

# Mahopac Central School District

## Noninstructional Payroll

OCTOBER 2020



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

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# Report Highlights

## Mahopac Central School District

### Audit Objective

Determine whether District officials implemented a system to ensure that noninstructional payroll was properly segregated, authorized and recorded and overtime was adequately documented and supported.

### Key Findings

- The transportation department's payroll was not adequately approved, supported and documented.
- Payments to the head bus driver were not always properly approved, calculated and documented.
- The Union President received an additional hour of overtime pay daily that was not properly supported by documentation.

### Key Recommendations

- Direct supervisors should review and approve all time cards.
- Ensure that employees punch in and out each time they start and end their work shifts.
- The District could have potentially reduced overtime costs by \$10,320 if it had used part-time bus monitors and drivers instead of bus mechanics.

District officials agreed with our recommendations and have initiated or indicated they planned to initiate corrective action.

### Background

The Mahopac Central School District (District) is located in the Towns of Carmel and Putnam Valley in Putnam County. The District is governed by a Board of Education (Board) composed of nine elected members.

The Board is responsible for the general management and control of the District's financial affairs. The Superintendent of Schools (Superintendent) is the chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction.

The School Business Official supervises the District's daily financial operations. The Interim Transportation Supervisor (Interim Supervisor) supervises transportation staff, and head custodians supervise custodial workers, including their work schedules and time cards.

### Quick Facts

Enrollment	4,069
Number of Schools	6
Noninstructional Employees	300
2018-19 Budgeted Noninstructional Salaries	\$13.5 million
2018-19 Total Budget Appropriations	\$123 million

### Audit Period

July 1, 2017 – November 30, 2018

# Noninstructional Payroll

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## How Should District Officials Control the Payroll Process?

Payroll represents a significant portion of a district's annual budget. A well-designed payroll processing system should implement monitoring procedures to verify that payments are properly authorized, recorded and documented. Using time cards to record arrival and departure times provides additional control over and accurate accounting for days and hours worked by employees.

When modifications and adjustments are made to time cards, there should be sufficient documentation supporting the reasons for the changes. In addition, properly calculated and documented time cards for all employees should be reviewed and approved by authorized supervisors. Supervisors should ensure all employees have time cards for all pay periods during which they worked. Also, supervisors should ensure that all employees use their time cards to properly punch in and out for all time periods that they worked.

Terms and conditions of collective bargaining agreements (CBA) that are not clearly communicated to those responsible for executing payroll activities can lead to uncertainty about job responsibilities, payments and benefits. This uncertainty could further result in unnecessary costs. The Board and District officials should adopt payroll policies and develop procedures to provide guidance and oversight for employees.

## Transportation Department Payrolls Were Not Properly Approved, Supported and Documented

Time Card Approvals – The Interim Transportation Supervisor (Interim Supervisor) was responsible for directly supervising and reviewing the time cards of all transportation department employees, which included all bus drivers, bus monitors and bus mechanics. The Interim Director of Facilities supervised and reviewed the time cards of the head custodian and foreman, and the head custodian supervised and reviewed the time cards of the custodians.

We scanned all transportation department employees' time cards for the period July 1, 2018 through November 30, 2018<sup>1</sup> to ensure they were properly approved by the previous and Interim Supervisors<sup>2</sup> and found that the previous Supervisor properly approved all time cards in July and August 2018. However, the Interim Supervisor did not properly approve the remainder of the time cards. He told us he did not believe approving time cards was part of his responsibilities. But, it was included in his job duties as defined in his civil service title.

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<sup>1</sup> Refer to Appendix B for further information on our sample selection.

<sup>2</sup> The previous Supervisor left District employment in September 2018. The Interim Supervisor was employed by the District from September 2018 through November 2019, when a new Supervisor was hired.

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We also reviewed all 13 time cards for the head bus driver for September 2018 through November 2018 and all 30 time cards for six full-time drivers in October 2018<sup>3</sup> and found that the head bus driver approved his own time cards and all the drivers' time cards. The Interim Supervisor told us he allowed the head bus driver to approve time cards because the head bus driver had a better knowledge of work schedules. District officials were unaware that the Interim Supervisor was not performing his oversight duties, such as approving time cards.

In addition, the Board did not adopt a payroll policy and District officials did not establish written procedures for the payroll function to provide clear guidance for employees approving payroll. If payroll information is not properly approved, the District has an increased risk of unnecessary payroll expenditures.

Missing and Unsupported Time Cards – According to the applicable CBA,<sup>4</sup> all 24 full-time driver/cleaners were required to clean school buildings midday between bus runs. Two different time cards were used for each driver/cleaner to properly record hours worked at the transportation garage (driving time card) and cleaning their assigned school building (cleaning time card). The CBA required the driver/cleaners to punch in and out on the time clock in each building any time they left and returned to the worksite.

We reviewed driving and cleaning time cards for all 24 full-time driver/cleaners for September 2018 through November 2018 to determine whether all had a driving and a cleaning time card. We found that three driver/cleaners did not have cleaning cards during this time period. However, they were paid for the entire day.

We then reviewed the driving and cleaning time cards of six full-time driver/cleaners during October 2017 and October 2018 to determine whether the time cards accurately reflected hours worked. We found that one driver/cleaner did not have a cleaning time card during October 2017,<sup>5</sup> but was paid for the entire day.

In addition, in October 2018, we found that two driver/cleaners did not have any cleaning time cards<sup>6</sup> and the remaining four driver/cleaners punched in midday to clean buildings on only 47 of 88 weekdays. For example, some of the driving time cards had “BG” written on them indicating the driver/cleaners had worked at the bus garage instead of cleaning at their assigned school building. Also, the head custodian indicated that driver/cleaners were a “no show” on some of the cleaning time cards.

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3 See supra, note 1.

4 The District had a CBA with the United School Workers of Mahopac (USWOM) union that represented all District drivers, mechanics, custodians and other nonteaching staff.

5 October 2017 payroll payments for this employee were calculated based on the time he punched in before his first bus run and the time he punched out at the end of the day.

6 October 2018 payroll payments for these employees were calculated based on the time they punched in before their first bus run and the time they punched out at the end of the day.

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The head bus driver told us that the driver/cleaners who did not have cleaning time cards during September 2018 through November 2018 and those who did not always punch-in to clean buildings at midday were at the bus garage assisting him, instead of cleaning buildings. He told us that the driver/cleaners assisted him with answering phones, clerical work and scheduling. However, officials did not provide us with documentation to indicate specific duties that required driver/cleaners to stay at the bus garage and not punch in at their assigned buildings to clean, as was required by the CBA. In addition, there was no process for the head driver to obtain permission from the head custodian to make the changes in assignments from cleaning to doing clerical work at the bus garage.

The Interim Supervisor told us he was unaware that these employees had missing cleaning time cards and were not punching in midday to clean buildings. The Interim Director of Facilities told us the head custodians were responsible for their staff. He also knew that the head custodians indicated that driver/cleaners were “no shows” at times, but had not taken any action.

Because employees did not punch in and out on the time clock, time records did not support actual hours worked. As a result, the District’s transportation department clerks could not verify the driving and cleaning time worked on the time cards and reconcile it to supporting documentation (e.g., trip sheets). As a result, District officials cannot ensure that employees were paid only for hours to which they were entitled.

Also, transportation department payroll was processed without needed supporting documentation, such as trip sheets, bus run rosters and midday schedules. As of November 2018, transportation department officials stopped providing this documentation to the department’s clerks for verification and support of scheduled hours.

The transportation department clerks told us that District officials did not address their requests for this documentation. Officials told us that the change in Supervisors likely caused this situation. Without evidence to support the number of midday hours worked, the District may have paid these employees for work they did not perform.

CBA Language – The CBA stated that “except for lunch and approved breaks, employees shall be required to punch in and out on the time clock any time they leave and return to the worksite”. As a result, employees believed they were not required to punch out if they left the building for lunch, even though they were leaving the second worksite at the end of their cleaning shift.

During our review of cleaning time cards for all full-time driver/cleaners for September 2018 through November 2018, we found that employees did not punch out midday at the end of their cleaning shifts before lunch. Because the CBA language was unclear, employees did not follow the correct cleaning time

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card procedure, which increased the risk that the District could have made improper payroll payments to these employees.

### **Payments to the Head Bus Driver Were Not Always Properly Approved, Calculated and Documented**

We reviewed the head bus driver's 22 time cards for July 1, 2018 through November 30, 2018<sup>7</sup> and found the following issues:

- The Interim Supervisor did not adequately supervise the head bus driver's duties. Thirteen of the head bus driver's 22 time cards in our sample did not have proper approval. When the previous Supervisor left District employment, the head bus driver signed off and approved his own time cards.
- The head bus driver claimed overtime for 92 out of 98 days worked, for which he received \$14,600 or 33 percent of his total earnings of \$43,595. However, this overtime was not authorized by the Interim Supervisor, and there was no supporting documentation to support the hours worked, such as a record of work performed.
- The head bus driver miscalculated when he totaled his own time cards, and his calculations were not verified or approved by his supervisor. We identified inaccurate time card calculations for 36 of 98 days that the head bus driver worked during our sample period. This resulted in overpayments totaling \$1,970 for 41.5 hours from July 2, 2018 through November 30, 2018. For example, on September 10, 2018, the head bus driver's time card was punched in at 4:30 am and punched out at 4:30 pm, or 12 hours total. However, he was only entitled to 3.5 hours of overtime pay.<sup>8</sup> Because the Interim Supervisor did not review and verify the head bus driver's time cards, this miscalculation was not identified and corrected.
- All of the head bus driver's time card punches on Saturdays were illegible<sup>9</sup> and/or handwritten and were not approved by the Interim Supervisor. We also found that 33 hours of overtime totaling \$1,567 was paid to the head bus driver based on his handwritten times instead of time card punches, and 40.25 hours totaling \$1,911 were paid based on illegible punch cards.

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7 See supra, note 1.

8 12 hours worked minus 8 hours regular time worked minus 0.5 hour unpaid lunch = 3.5 hours of overtime worked

9 We found that some of the time cards were double-punched and could not be accurately read, and/or the ink of the punches themselves was faint and was difficult to read or could not be read. We also found that some of the cards were not punched in or out, but instead had handwritten information to indicate start and end times which could not be read.



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The Interim Supervisor told us he did not know the head bus driver's schedule and did not ensure overtime was necessary and properly documented. Because the Interim Supervisor did not adequately supervise the head bus driver's time and attendance records, the District paid the head bus driver for \$14,600 in unauthorized, miscalculated and possibly unwarranted overtime payments.

### **Certain Payments to the Union President Lacked Supporting Documentation**

According to the USWOM union's<sup>10</sup> CBA, "the union President shall be employed under the principle of 'first in and last out' – up to one hour daily overtime for 180 days when schools are in session." Although in our view this language is not entirely clear, it suggests that the Union President is entitled to an extra hour each day for the 180 days when school is in session.

We reviewed the time cards and payroll information for USWOM's Union President<sup>11</sup> for October 2017 and October 2018 and found he received an additional \$487 in overtime payments for October 2017 and \$509 for October 2018 because he added an extra hour to the total hours he punched in and out for each day he worked during those two months, instead of clocking in to work for the additional hour.

Officials did not provide us with any documentation to support that the Union President actually worked the extra hour each day. As a result, the District may have inappropriately paid \$996 in overtime payments to the Union President for hours he did not work during the two months we reviewed. We scanned time cards for additional months and found that this was a consistent practice throughout the years, so the total unsupported overtime payments were substantially more.

### **How Should Officials Monitor and Control Overtime?**

While overtime pay may be an expected cost of doing business, it should be carefully monitored and controlled to help minimize expenditures. Written overtime policies and procedures should address how and when overtime may be incurred, preapproval requirements and documentation needed to support overtime worked. Supervisors should monitor employee schedules and ensure all overtime hours have been approved prior to employees performing overtime work.

To control overtime costs, the District should have a written plan to guide the assignment of overtime hours in the most efficient and effective manner. When

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<sup>10</sup> See supra, note 4.

<sup>11</sup> During our audit period, the Union President worked as a part-time bus driver for the District.



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the factors that create overtime are analyzed, management may be able to take alternative action without using overtime. To potentially save money, overtime should be incurred only when necessary.

### **Overtime Was Not Adequately Authorized, Monitored and Controlled**

The Interim Supervisor did not adequately authorize, monitor and ensure overtime was necessary and supported by documentation. The District paid \$838,745 in overtime for the 2017-18 fiscal year, of which \$366,645 (44 percent) was for the transportation department.

According to the CBA, shift hours for bus drivers were from 6:00 am to 6:00 pm, with the exception of one bus run that started at 4:30 am. Also, the Interim Supervisor told us that scheduled run times allowed for prep time of buses.

During our review of time cards for six full-time driver/cleaners during October 2017 and October 2018 and 10 part-time bus drivers during November 2017 and November 2018,<sup>12</sup> we found that three full-time drivers and six part-time drivers punched in 15 minutes to one hour earlier than their scheduled starting time.<sup>13</sup> This resulted in the three full-time drivers working 24.5 hours of overtime, for which they received a combined total of \$689 during October 2017 and October 2018. The six part-time drivers worked 171.75 hours more than they were scheduled, for which they received a combined total of approximately \$4,890 during November 2017 and November 2018.

These unnecessary payments occurred because the Interim Supervisor and head bus driver did not provide adequate supervision to ensure that employees adhered to the established bus run schedules. As a result, the District paid \$5,579 in unnecessary costs to its bus drivers during the two months we reviewed.

The District did not have any overtime policies that addressed proper use of overtime and required authorizations. Also, the CBA did not address overtime other than indicating that overtime assignments should be based on seniority and that sign-in sheets should be used to identify overtime worked.

As a result, supervisors and employees did not have any guidance to follow when determining whether overtime was needed and how to adequately approve and document necessary overtime work. Consequently, the head bus driver signed off on time cards and approved overtime without documentation to support its necessity.

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<sup>12</sup> See supra, note 1.

<sup>13</sup> As indicated on the bus run roster

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## The District Could Have Reduced Mechanic Overtime Costs

The District did not have a written plan to guide the assignment of mechanic overtime hours for bus monitoring and driving. During our audit period, the District's bus mechanics worked two shifts (first and second). When a substitute bus monitor or driver was needed, a mechanic would fill in for those duties, which was considered "out of title" work.

However, when the mechanics were working as bus monitors and drivers, their mechanic duties still had to be completed, which required the mechanics to work overtime. If the District hired part-time bus monitors and drivers, this would allow the mechanics to complete their mechanic duties during regularly scheduled work hours, thereby reducing the number of overtime hours needed.

In addition, although the mechanics were not performing any mechanic duties while monitoring and driving buses, they still received their higher mechanic salaries. Also, when a second-shift mechanic was called in to monitor or drive a bus, the mechanic was paid a minimum of four hours regardless of how long it took to monitor or drive the bus. If the District used part-time or per diem bus monitors and drivers, these employees would be paid at a lower rate and only for hours worked, which could also reduce overtime costs.

We reviewed payroll payments for all 10 mechanics and found they were paid overtime for mechanic and out-of-title work totaling \$24,069 during October 2017 and October 2018.<sup>14</sup> If officials had used part-time bus monitors and drivers instead of full-time mechanics, they could have paid those employees \$13,749, which is a cost savings of \$10,320 (Figure 1).<sup>15</sup>

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<sup>14</sup> See supra, note 1.

<sup>15</sup> Refer to Appendix B for a description of our cost savings calculations.

**Figure 1: Potential Overtime Cost Savings**

	Job Duty	Overtime Paid	Cost Using Part-Time Employees	Potential Cost Savings
<b>October 2017<sup>a</sup></b>	Bus Driving Overtime	\$3,482	\$1,970	\$1,512
	Mechanic Overtime	\$3,187	\$1,700	\$1,487
	<b>Totals</b>	<b>\$6,669</b>	<b>\$3,670</b>	<b>\$2,999</b>
<b>October 2018</b>	Bus Driving Overtime	\$1,902	\$954	\$948
	Bus Monitor Overtime	\$891	\$348	\$543
	Mechanic Overtime	\$14,607	\$8,777	\$5,830
	<b>Totals</b>	<b>\$17,400</b>	<b>\$10,079</b>	<b>\$7,321</b>
<b>Grand Totals</b>		<b>\$24,069</b>	<b>\$13,749</b>	<b>\$10,320</b>

a The District did not pay the mechanics for bus monitor overtime during October 2017.

District officials did not analyze the factors that created mechanic overtime to ensure that their overtime hours were necessary. As a result, officials did not consider the factors we identified for reducing mechanic overtime costs by between \$2,999 and \$7,321 per month.

### Why Should Officials Segregate Payroll Duties?

Payroll duties should be segregated so that one person does not control all phases of the payroll process. The board should ensure that payroll authorizations (e.g., adding and removing employees and changing pay rates) are segregated from preparing and processing payroll records and checks. If the district is unable to segregate payroll duties, officials should review the work performed by the payroll clerks and review payroll change reports.

### Officials Did Not Adequately Segregate the Payroll Function

Both District payroll clerks entered payroll information into the system, had the ability to enter hours worked, make changes in pay rates and process payroll payments, including overtime. In addition, no one was assigned to verify payroll information entered by the clerks. Although the Assistant Superintendent for Business certified the payrolls, this was not an adequate control to detect payroll errors because he performed a limited review and was not provided with payroll change reports.

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Officials were unaware that the payroll clerks were performing incompatible duties because they did not review the payroll clerks' responsibilities. Because officials did not segregate incompatible payroll duties or provide adequate oversight of the work performed by the payroll clerks, the District had an increased risk that payroll inaccuracies or fraud could occur and remain undetected.

## **What Do We Recommend?**

The Board should:

1. Adopt a comprehensive policy to document requirements for authorizing, recording and documenting payroll.
2. Consider amending the CBA to provide clearer instruction regarding when driver/cleaners should punch in and out upon leaving their worksites at the end of their driving and cleaning shifts.
3. Adopt a comprehensive overtime policy that addresses proper use of overtime, required authorizations and guides the assignment of overtime hours in the most efficient and effective manner.
4. In consultation with legal counsel, review the USWOM union's CBA and, as appropriate, amend language in future agreements to help clarify when the Union President is entitled to overtime.
5. Discuss with the District's legal counsel the possibility of recovering inappropriate payroll payments made to the head bus driver and Union President.

District officials should:

6. Ensure the Supervisor reviews all transportation department employees' time cards for accuracy and approves them before they are submitted to the payroll department.
7. Establish written procedures for the payroll function to provide clear guidance for employees approving payroll.
8. Ensure the Supervisor requires all employees to have time cards for all pay periods during which they worked.
9. Ensure that the transportation department provides all supporting documentation, such as trip sheets, bus run rosters and midday schedules, to its clerks for verification and support of regular scheduled and unplanned overtime work hours.

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10. Provide clear instructions to driver/cleaners regarding when they should punch in and out upon leaving their worksites at the end of their driving and cleaning shifts.
  11. Analyze the factors that create overtime to ensure that overtime hours are necessary. Also, consider hiring part-time or per diem bus drivers and monitors and using them as substitutes, instead of requiring bus mechanics to perform out-of-title work, to help reduce hourly rates and overtime costs.
  12. Assign the payroll functions of entering new employee information and payroll rate changes in the payroll system to separate employees and provide payroll change reports to the official who certifies the payroll.

The Supervisor should:

13. Review all transportation department employees' time cards for accuracy and approve them before they are submitted to the payroll department.
14. Ensure all employees have time cards for all pay periods during which they worked.
15. Ensure all employees perform their job duties and responsibilities as indicated by their civil service titles and/or required by their CBA.
16. Ensure that employees properly punch in and out each time they start and end their shifts to record their actual time worked. Do not allow employees to submit illegible and/or handwritten time cards for proof of time worked.
17. Ensure that all supporting documentation, such as trip sheets, bus run rosters and midday schedules, are provided to the transportation department's clerks for verification and support of regular scheduled and unplanned overtime work hours.
18. Ensure employees obtain written preapprovals before working overtime for all instances where overtime can be planned in advance.
19. Ensure that the hours worked by and paid to the Union President for union work are properly documented and supported.
20. Ensure that employees adhere to their work schedules and punch in and out at the properly scheduled times.

# Appendix A: Response From District Officials

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## MAHOPAC CENTRAL SCHOOL DISTRICT

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*Superintendent of Schools  
Anthony DiCarlo*

July 20, 2020

**Via email: Muni-Newburgh@osc.ny.gov**

Lisa Reynolds, Chief Examiner  
33 Airport Center Drive, Suite 103  
New Windsor, NY 13901-4417

Re: 2020M-32

Dear Ms. Reynolds:

We are in receipt the draft audit report (2020M-32) dated April 2020 on non- instructional payroll of the District's transportation operations. We agree with your audit findings

In the coming weeks, we will be submitting our Corrective Action Plan, which will thoroughly address each of your findings and corresponding recommendations.

We appreciate your audit team's initiative in reviewing aspects of our non-instructional payroll procedures regarding transportation operations, and look forward to strengthening them as we implement the forthcoming Corrective Action Plan.

Thank you,

Anthony DiCarlo  
Superintendent of Schools

c: Sandra Clohessy, Assistant Superintendent of Business (via email)

*179 East Lake Blvd., Mahopac, NY 10541-1666 (845) 628-3415 Fax (845) 628-0261*

## Appendix B: Audit Methodology and Standards

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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 and employees to gain an understanding of the payroll process, including employee duties.
- We reviewed board minutes, CBAs and Putnam County Civil Service job specifications to gain an understanding of the job responsibilities and employment terms and conditions of noninstructional titles.
- We scanned all transportation department employees' time cards for the period July 1, 2018 through November 30, 2018 to ensure they were properly approved. We chose this time period because it was the most recent school year within our audit period.
- We reviewed driving and cleaning time cards, bus run schedules and field and sport trip sheets for six of 24 full-time bus driver/cleaners who had the highest overtime payments during our audit period. We determined whether the six driver/cleaners' time and attendance were appropriately recorded and properly managed during October 2018 and October 2019. We chose to review the month of October because it was the first full month of the school year and October 2017 and October 2018 because they both were in our audit period. In addition, October 2017 occurred when the previous Supervisor was employed by the District and October 2018 occurred when the Interim Supervisor was employed. We also chose these two months because during our scan of all transportation employees' time cards for the period July 1, 2018 through November 30, 2018, we noticed large differences in the time cards for these two months. We compared time cards and bus run schedules to determine whether punch-in times were appropriate and properly approved by the previous and Interim Supervisors and to identify potential cost savings. We also reviewed cleaning time cards to determine whether the driver/cleaners fulfilled their cleaning duties according to the CBA.
- We used our professional judgment to select five of 58 part-time drivers who worked the most overtime hours and had the highest vacation pay during our audit period. We then randomly selected an additional five part-time drivers. We compared the time cards and bus run schedules for these 10 drivers to determine whether their time worked matched their schedules during the first 15 days of November 2017 and November 2018. We chose to review the month of November because it was the last month of our audit period. We chose the first two weeks of November because it contained 10 full workdays without holidays and November 2017 and November 2018 so that we could compare between the two fiscal years that occurred during our audit period.



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- We compared overtime worked for all 10 bus mechanics as indicated on their time cards for October 2017 and October 2018 to determine any differences in overtime hours worked for these two months. We chose to review the month of October because it was the first full month of the school year and October 2017 and October 2018 because they both were in our audit period. In addition, October 2017 occurred when the previous Supervisor was employed by the District and October 2018 occurred when the Interim Supervisor was employed. We calculated potential overtime cost savings using amounts paid compared to amounts calculated using part-time employees' rates. Cost savings were calculated by subtracting the cost of using part-time employees from the overtime paid to mechanics. The cost of using part-time employees was calculated by multiplying the number of overtime hours worked by the pay rates of part-time employees.
  - We reviewed the head bus driver's time cards for July 1, 2018 through November 30, 2018 to determine whether payments were properly approved, calculated and documented. We chose this time period (July 1, 2018 through November 30, 2018) because it was the most recent school year within our audit period. We determined whether time cards were approved by a supervisor and calculated the total hours worked after deducting a half hour required break. We then compared our calculation of total hours worked to the total hours written on the time cards to determine whether the hours listed were accurate. Handwritten time cards and illegible punches on time cards were separately recorded and totaled as regular and overtime hours.
  - We reviewed the Union President's time cards and payroll information for October 2017 and October 2018 to determine whether the overtime hours for which he was paid were properly documented and supported. We chose to review the month of October because it was the first full month of the school year and October 2017 and October 2018 because they both were in our audit period. In addition, October 2017 occurred when the previous Supervisor was employed by the District and October 2018 occurred when the Interim Supervisor was employed.
  - We reviewed all budget transfers for the July 1, 2017 through June 30, 2018 fiscal year to determine whether transfers to-and-from noninstructional payroll account lines were reasonable. We chose to review this time period because it represented the only complete fiscal year during our audit period.
  - We analyzed account codes from the District's payroll transaction report for the 2017-18 fiscal year to identify which department paid the highest amount of overtime and to determine whether the overtime payments were properly budgeted and/or managed.
  - We used our professional judgment to review 25 out of 200 noninstructional employees who received the most overtime payments during our audit

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period. We determined whether overtime amounts paid were reasonable based on employees' civil service titles and identified employees for further testing.

- We used our professional judgement to review five noninstructional employees (three bus mechanics, one driver/cleaner and the Union President) who were paid overtime to perform out-of-title job duties to determine whether payroll expenditures were properly monitored and controlled.
- We reviewed and compared salaries and health insurance buyouts to contracts and viewed withholdings for three employees who could make changes to payroll information to determine the accuracy of their payroll payments.

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

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.

The Board has the responsibility to initiate corrective action. 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-a (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 next 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. The CAP should be posted on the District's website for public review.

## Appendix C: Resources and Services

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### **Regional Office Directory**

[www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2018-12/regional\\_directory.pdf](http://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2018-12/regional_directory.pdf)

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

[www.osc.state.ny.us/local-government/publications?title=&body\\_value=&field\\_topics\\_target\\_id=263196&issued=All](http://www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263196&issued=All)

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

[www.osc.state.ny.us/local-government/fiscal-monitoring](http://www.osc.state.ny.us/local-government/fiscal-monitoring)

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

[www.osc.state.ny.us/local-government/publications?title=&body\\_value=&field\\_topics\\_target\\_id=263206&issued=All](http://www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263206&issued=All)

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

[www.osc.state.ny.us/local-government/resources/planning-resources](http://www.osc.state.ny.us/local-government/resources/planning-resources)

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

[www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-05/cyber-security-guide.pdf](http://www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-05/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/local-government/required-reporting](http://www.osc.state.ny.us/local-government/required-reporting)

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

[www.osc.state.ny.us/local-government/publications?title=&body\\_value=&field\\_topics\\_target\\_id=263211&issued=All](http://www.osc.state.ny.us/local-government/publications?title=&body_value=&field_topics_target_id=263211&issued=All)

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

[www.osc.state.ny.us/local-government/academy](http://www.osc.state.ny.us/local-government/academy)

## Contact

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

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: [localgov@osc.ny.gov](mailto:localgov@osc.ny.gov)

[www.osc.state.ny.us/local-government](http://www.osc.state.ny.us/local-government)

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

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**NEWBURGH REGIONAL OFFICE** – Lisa Reynolds, Chief Examiner

33 Airport Center Drive, Suite 103 • New Windsor, New York 12553-4725

Tel (845) 567-0858 • Fax (845) 567-0080 • Email: [Muni-Newburgh@osc.ny.gov](mailto:Muni-Newburgh@osc.ny.gov)

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