assigned time, post, unit, time off duty, space to indicate the officer-in-charge for each tour and four additional fields for vehicle information.

Because of these weaknesses, we reviewed Department payroll documentation for the 26 pay periods in 2012, the two pay periods of October 2013 and the two pay periods of March 2014.<sup>4</sup> Our comparison of the daily MAR to biweekly time sheets and payroll summaries identified the following discrepancies:

- There were 746 instances<sup>5</sup> where employees did not sign in or out on the MAR, of which 735 instances occurred in 2012, four instances in October 2013 and seven instances in March 2014.
- Overtime was not properly documented<sup>6</sup> 101 times, totaling 371 hours, for approximately \$19,300 in overtime pay during 2012 for 15 of the 16 officers. Overtime was for shift coverage, for case investigation and for “Call-in Pay.” Inadequate overtime documentation included 23 instances, for a total of 69 hours and approximately \$4,300, where a sergeant claimed three hours of overtime on his time sheet. These hours appeared to have been “call-in hours,” without any evidence that the officer came in to work, such as signing the MAR and describing the work done in the Department’s daily activity records, as required. In addition, there was no documentation of the reason for calling this particular sergeant instead of the Officer-In-Charge (OIC) when the call-in occurred.
- Officers did not sign time sheets in 37 instances, of which 35 were in 2012 and the remainder were in October 2013.

Because time and attendance records serve as the basis for employees to receive payment, failure to ensure adequate payroll documentation increases the risk that errors or irregularities will occur and not be detected.

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<sup>4</sup> We reviewed all 2012 pay periods, but only samples for 2013 and 2014 because the Town hired a new Chief who has increased internal controls. We selected the most recent completed month prior to the start of our audit fieldwork (March 2014) and one month in 2013 (October) that was after April, when the new Chief was hired.

<sup>5</sup> For perspective, we estimate the sign-in population to be between 2,290 and 2,500 as follows: There are two officers per tour with three tours for each of the 365 days in the year ( $2 \times 3 \times 365 = 2,190$ ). This is only the normal schedule and does not include overtime, call-in or other instances that require sign in on the MAR. We estimate the number of the other instances is between 100 and 310. This would bring the population between 2,290 and 2,500.

<sup>6</sup> Overtime is properly documented when it is in compliance with Department requirements: signing in on the MAR appropriately (completing all fields of the MAR), documenting the reason for the overtime and recording any incidents in the blotters.

Overlapping Hours – The Department’s policies and procedures require employees who work outside the Department to notify the Chief about their outside employment. It is important that the Chief review work schedules for reasonableness and verify that employees with outside employment are arriving and leaving at their scheduled time. This can help ensure that the Town is not paying employees for regular or overtime hours during times when they are actually working for another entity.

One officer, a former sergeant with dual employment, overlapped shifts between the Town and another local government and was paid for 40 instances of time overlaps, totaling 47 hours, during the period January 1, 2012 to March 31, 2014. The overlapping instances, totaling \$2,153 in potential overpayments, occurred when the former sergeant was scheduled and paid to work for eight-hour Department shifts. The former sergeant was scheduled to work 8:00 a.m. to 4:00 p.m. for the Town, but signed in for his second job at a different employer for shifts that began at 3:00 p.m. and ended at 11 p.m. This resulted in one-hour time overlaps. We also identified one occasion where the former sergeant had a seven hour overlap and six instances where the scheduled ending time at one location and his starting time at the other location were identical.<sup>7</sup>

The Chief told us that police officers with dual employment notify the Department of the outside employment, but the Chief is not informed about officers’ work hours on other jobs. In addition, because officers do not consistently comply with the requirement to sign in and out on the MAR, it is difficult for the Chief to confirm the hours worked as recorded on the officers’ time sheets.

Because Department officials did not enforce policies and procedures requiring employees to sign the MAR at shift start and end times, this apparent abuse occurred and was not detected when it occurred.

Payments for False Attendance – Adequate controls and monitoring over payroll require that complete and accurate records be maintained, including the sign-in sheet and the master schedule, to ensure that Department employees are paid only for time worked. Time sheets should be verified for accuracy by the Chief before payroll is processed. An employee whose name does not appear in the Department’s time and attendance records (MAR, roll call, blotter, etc.) for any particular day should not be paid for that day.

We tested a sample of 33 days during 2012 to determine whether employees who did not sign in on the MAR were paid. We reviewed

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<sup>7</sup> We did not include such instances in our calculation because he did not sign out at the Department to indicate when he left Town service.

available information to determine if the officers actually worked and identified six instances where a full-time police officer was scheduled but did not appear to have worked the hours claimed on the time sheet. It appears that part-time officers, who were not on the schedule, worked in his place. The full-time officer claimed on his time sheet and was paid for eight hours for these six shifts. The part-time officers, who appeared to work in his place, did not claim or receive payment for these shifts. Four separate part-time officers were involved in these six instances. It does not appear that the officers swapped shifts as no changes between the respective officers were made to the master schedule on these dates. One part-time officer signed in on the MAR for such a shift, but did not claim the hours on his time sheet. In one of the six instances, it appears there was no coverage for at least four of the shift hours even though the full-time officer was paid for the entire shift. Since the full-time officer was paid at a higher rate than the part-time officers, the Town overpaid for police services by approximately \$608 for the six instances.

Without proper monitoring of time and attendance, the Town may pay officers for hours which they did not work. Additionally, the Town is at risk of inadequate police coverage if an officer is not present during part of a shift.

Chart Days<sup>8</sup> – The Town provides 24-hour police coverage divided into three shifts, also called tours, of eight hours each. The CBA requires that patrol officers work five consecutive days followed by two consecutive days off, followed by five consecutive days followed by three consecutive days off. Due to this scheduling, there may be weeks where a scheduled work day falls in a subsequent pay period, causing one or more officers to only work 32 hours. In this case, the CBA requires that full-time employees scheduled to work less than 40 hours be paid 40 hours.

During 2012, there were 11 instances where four officers, including a sergeant not on road patrol, received payment for chart days to which they were not entitled. Three officers received a total of five days and the sergeant received six days. The three officers received chart days due to errors or other inaccuracies. However, the sergeant is not eligible for chart days because he is not on road patrol and is scheduled to work a regular five day shift each week. Chart days are determined from the monthly schedule; however, at times, the sergeant wrote the letters “CH” on his biweekly time sheet, indicating a request for a chart day, and the secretary included a chart day representing an extra

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<sup>8</sup> Chart days are days off paid to road patrol officers when, due to scheduling (alternating shifts and allowing for rest), officers are scheduled to work 32 hours or four days with the fifth day falling in the subsequent pay period of that work week.

payment to which he was not entitled. The 11 chart days represented an unnecessary cost of approximately \$3,300 to Town taxpayers.

Without Town officials ensuring that employee compensation is made in compliance with the CBA and the maintenance of adequate records, unauthorized payments for chart days may be made without being detected and corrected in a timely manner.

Triple Shift – The CBA states that no employee should be scheduled or work more than 16 consecutive hours, except in the event of a declared emergency. In 2012, there were two separate instances where police officers worked 24 hours straight, or three consecutive shifts, with no declared emergency. The officers on both occasions received one shift at regular pay and the other two shifts at overtime rates. These consecutive shifts were the result of scheduling deficiencies, creating two occasions of inadequate police coverage, which required the officers to work 24 hours. This creates potential safety issues for the officers involved and liability risk for the Town’s taxpayers.

Officer-In-Charge – The CBA allows a senior full-time officer on a tour of duty without a sergeant or an officer who is assigned and left in charge of the Department in the absence of the Chief to be paid an additional amount over and above the base hourly rate. The MAR provides space to indicate the OIC for each tour, and the time sheet provides a column for any hours that qualify for OIC payment. It is important that the Chief compare time sheets with the MAR to ensure that approved OIC hours do not exceed eight hours per shift and that only officers entitled to OIC pay receive the payment.

We found four instances during 2012 where the Town paid approximately \$240 (eight dollars per hour) for OIC pay that officers were not entitled to receive. On three of the four instances, two officers claimed the OIC pay for the same shift, for which only one officer would have been eligible. Another officer claimed 16 hours of OIC on his time sheet; however, the officer was paid for 28 hours.

Without a thorough supervisory review of all components of time and attendance, the Town is at risk of making extra payments to employees to which they are not entitled.

## **Use of Leave Time**

Leave time (accruals and compensatory time) represents time off earned by employees. It is important that procedures ensure that leave time is earned and used in accordance with the CBA, Town policies and Board resolutions, and that leave used is properly deducted from employees’ leave-time balances. The Board and Department management should ensure that leave time is verified, approved and monitored. Proper accounting for employee leave time also requires

that centralized leave records be periodically reconciled with time sheets and other records.

We reviewed the eight full-time officers' leave time records for 2012 and identified 45 inconsistencies between Department leave time records and the payroll register. For example, time taken per the Department's records either differed from time taken per the payroll register or was not reflected in the payroll register at all. Also, both personal leave and compensatory time balances were allowed to exceed the limits set in the CBA.

Leave Accruals – Errors in leave accrual records have occurred because the Department is not providing all leave accrual information to the Town's payroll office. During 2012, seven employees took leave time totaling 50 hours and were paid approximately \$1,800, according to the Department's leave time records and the master schedule, but the time off was not reflected in the payroll department's payroll register. For instance, for the February 3, 2012 payroll, an officer took eight hours vacation according to Department leave records, but the hours were not reflected in the payroll register. Additionally, 105 hours on the payroll register did not match the appropriate leave time category in the Department's records. Without a timely reconciliation of Department leave records with the Town's centralized leave records, errors may not be identified. As a result, employees may take leave time but leave balances might not be reduced.

According to the CBA, full-time employees are credited with 24 hours of personal leave annually. Unused personal leave cannot be carried over from year to year and may be used in four hour units or any multiple thereof. Unused personal leave at the end of the fiscal year is transferred to sick leave. Department officers did not comply with the CBA regarding personal leave. During 2012, one officer charged 43.5 hours to personal leave while another officer charged 33 hours.

The Department's failure to ensure that employee leave accrual records are accurate diminishes the reliability of the records and could result in incorrect unused leave balances being carried over to the next year or paid upon separation from employment.

Compensatory Time – The CBA allows employees the option of receiving compensatory time in lieu of overtime payment. The CBA requires the election of compensatory time to be provided to the Chief at the time extra hours are worked. Compensatory time is earned at the rate of one and one-half times the regular rate, up to a maximum of 80 hours. All requests for compensatory time off must be made to the Chief at least seven calendar days prior to the date(s) requested.

Department officers did not always follow the CBA requirements, and Town and Department officials did not enforce the requirements and allowed the compensatory time limit to be exceeded. We reviewed compensatory balances at the end of fiscal year 2012 and found that four of the nine eligible officers exceeded the 80 hours limit by a total of 232 hours. Their balances were 216, 144, 107.5 and 84.5 hours.

Town officials indicated that changes have been made to the rules governing compensatory time. Employees were authorized to use balances already accumulated up to a certain date. However, going forward, employees will not be allowed to accumulate compensatory time above the CBA-allowed limit.

## **Recommendations**

Town and Department officials should improve time and attendance tracking to ensure that employees are paid only for actual hours worked. They should:

1. Ensure that all employees complete the MAR as required and work the required hours.
2. Ensure that overtime is properly documented according to the CBA and established Department procedures and that officers receiving “call-in” pay actually report for work and document their presence.
3. Ensure that all Department employees complete and submit certified (signed) time sheets to support their hours worked.
4. Develop procedures that will help identify shifts that do not have required staff coverage and ensure compliance with CBA provisions relating to hours worked in a 24-hour period.
5. Ensure that only officers entitled to receive chart days and only officers entitled to OIC pay receive them for the respective pay periods.
6. Pursue the recovery of inappropriate payments.
7. Ensure that accurate Department leave time records are maintained, monitored and periodically reconciled with those in the central payroll register. Leave time balances should not be allowed to exceed the maximum allowed in the CBA.

**APPENDIX A**  
**RESPONSE FROM LOCAL OFFICIALS**

The local officials' response to this audit can be found on the following pages.

**Town Supervisor**  
Douglas Bloomfield  
(845) 294-6996

**Town Clerk**  
Valma Eisma  
(845) 294-6250



## Town of Goshen

**Council**  
Kenneth Newbold  
Louis Cappella  
George Lyons  
Philip Canterino

January 9, 2015

Tenneh Blamah, Chief Examiner  
Office of the State Comptroller  
33 Airport Center Drive – Suite 103  
New Windsor, NT 12553

Dear Ms. Blamah,

The Town of Goshen is in receipt of a draft of the findings by the State Comptroller's Office regarding an audit of the Town's police department. We have reviewed and approved the draft and are in agreement with the findings of the audit as stated in the report.

You will find attached both our Response to the audit as well as the Corrective Action Plans with dates regarding implementation of each action. Should you have questions regarding our response and CAP report, please call my office at 845-294-6996, ext. 224

Sincerely,

Douglas K. Bloomfield, Supervisor

Cc: Richard Golden, Attorney

## RESPONSE & CORRECTIVE ACTION PLANS

**Overview:** On September 28, 2011, our prior Chief of Police, ██████████ went out on extended disability. In an email from Chief ██████████ on September 29, 2011, Chief ██████████ assigned ██████████ as Acting Chief of Police. ██████████ is the most senior officer in the police department and had served many times in this capacity while Chief ██████████ was away on vacation, disability etc.

As acting Chief, ██████████ was responsible for operations and oversight of the Police Department from October 2011 to March 2013. In April 2013, a Town of Goshen police officer came forward and presented information to the Town Supervisor alleging fraud and dishonesty in regard to pay practices within the Police Department. The Town Board then immediately sequestered all pay records for that time period, and notified the NYS Comptroller's Office, Orange County DA, and the Attorney General's office.

The Town Board then hired Nugent & Haeussler, PC to conduct a special audit of the Town of Goshen Police Department, involving specific allegations of fraudulent time reporting by police officers. The audit provided additional information to the Town regarding various particulars of potential fraud and dishonesty in regard to pay issues within the Police Department. This additional information was sufficient to enable the Town Board to appoint a Special Attorney for Police Discipline to fully investigate these complaints and allegations of misconduct. Shortly after the Special Attorney completed his investigation, disciplinary charges were brought against two police officers regarding their misconduct. Thereafter, additional control measures were taken by the Town Board to ensure on-going compliance.

██████████ was hired by the Town Board as Goshen Town Police Chief in April 2013. Chief ██████████ is a retired NYS Police Captain with considerable education and experience in law enforcement. He is very familiar with administration of police policies and procedures and immediately began working on regaining control and adherence to established protocols. The success of his efforts are verified with the NYS Comptroller audit findings since his becoming Police Chief.

The Town of Goshen's Corrective Action Plan:

- 1) As of January 2, 2015, the new Chief of Police signs off on all MAR's for all employee signatures and completeness to ensure the proper and required hours have been worked by each officer.
- 2) The Town has authorized the purchase and installation of a fingerprint time clock system to ensure that overtime is properly documented according to the CBA and established Department procedures, and that officers receiving "call in" pay actually report for work and document their presence. On December 22, 2014 the Board passed a resolution authorizing this purchase. This is now supported by the installation of cameras throughout the police department.
- 3) As of the payroll week of January 16, 2015 the Town's payroll department will receive certified (signed) copies of timesheets to support hours worked by each police officer. The Internal Auditor will verify that all time and attendance documents are appropriately reviewed and signed by the Chief of Police. This procedure will be audited each bi-weekly payroll period.
- 4) As of January 2, 2015, the new Chief of Police has instituted an enhanced scheduling process which will be copied to Town Hall for review by the Town's Internal Auditor. This will allow for

immediate discovery of shifts that do not have required staff coverage and ensure compliance with CBA provisions relating to hours worked in a 24-hour period. With the Internal Auditor in place, we have increased our auditing scope.

- 5) Starting with the payroll week of January 16, 2015, the Town's Internal Auditor, along with the payroll department oversight, will investigate chart days and Officer in Charge (OIC) pay every payroll cycle, to ensure that only officers entitled to receive them will get paid for them.
- 6) Within the next 30 days the Town will pursue recovery of inappropriate payments to the extent that it is able within the scope of legal due process.
- 7) Prior to the state audit, police department leave-time was maintained manually and solely at department level. Starting in January 2015, the police department will now issue copies of accumulated leave time to the payroll department on a quarterly basis, and the Town's payroll software can now start with proper leave balances and automatically update with the processing of each payroll as leave time hours/days are either accrued or used.

**Recap:** Beginning with the 2015 fiscal year, the Town of Goshen has set forth policies for internal audit of all time and attendance records for accuracy of time worked, and to ensure proper oversight and signature by the Chief of Police. In addition, the Town will be installing a new fingerprint time clock system to ensure that each officer is properly documented as working his/her schedule. The Town has already installed several cameras on site to record all daily activity. This will also aid in verifying the presence of scheduled police personnel on each shift. Additionally, policies and practices will be audited on a regular basis by our Internal Auditor. By resolution, the Town has retained Richard Golden, Esq. as Special Attorney for Police Discipline to advise and assist the Police Department of the Town of Goshen in the possible initiation and prosecution of disciplinary actions.

The Town has reviewed the contents of the audit in full and has no reason to dispute what has been found by the Comptroller and that it is consistent with the Town's investigation. This audit response is also serving as the Corrective Plan. Therefore, the Town of Goshen Board requests that this audit be closed.

## APPENDIX B

### AUDIT METHODOLOGY AND STANDARDS

Our overall goal was to renew the internal controls over Department payroll. Our procedures included the following:

- We interviewed Town and Department officials and employees to gain an understanding of the Department's payroll procedures.
- We compared the daily MAR to biweekly time sheets and biweekly payroll summaries to identify and document variances or discrepancies in regular and overtime hours claimed and paid and to verify the validity of OIC hours claimed and paid.
- We reviewed the monthly master schedules in conjunction with biweekly time sheets and payroll summaries to verify the validity of chart days paid.
- We traced leave time taken during 2012 from the Department-maintained employee leave records to the payroll register's detailed leave time status reports for consistency.
- We selected all employees who had used compensatory time and who had exceeded the limit of 80 hours as of December 31, 2012 and verified whether the compensatory time used was requested and approved in compliance with the related provisions of the CBA.
- We compared an employee's time and attendance records at the Department with those at the outside employer to determine any potential overlaps for the employee identified as having dual employment.
- For a non-biased judgmental sample of 31 days, taken from 23 uncertified time sheets and from which the employees did not sign the daily MAR, we reviewed roll calls and police blotters to determine whether employees who did not certify their time sheets and did not sign in actually worked. We then selected two additional days, for a total of 33 days.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## APPENDIX C

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