



Fire Island Union Free School District Leave Accruals

Report of Examination

Period Covered:

July 1, 2014 – August 31, 2015

2015M-289



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

December 2015

Dear School District Officials:

A top priority of the Office of the State Comptroller is to help school district officials manage their districts efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support district operations. The Comptroller oversees the fiscal affairs of districts statewide, as well as districts' 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 district operations and Board of Education governance. Audits also can identify strategies to reduce district costs and to strengthen controls intended to safeguard district assets.

Following is a report of our audit of the Fire Island Union Free School District, entitled Leave Accruals. 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 are resources for district 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*

Introduction

Background

The Fire Island Union Free School District (District) is located in the Towns of Brookhaven and Islip in Suffolk County. The District is governed by the Board of Education (Board) that is composed of seven elected members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the District's chief executive office and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction.

The District operates one school with approximately 50 students and 40 employees. The District's budgeted appropriations for the 2015-16 fiscal year are \$5.6 million, funded primarily with State aid, real property taxes and grants.

Approximately 30 full-time employees are eligible to accrue and use leave time, as outlined in employment contracts, collective bargaining agreements (CBAs) and employee benefit schedules. The District's administrative assistant is responsible for maintaining the leave accrual and time and attendance records.

Objective

The objective of our audit was to determine if leave accrual records were accurately recorded. Our audit addressed the following related question:

- Does the District maintain accurate records of its employees' accrual and use of leave time?

Scope and Methodology

We examined the District's leave accrual records for the period July 1, 2014 through August 31, 2015.

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 are included in Appendix B of this report. 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.

**Comments of
District Officials**

The results of our audit have been discussed with District officials, and their comments, which appear in Appendix A, have been considered in preparing this report. District officials generally agreed with our findings and conclusions.

Leave Accruals

Leave accruals represent time off earned by employees. The accumulation and use of leave time is generally addressed in CBAs, individual employment contracts and employee benefit schedules, which should clearly stipulate each employee's entitlement to leave benefits.¹ Employee leave accruals should be granted in accordance with applicable employment contract provisions.

Sufficient records should be kept of each employee's leave time accrual and usage to ensure employees accrue and use leave time to which they are entitled. Periodic independent reviews of leave time accrual records and balances throughout the year provide additional assurance that the accrual and use of leave time is accurate and in accordance with applicable guidelines.

We found that District officials maintained accurate records of the accrual and use of employee leave time. We also found that District officials granted leave time in accordance with the applicable employment contracts or CBAs.

The administrative assistant records earned leave in the computerized system for employees at the beginning of each fiscal year based on the corresponding contracts or Board-approved benefit schedule. She does this after ensuring all prior year balances have been adjusted to reflect sick day payouts and maximum accumulations of sick days, the conversion of unused personal days to sick days and zero balances for bereavement and vacation days.

Employees request leave time in written form, and the Superintendent reviews and approves it prior to it being taken, when known. Anytime employees are absent, they are required to contact the Superintendent's Office with the reason for the absence if it was not preapproved. The administrative assistant notes these occurrences on the employee sign-in sheet and, after every employee is accounted for, enters the data into the electronic software.

Twice per year, the administrative assistant sends all employees a memo indicating their remaining leave accrual balances (not including bereavement). The administrative assistant sends a second memo in June that includes a request form for a "buy back" of unused sick days. Employees must sign the letter and return it to the

¹ Types of leave include vacation, personal, sick and bereavement leave time.

administrative assistant within five days to acknowledge they have received the memo and attest to its accuracy. Any discrepancies must be discussed with the administrative assistant and resolved before the end of the school year. Unused sick day payouts are made before the end of the school year.

We examined leave accrual records, payroll records and personnel files for 12 of the 32 full-time employees to determine whether they received and used leave accruals in accordance with contracts and CBAs. We did not find any exceptions.

We commend District officials for maintaining accurate records of the District's employees' accrual and usage of leave time.

APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

The District officials' response to this audit can be found on the following page.



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RE: Fire Island Union Free School District
Leave Accruals, Report of Examination 2015M-289
July 1, 2014 – August 31, 2015

Dear Mr. McCracken:

The Fire Island Union Free School District acknowledges receipt of the above referenced draft report of the recent audit conducted by your office. We have reviewed the report and concur with its findings.

We appreciate the audit team's review of the District's financial operations and its internal controls over leave accruals. The findings of this audit affirms our commitment to operate with the highest degree of fiscal accountability. We are pleased that the audit commends the District officials for maintaining accurate records of its employees' accrual and usage of leave time.

The audit report does not contain any adverse findings or recommendations. Accordingly, no corrective action plan is required with this response.

The District would like to express its appreciation to the Office of State Comptroller and their staff for the professional manner in which they conducted their important work.

Very truly yours,

Loretta M Ferraro
Superintendent

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objective and obtain valid evidence, we performed the following procedures:

- We interviewed District officials and employees responsible for maintaining employee leave accrual records to understand the process.
- We reviewed CBAs individual contracts and employee benefit schedules for our audit period to ensure all leave accruals entered in employee accounts were accurate.
- We sorted the full-time employee list into four classes: administrative, maintenance, instructional and transportation. We selected a sample of 12 of the 32 full-time employees (approximately one-third) as follows: all six twelve-month employees with administrative duties, one maintenance employee, three instructional employees and two transportation employees.
- For each employee selected, we used the July 1, 2014 leave accrual balance determined by the electronic time and attendance record, added yearly accruals, deducted each absence recorded on the manual daily employee sign-in sheets and deducted any “buy back” sick days to arrive at the ending balance. We compared these balances to the electronic records as of June 30, 2015.

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.

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