

Maine-Endwell Central School District

Leave Records

JUNE 2019



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Maine-Endwell Central School District

Audit Objective

Determine whether District officials maintained accurate and supported employee leave accrual records.

Key Findings

- Employee timekeeping records were inconsistent and leave used was not always deducted from the leave accrual records. Our tests of 69 employees found 12 days, valued at \$3,700, which were not deducted from employees' leave accruals.
- District officials did not always ensure employees submitted a leave request form or ensure the legitimacy of leave taken. The District may have paid as much as \$14,200 for the cost of substitute employees for unsupported and potentially inappropriate leave taken.
- Leave earned by employees was not always in accordance with collective bargaining agreements.

Key Recommendations

- Increase oversight of personnel responsible for leave accrual records.
- Explore options for a more streamlined leave accrual system.

District officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

Background

The Maine Endwell Central School District (District) is located in the Towns of Union, Maine and Nanticoke in Broome County and the Towns of Newark Valley and Owego in Tioga County.

The Board of Education (Board) is responsible for managing the District's financial and educational affairs. The School Superintendent is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction.

Quick Facts

2018-19 Budgeted Appropriations	\$52,492,862
2017-18 Personnel Costs	\$18,981,683
2017-18 Full-Time Employees	398

Audit Period

July 1, 2017 – June 30, 2018

Leave Records

The building secretaries and personnel clerk are responsible for maintaining leave accrual records for their respective employees. The personnel clerk enters employees' leave accruals into the electronic leave accrual system (system) based on the respective collective bargaining agreements (CBAs) or individual employee contracts. Annually, the system automatically rolls over leave balances from the prior year and adds the annual leave accruals to the employees' leave balances. When employees want to use vacation or personal leave, they submit a leave request form to their supervisor for approval. Employees do not submit leave request forms to use sick leave. Instead, they just inform their supervisor they are taking it. Once approved, the building secretaries or personnel clerk record employees' absences on the daily log. The daily log lists employees who are absent, the name of the substitute (if necessary), the type of leave used and the length of time the employees are absent. Leave is also documented on time sheets and substitute teacher requests, if applicable. The building secretaries and personnel clerk use the daily logs to enter leave used into the system. The personnel clerk uses the leave accrual balance from the system to verify whether the leave is available and the payment is made.

What Is an Effective Process to Ensure Leave Records Are Accurate?

Leave accruals represent time off earned by employees. CBAs and individual employment contracts generally address the accumulation and use of leave time and establish each employee's entitlement to leave benefits. District officials are responsible for ensuring that employee leave benefits are accurately accounted for so that employees use only the leave to which they are entitled. District officials should ensure there is an independent periodic review of employee leave accrual records to ensure accuracy. In addition, there should be procedures in place to document when an employee rescinds a leave request.

The District's employees are covered by six CBAs and five individual employment contracts. Employees are entitled to several types of leave, including personal, vacation and sick, based on their respective CBAs or individual employment contracts. All six CBAs state District officials may require proof of illness for sick leave use; one CBA specifically states support may be required after five consecutive sick days. Good business practice suggests that District officials take advantage of this contract stipulation in order to ensure extended sick leave use (consecutive use of five days) is appropriate. None of the five individual employee contracts state whether officials may require support for sick leave use. All six CBAs require employees to request the use of personal leave in writing certifying that business could not be conducted outside of the school day or year, no outside remuneration will be received, leave will not be used for a vacation or holiday or to extend a vacation or holiday and it will not be used for recreational purposes. None of the five individual employee contracts have conditions for using personal leave.

Timekeeping Records Were Inconsistent

We reviewed timekeeping records for 69 employees to determine whether these records were accurate and complete. We found several discrepancies between the various timekeeping records (see Figure 1).

Figure 1: Inconsistencies in Timekeeping Records

Type of Issue	Number of Times
Incomplete Leave Request Form	21
Daily Log Does Not List Employee Absence	20
Leave Used Not Deducted from Leave Accrual Balance	17
Employee Requested Leave, but Other Timekeeping Records Indicate the Employee Worked	13
Leave Request Form Did Not Reflect the Same Amount of Leave Used as the Other Timekeeping Records	13
Daily Log Did Not Match the Other Timekeeping Records	4
Type of Leave Used Different from Type of Leave Requested	4
Time Sheet Leave Did Not Match Leave Time According to the Other Timekeeping Records	2

We found 17 instances where 12 days of leave, valued at \$3,700, were used according to the employees' time keeping records, but were not properly deducted from the employees' leave accruals in the system. Furthermore, we found 13 instances where employees completed leave request forms totaling 9.75 days. However, other timekeeping records, such as time sheets and daily logs, indicated these employees worked and did not take the requested leave. District officials were unable to provide support for whether the employee actually worked or used leave.

These errors occurred because no one routinely reviews or reconciles the timekeeping records to the leave accrual records in the system. Consequently, no one outside of the process is verifying that all leave requested and used is properly deducted from employees' accrual balances. In addition, District officials do not have a process in place to account for leave requested that was not actually taken.

Leave Taken May Not Be Appropriate

We reviewed personnel files, daily logs, substitute requests and leave request forms for 84 employees (for a total of 954 instances) to determine whether the leave requested was approved and supported (if applicable). Although District officials generally approved leave request forms submitted to them, they did not always ensure employees submitted a leave request form or ensure that they

maintained adequate documentation to support the legitimacy of leave taken. We found the following:

- Of the 439 instances of vacation and bereavement leave used, there were 69 instances (16 percent) where employees used leave and did not submit the required leave request form to their supervisor.
- Of the 204 instances of personal leave used, there were 51 instances (25 percent) where the employee did not submit the required leave request form. Of the 153 instances where the required leave request forms were submitted, there were 43 instances where employees provided a supporting explanation for the personal leave use.
- Of the 18 instances of extended sick leave use (consecutive use of five days), District officials did not maintain documentation to support the leave used for five instances (27.8 percent).

Furthermore, we reviewed all substitute teacher requests submitted by teachers and found 18 instances where District officials approved personal leave immediately before or after a holiday or break which is against contract terms. For nine of these, District officials documented that the personal leave used would be allowed because of special circumstances. However, officials did not document their rationale for approving the other nine instances of personal leave used.

District officials informed us that when employees sign the request for personal leave, they are certifying that the leave is in compliance with contract terms and therefore, do not require the employees to provide support or additional information. In addition, if they suspect employees are abusing leave, they investigate those specific instances. However, District officials are not routinely checking leave taken to ensure employees are filling out required leave request forms or consistently requiring support for extended sick leave as allowed for by employee CBAs.

When employees in certain positions take leave (such as teachers, bus drivers or cafeteria staff), the District incurs additional costs to pay for a substitute. Fifty-two employees that may have taken leave inappropriately required coverage for their shifts; some of these employees may have had other District staff cover the shift and an outside substitute would not be necessary. If an outside substitute was used, the total cost would have been approximately \$14,200.¹ When District officials do not ensure employees are properly requesting leave or maintaining adequate documentation, there is a risk that employees may be using leave inappropriately resulting in the District incurring unnecessary costs.

¹ This amount only includes the instances where an employee title had a Board-approved substitute rate and excludes the employees (110 instances) who did not provide an explanation on the leave request form for the personal leave use.

Leave Accruals Were Not Always Accurate

We compared the leave accrual balances recorded as earned in the system for the 2017-18 school year to the CBAs or contracts. We found the following:

- Of the 52 employees who were eligible to earn vacation leave, 50 had accruals properly recorded. One employee was not credited for any vacation leave (10 days) while another employee was credited twice for vacation leave, receiving an extra 10 days.
- Of the 398 employees who were eligible to earn sick leave, 391 had accruals properly recorded. However, four employees were credited with less than the appropriate amount totaling 39 days. In addition, one employee received an extra three days and two employees received an extra two days each.
- We traced personal leave accruals for five employees to leave accruals from the prior year to ensure the proper amount of days were carried over to either personal or sick leave² based on CBAs or individual employee contracts and found the accruals were accurate. In addition, we scanned all 398 employees' earnings records and verified that no employee received more than five days of personal leave, which is the maximum amount an employee can earn.
- We tested carryover balances for all 398 employees and verified they did not carryover more than the maximum allowed.

These errors occurred because no one oversees the personnel clerk's input of the employees' contractual leave accrual benefits into the system. We discussed these errors with the personnel clerk and she corrected the respective employees' leave accrual balances.

Because we found errors in employees' leave accrual records, we reviewed 16 buyout payments for unused leave totaling over \$86,000 to determine whether any employees received payments for leave they did not have. We found each payment was supported by leave actually available to the employee. Therefore, none of the errors noted in this report affected how much the employee should have been paid. Furthermore, the employees we sampled had ample leave to cover any errors we found during our testing. However, when District officials do not have processes and procedures in place to accurately record employee earnings and absences, it increases the risk employees could use more leave time than allowed or receive an inappropriate buyout for leave.

² CBAs allow for unused personal days to be carried over to either personal leave (maximum of two days) or sick leave (remainder of unused personal days).

What Do We Recommend?

The Board and District officials should:

1. Increase oversight of employees who are responsible for maintaining leave records by instituting procedures that require someone to verify the following:
 - Compliance with CBAs and contracts,
 - The accuracy of leave accrual records, and
 - The correction of discrepancies.
2. Require employees to submit leave request forms when applicable, and consider asking for documentation to support the legitimacy of extended sick leave charges.
3. Implement processes and procedures to address leave requests that are rescinded by employees.
4. Explore options available for a more streamlined electronic leave accrual system.

Appendix A: Response From District Officials



MAINE-ENDWELL
CENTRAL SCHOOL DISTRICT
Administrative Offices

Office of the State Comptroller
Attention: [REDACTED]
Binghamton Regional Office
Hawley Street
Binghamton, NY 13901

April 25, 2019

Dear [REDACTED]:

This letter is the official response from the Maine-Endwell Central School District in regards to the Report of Examination Leave Records 2019M-40. This report was reviewed by members of the District audit committee, as well as various administrators of the District. The District concurs with most of the findings, and has already taken steps to improve and correct most of the recommendations of the report.

We thank you for your time and assistance with enhancing our management of employee leave records. Below is a brief summary of the findings and recommendations, and our plans to correct them.

FINDINGS:

Timekeeping Records Were Inconsistent, Leave Taken May Not Be Appropriate & Leave Accruals Were Not Always Accurate:

The district agrees that additional oversight would be prudent. With one staff person assigned to handle all the personnel functions for 742 full and part-time employees, it is a very difficult job. However, with many staff reductions occurring over the past 7 years, it is very difficult to add staff. As part of the recommendations, we will be shifting some personnel oversight to a current staff member. This shift and increased oversight should address all three areas of findings from the report.

RECOMMENDATIONS:

1. Increased oversight will occur by shifting some job responsibilities of current staff. All leave records will be reconciled every pay period.
2. The District will request additional documentation when it legally can.
3. This will be done with new oversight from a current staff member.
4. The District will explore options for a better electronic leave system.

Sincerely,

Mr. Gregg Armezzani, School Board President
Maine-Endwell Central School District

Appendix B: Audit Methodology and Standards

We conducted this audit 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. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District officials to gain an understanding of the process of recording time worked by employees and how this information gets inputted into the employees' leave accrual balances in the system.
- We reviewed the employees' CBAs and individual employment contracts to understand the conditions under which employees may accrue and use leave.
- We judgmentally selected 84 employees of the District's 398 employees who earned leave for the period July 1, 2017 through June 30, 2018. The sample included employees covered by different CBAs and contracts, all employees who approve leave requests, all building secretaries and the personnel clerk responsible for maintaining leave accrual records. We examined time sheets (if applicable), substitute records (if applicable), daily logs, leave request forms and leave accrual records in the electronic system. Using these records, we documented any discrepancies amongst the various timekeeping records and quantified how many days were not deducted from the leave accrual records in the electronic system.
- For these same 84 employees, we examined leave request forms, daily logs, and personnel files to ensure that leave was approved and supported (if applicable).
- We reviewed substitute teacher requests for 18 teachers that used personal leave to extend a school break and any supporting documentation provided for such leave.
- We calculated the amount paid by the District to substitutes based on unapproved and unsupported leave requests. For each position that generally requires substitutes for an absence, we multiplied the days absent by the Board-approved substitute rates.
- We reviewed the 2017-18 leave accruals for all employees and compared them to contract terms to determine whether leave accruals were earned in accordance with contracts.
- We reviewed payments for unused leave to ensure that they were paid in accordance with contract terms and that the leave was available.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). 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.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-1(3)(c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the fiscal year. 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 the CAP available for public review in the Clerk's office.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/localgov/costsavings/index.htm

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmgm

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/localgov/planbudget/index.htm

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/localgov/pubs/cyber-security-guide.pdf

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/localgov/finreporting/index.htm

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/localgov/academy/index.htm

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

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Local Government and School Accountability Help Line: (866) 321-8503

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