

**BROOME COUNTY
DEPARTMENT OF
AUDIT AND CONTROL**

**PAYROLL AUDIT
DEPARTMENT OF REAL PROPERTY TAX SERVICE**

March 2002

Alex J. McLaughlin, Comptroller

March 29, 2002

Jeffrey P. Kraham, County Executive:

The Department of Audit and Control has audited the payroll for the Department of Real Property Tax Service for the payroll period ended February 17, 2002. 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 Department of Real Property Tax Service 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
John E. Cahill, Director of Real Property Tax Service
Nancy Olmstead, Personnel Officer

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES

-PERSONNEL DEPARTMENT-

FINDING 1: INSUFFICIENT DISABILITY DEDUCTION AMOUNT FOR FULL TIME EMPLOYEE

During the course of our examination, we found one instance in which the amount that was being deducted for disability insurance for a full time employee was only \$1.99. The employee had been full time since 10/15/01.

The rates for short-term disability are \$1.99 per pay period for part time and \$4.29 per pay period for full time employees.

The amount the employee underpaid on their share of disability insurance since 10/15/01 equals \$20.70.

RECOMMENDATION:

We recommend that management undertake corrective action to ensure that the correct amounts for deductions are input into the system when employees change from part time to full time. We also recommend that the employee pay back the difference between the two rates since her status change date of 10/15/01.

MANAGEMENT RESPONSE:

The error has been corrected. The correction will appear in the pay period of 3/18/02 to 3/31/02 (4/5/02 payday). The employee paid the arrears by check on March 21, 2002.

The staff who handle PDR's have discussed how to prevent future errors such as this. They have determined the following:

1. PDR's need to be watched more closely to avoid oversights such as this.
2. They will work with Real Property to have the employee's PDR's coded in such a way to prevent future oversights.

AUDIT FINDINGS, RECOMMENDATIONS AND RESPONSES

- DEPARTMENT OF REAL PROPERTY TAX SERVICE -

FINDING 2: CHANGES TO TIMESHEET NOT PROPERLY INITIALED

During the course of our examination, we discovered several instances where time recorded on an employee's timesheet was crossed out and changed. Neither the employee nor the supervisor had initialed the entries.

Broome County Personnel Department Policy #3060.3 states that Employees shall record only their own time, and shall not record or alter the time for a co-worker. Employees shall not alter a previously recorded time unless approved, in writing, by a supervisor. Such approval may be indicated by the supervisor's initials. Changes are to be initialed by the employee.

Failure to properly initial timesheet alterations could result in either the employee, the supervisor, or a third party making changes without the knowledge or approval of other(s).

RECOMMENDATION:

We recommend that the Department of Real Property Tax Service revise its procedures relative to timesheet alterations to ensure proper oversight and compliance with Broome County Personnel Department Policy #3060.3.

MANAGEMENT RESPONSE:

Any changes to a timesheet will be reviewed with the employee and initialed by the supervisor. In the past this was done verbally but the change has been made in our procedures so that changes are initialed.