

**BROOME COUNTY
DEPARTMENT OF
AUDIT AND CONTROL**

**PAYROLL AUDIT
HEALTH DEPARTMENT**

September 2004

Alex J. McLaughlin, Comptroller

September 22, 2004

Jeffrey P. Kraham, County Executive:

The Department of Audit and Control has audited the payroll for the Health Department for the payroll period ended July 18, 2004. The principle objectives were to ensure that payroll was recorded and distributed in a proper manner and that proper authorization existed for all payroll deductions.

The audit was conducted in accordance with generally accepted auditing standards. Such standards require that the Department of Audit and Control plan and perform the audit to adequately assess the accuracy of the financial records and adequacy of the internal controls, and that we examine, on a test basis, sufficient, competent and relevant evidence to afford a reasonable basis for our conclusions.

Based on the results of our examination, it is our opinion that the Health Department has complied in all material respects with existing rules, regulations, policies and procedures to properly monitor and record departmental payroll transactions.

Sincerely,

Alex J. McLaughlin
Comptroller

cc: Daniel A Schofield, Chairman of the Legislature
Members of the Legislature
Louis P. Augostini, Clerk of the Legislature
Claudia A. Edwards, Public Health Director
Nancy Olmstead, Personnel Officer

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES

-HEALTH DEPARTMENT-

FINDING 1: TIMESHEET DOES NOT INCLUDE SUPERVISOR SIGNATURE

During the course of our examination, we found one employee's time sheet didn't include a supervisor signature.

Broome County Personnel Department Policy #500-5 requires that timesheets include the employee's name, date(s) covered by the timesheet, number of hours worked each day, total number of hours worked each week, indication of all hours to be paid other than regular hours, signature of employee and signature or initials of supervisor.

Failure of the supervisor to review and sign the timesheet could result in the employee not recording their time properly.

RECOMMENDATION:

We recommend that the Health Department revise its procedures relative to timekeeping requirements to ensure proper oversight and compliance with Broome County Personnel Policy #500-5.

MANAGEMENT RESPONSE:

The Health Department does have procedures in place relative to timekeeping requirements ensuring proper oversight and compliance with Broome County Personnel Policy #500-5. The instance noted was an oversight. We have reminded supervisory staff of their duty to review and sign all timesheets before submitting them to Fiscal. Fiscal payroll staff have been reminded to return all timeslips without proper signatures before inputting data into the County payroll system.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES
-PERSONNEL-

FINDING 2: AUTHORIZATION FOR PAYROLL DEDUCTION NOT ADEQUATELY DOCUMENTED

During the course of our examination, we found an instance in which a health insurance deduction from an employee's wages was not supported by the correct insurance application. The health insurance company could not produce the original application.

Employee personnel files are established and maintained to store information for earnings and deductions and should be complete and up to date at all times.

Without written documentation, deductions cannot be readily verified for accuracy and authorization.

RECOMMENDATION:

We recommend that management undertake corrective action to ensure that documentation is maintained in the personnel files for the health insurance deduction. We also recommend that the employee fill out the application again, so the correct form will be on file.

MANAGEMENT RESPONSE:

The procedure currently in place for setting up health insurance deductions is as follows:

1. Person completes health insurance form either as a new employee or during open enrollment.
2. Using the health insurance form, a Personnel Assistant sets up the deduction in the payroll system.
- 3a. If employee selects RMSCO, the Personnel Assistant enters the person into the RMSCO system on line.
- b. If employee selects MVP the Personnel Assistant enters the person into the MVP system on line.
- c. If the employee selects HMO-Blue, the Personnel Assistant copies the form and mails the original to HMO-Blue.
4. The health insurance form is filed in the employee's insurance file.
5. The employee receives health insurance cards and payroll deductions are made from the paycheck.

We cannot explain the reason for the missing form. The employee was properly signed up for MVP health insurance at open enrollment and proper deductions

were made. In order for this to happen, the form had to have been in this Office at the time the change was made. The form must have either been misfiled or become attached to some other paper and misfiled or destroyed. Efforts will be made to handle paperwork in such a way to decrease the likelihood of misfiling.

We agree with the need to have the backup documentation for the health insurance deductions on file. The employee in question has been asked to complete a new form for placement in his file. We are waiting for him to return the form.