

East Meadow Union Free School District

Overtime

2022M-118 | February 2023

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Report Highlights

East Meadow Union Free School District

Audit Objective

Determine whether the East Meadow Union Free School District (District) officials properly approved, monitored and controlled the Facilities and Operations Department (Department) overtime.

Key Findings

District officials did not properly approve, monitor and control overtime worked by Department employees. The Department's overtime costs were 97 percent of the District's total overtime costs during our audit period. We reviewed \$381,878 (29 percent) and found that:

- Department employees were paid \$194,514 for overtime worked up to 20 days without supervisory approval.
- District officials paid \$31,486 for 605 hours of overtime worked without supervisory approval.
- District officials exceeded the Department's overtime budget from 2018-19 through 2021-22 by \$1,107,396.
- District officials did not ensure that written approval was obtained before all overtime was worked; therefore, employees may have worked unnecessary overtime. As a result, the increased overtime will also increase the amount owed by the District annually to the State, for its share of the cost of the employees' retirement benefits.

Key Recommendations

- Ensure all non-emergency overtime is preapproved in writing, properly documented and monitored.
- Adopt a realistic Department overtime budget and monitor it throughout the year.

District officials disagreed with certain findings in our report. Appendix C includes our comments on issues officials raised in their response.

Background

The District is located in the Town of Hempstead in Nassau County.

An elected seven-member Board of Education (Board) is responsible for the general management and control of the District's financial and educational affairs.

The Superintendent of Schools (Superintendent) is the chief executive officer responsible, along with other administrative staff, for the day-to-day management under the Board's direction. The Director of Facilities and Operations (Director) is responsible for the management of the Department including the approval of overtime.

Quick Facts

Department Overtime

July 1, 2018 to June 30, 2022

Actual	\$2,551,359
Budgeted	1,443,963
Variance	\$1,107,396

Audit Period

July 1, 2020 – December 31, 2021

We extended our scope period back to July 1, 2018 and to June 30, 2022 to review budgeted and actual overtime.

Overtime

The District's employee handbook defines overtime as additional work responsibilities after an employee's regular shift. Employees may be asked to work overtime by their respective supervisor. Overtime can only be authorized in advance by the employee's supervisor prior to working the overtime hours. The rate of pay for overtime is determined by the terms and conditions of the employee's specific collective bargaining agreement (CBA). The District's CBA for Department employees states that overtime will be paid for work performed before and after an employee's regular work hours. The District generally pays overtime worked at time and one-half of the employee's regular hourly rate. While overtime pay may be an expected cost of doing business, it should be carefully monitored and controlled to help minimize costs. Overtime should be incurred only when circumstances arise and cannot be avoided.

How Should District Officials Approve, Monitor and Control Overtime?

To control overtime hours, the District should have a written plan to guide the use of overtime hours in an efficient and effective manner. Adequate controls for overtime include the adoption of a written policy and procedures that dictate how and when overtime may be incurred, the preapproval requirements and documentation needed to support overtime worked. When the factors that create overtime are analyzed, officials may be able to take alternative action to effectively cover non-critical work without using overtime. Prior written authorization should be required for all non-emergency overtime hours and granted only for specific, verifiable purposes, consistent with the employee's CBA. Preapproval should be obtained in all instances where overtime can be planned in advance, such as for scheduled school events or the second day of an emergency event. In emergency situations, the Director should verbally preapprove overtime to be incurred, and review overtime records to determine whether the overtime hours worked were appropriate. Additionally, District officials should monitor the budget periodically to ensure that appropriations are available for overtime costs.

The District's procedures require that a Department overtime and compensatory work request form be completed to request preapproval of overtime. This form is generally signed by a Department supervisor, the Director and the Assistant Superintendent for Business (Assistant Superintendent). The Assistant Superintendent and Director told us that the Director is required to approve all overtime for Department employees and his approval is final. In instances when the Director is not working, the Assistant Superintendent will preapprove overtime for Department employees. District officials also told us that overtime can also be preapproved verbally, or by sending a text message or email. When these methods are used, the form should be submitted for approval the next day.

An overtime claim form is prepared and submitted after overtime hours are worked to document the date, total overtime hours worked, the employee's payrate and the reason for working overtime. This form should be signed by the respective supervisor and the Director to approve payment.

Overtime Was Not Adequately Approved, Monitored and Controlled

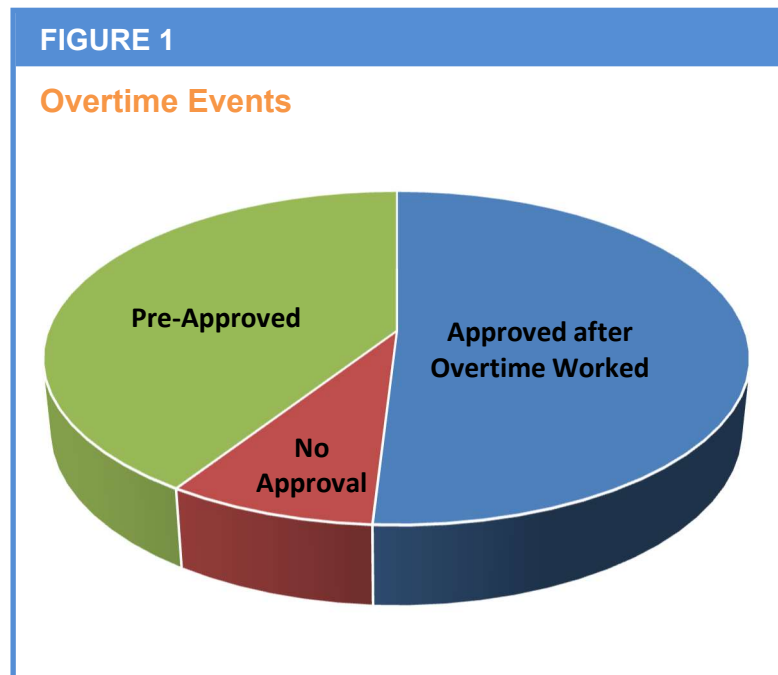
District officials did not adequately approve, monitor and control overtime worked by Department employees. The majority of overtime worked was either not approved by a supervisor or approved after the overtime work was performed.

From July 1, 2020 through December 31, 2021, 88 of 112 Department employees received a total of \$1,298,796 in paid overtime; the Department's overtime costs were 97 percent of the District's overall overtime costs during our audit period. Appendix A shows the overtime payments made to 13 of the Department's top overtime earners for the audit period, earning a total of 36 percent of the Department's overtime.

We reviewed support for overtime paid to Department employees totaling \$381,878 (29 percent), which consisted of 793 overtime instances. Based on our review, Department employees received preapproval for 238 overtime instances totaling \$155,878. However, Department employees received \$226,000 (59 percent) in overtime that was not approved or approved after the overtime had been worked (Figure 1).

We found that the District paid \$31,486 in overtime to Department employees for 101 overtime instances without any approval for the overtime. For example, overtime was not approved for seven employees who were paid \$2,127 (for 43 overtime hours) worked on September 4, 2021.

We also found that the District approved overtime after the overtime was worked by Department employees for 454 overtime instances and costing \$194,514. For example, the overtime request form for three employees, who were paid



\$1,133 (for 24 overtime hours) for furniture delivered on September 8, 2021, was approved on September 27, 2021, 19 days after the overtime was worked.

Additionally, we reviewed instances where overtime was approved after the work was performed to determine why the overtime was earned. We classified the overtime worked into three categories: emergencies, absenteeism (coverage when another employee is out sick or on vacation) and non-emergencies. We reviewed these overtime approvals to determine the amount that was approved the day following when overtime was worked, and the amount that was approved more than one day after the overtime was worked. Eighty-two percent (\$158,955) of the overtime reviewed was approved more than one day after being worked. The remaining 18 percent (\$35,559) of overtime was approved the following day (Figure 2).

Figure 2: Overtime Hours Approved After Overtime Worked

Reason	Overtime Instances	Hours	Payments	Percentage of Payments for Overtime Approved One Day Late	Percentage of Payments for Overtime Approved More than One Day Late
Emergencies	13	337	\$17,417	0.1%	8.8%
Absenteeism	208	1,085.5	55,825	5.1%	23.6%
Non-Emergencies	233	2,244	121,272	13.1%	49.3%
Total	454	3,666.5	\$194,514	18.3%	81.7%

Of the 454 overtime instances that were approved late, 356 instances (78 percent) were approved between two and 20 days after the overtime was worked. This includes 11 overtime instances that were for emergencies. While it may not be possible to preapprove all overtime worked in emergencies, District procedures require that the overtime request form be approved the following day. Overtime should be preapproved unless an emergency precludes it. Furthermore, the respective Department supervisors and the Director could have scheduled employees' work hours to avoid or reduce overtime for some non-emergency events, including the library construction project that was planned well in advance.

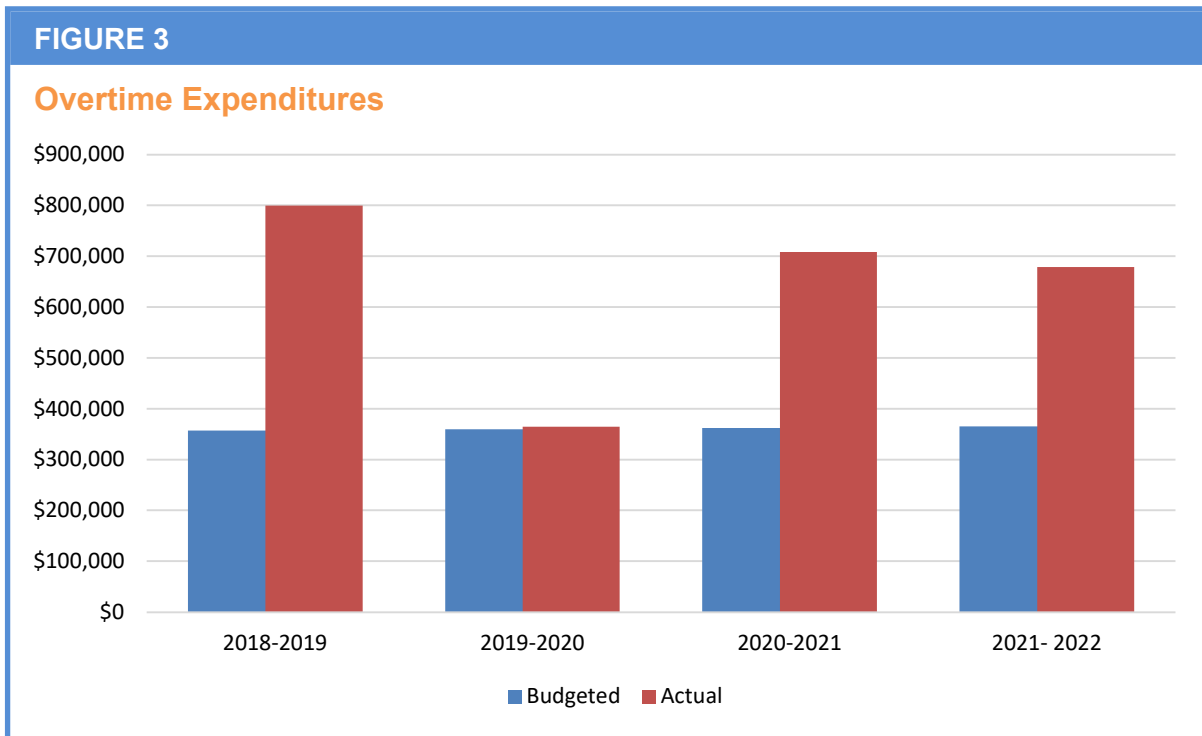
The Director told us that when overtime was not preapproved, it was either due to an emergency or that he was not informed of the overtime until after it was worked. The Director also said that there were instances where he verbally approved employees to work overtime; however, the employees took several days before they took the form to the Director for written approval. Not requiring employees to adhere to District procedures could result in the employees working unnecessary overtime. This would increase the District's operational and pension costs. The higher the overtime, the greater the District's current contributions to the retirement systems for the future pension payments.

Although District officials signed the overtime claim forms to authorize payment, non-emergency overtime should be approved before it is worked. Because District officials did not ensure that written preapproval was obtained for all overtime worked or document a timely review of overtime when preapproval could not be obtained, they cannot be certain that the District did not incur unnecessary overtime costs.

District Officials Did Not Adequately Monitor the Overtime Budget

The Board generally has the authority and responsibility to adopt realistic, structurally balanced budgets and to monitor the budget continually. After the budget has been enacted, it is the combined responsibility of department heads and other District officials to see that sufficient resources are available and that needed services are provided within budget parameters.

District officials did not adequately monitor the overtime budget to ensure that sufficient appropriations were available for overtime costs. The District exceeded the Department's overtime budget for the four fiscal years reviewed by a total of \$1,107,396 (Figure 3).



Between 2018-19 and 2021-22, the Department's total budgeted overtime was \$1,443,963, while actual overtime costs were \$2,551,359. On average, overtime expenditures exceeded the budgeted overtime each year by 77 percent.

Because District officials did not adequately monitor overtime, they cannot be certain that the District needed to incur the significant overtime costs. Furthermore, officials did not always make amendments to the District's budgets to transfer unused appropriations from other accounts to cover the overtime costs for which budgeted amounts were insufficient. Such amendments are an expected and necessary step to help the District maintain control over the District's expenditures and ensure overall expenditures stay within overall budgeted amounts.

The Assistant Superintendent said that he is aware that the amount budgeted for overtime was inadequate but hoped that the lower budgeted amounts could help prevent excessive overtime. However, consistently budgeting for overtime at amounts that are insufficient is neither transparent nor a sound budgetary practice. The Superintendent said that during the pandemic, unexpected situations arose that required overtime, which contributed to overtime costs exceeding the amounts budgeted. District officials' ability to monitor overtime was compromised because they did not adequately budget for the overtime that was necessary.

What Do We Recommend?

The Board should:

1. Adopt a policy with clear guidelines and procedures for overtime work, including preapproval of overtime.

District officials should:

2. Ensure all Department non-emergency overtime is preapproved in writing, properly documented and monitored.
3. Ensure that in emergency situations, for monitoring purposes, the overtime approval form is completed the next day as required by District policy.
4. Consider scheduling Department employees' work hours to cover non-emergency events to reduce overtime costs.
5. Develop realistic Department overtime budgets based on anticipated overtime and historic trends.
6. Ensure the Department overtime budget is periodically monitored and budgetary amendments are made when warranted to prevent appropriations from being over-expended.

Appendix A: Top Overtime Earners

Top Overtime Earners (July 1, 2020 through December 31, 2021)

Position	Compensation			Overtime as a Percentage of Base Salary
	Overtime	Base Salary	Total Compensation*	
Head Custodian II	\$46,522	\$127,752	\$179,322	36%
Head Custodian III	40,585	135,477	183,429	30%
Custodian III	39,823	129,970	173,655	31%
Custodian	38,200	109,108	153,336	35%
Custodian	37,781	99,410	143,401	38%
Head Custodian I	35,327	121,034	161,140	29%
Custodian	35,174	109,108	148,988	32%
Custodian	34,252	109,108	158,978	31%
Maintainer	33,864	114,485	151,360	30%
Maintainer	32,840	118,178	154,983	28%
Maintainer	32,306	109,108	144,572	30%
Assistant Head Custodian	31,782	114,704	151,331	28%
Maintainer	31,361	106,943	141,554	29%
Total	\$469,817	\$1,504,385	\$2,046,049	31%

*In some cases, Total Compensation includes other payments in addition to Overtime and Base Salary.

Appendix B: Response From District Officials



DR. KENNETH A. CARD, JR.
Superintendent of Schools
January 4, 2023

DR. PATRICK PIZZO
Assistant Superintendent
for Business and Finance

Mr. Ira McCracken
Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street
Albany, New York 12236

Dear Mr. McCracken,

Thank you to the assigned auditors who worked diligently and professionally addressed the guidelines of their task, which spanned over two years of work and covered a range of over four years. District employees worked collaboratively to quickly provide any requested documentation, and I believe we effectively complied. It is our goal to effectively manage taxpayer funds and provide the best learning environment to support the needs of our children served. Any recommendations provided by any audit are used to improve our process. We appreciate the time spent to offer this guidance, but there are some items which I would like to respectfully request consideration.

Respectfully consider that the period examined was during some of the most trying times of the COVID pandemic. Our district, similar to other districts, suffered extensive illness, mandated quarantine periods, and several deaths during this time. From the beginning of the Pandemic, until the middle of December we lost 796 manpower days (6,368 man-power hours) in the areas examined alone. Furthermore, members of our approval lines (Principals, Directors, and Supervisors) were often out, attributable to illness and /or mandated quarantine periods, impacting on the timeliness of the approvals identified.

First, I will first address the various assertions in the narrative, by subheading, in the order listed, of the document produced by the OSC Auditors. I have highlighted pertinent areas in red, and numbered, on their document and will reproduce each area here, followed by my proposed response (original, unmodified OSC document will also be attached).

Leon J. Campo Salisbury Center • 718 The Plain Road • Westbury, NY 11590 • (516) 478-5737 • Fax (516) 478-5750

Key Findings:

- (1) District officials did not properly approve, monitor and control overtime worked by Department employees. The Department's overtime costs were 97 percent of the District's total overtime costs during our audit period. We reviewed \$381,878 (29 percent) and found that:
- (2) District officials did not ensure that written approval was obtained before all overtime was worked; therefore, employees may have worked unnecessary overtime. As a result, the increased overtime will also increase the amount owed by the District annually to the State, for its share of the cost of the employees' retirement benefits.

Respectfully, our process is comprehensive in scope as an effective control during normal operating periods. We are intent on having our prescribed plan followed consistently moving forward, as we move away from the unprecedented challenges associated with COVID-19. I would like to detail the responsibilities of each level of overtime approval:

We implemented, prior to this audit, an approval process which consists of our four levels of approval:

1. **Requester**- Either the Head Custodian (9) or a District Supervisor (2) are at this level. These are important positions, with levels of authority within their areas. Custodial staff, tradespeople, and groundkeepers do not, and may not, request overtime; overtime can only be requested by this first-level supervisor.

Civil Service job descriptions
 - (a) Head Custodian- **Supervises** all the cleaning and maintenance activities in a school building; performs related duties as required.
 - (b) Supervisor- **Plans, directs, assigns, and evaluates** the work of the maintenance staff in a large school district; performs related duties as required.
2. **Building Principal** (not applicable for district wide issues)- This is the Building Leader who completes the employee evaluation of their Head Custodian. The Principal is the highest level of authority within their assigned school building.
3. **Director of Facilities**- Manages the districtwide funding of overtime to ensure overtime is "task-based" and distributed among the areas equitably to ensure all students are provided an equivalent benefit academically and environmentally. The Director serves the needs of the building and the building leader. Only unnecessary work proposed would be challenged, and this is rarely an issue as the Principals take their responsibilities very seriously. Most often a director would offer an alternative solution (outside vendor, planned capital project) opposed to over-ruling a Principals request. The director is also tasked with confirming the work was completed before approving in writing a verbal approval. The overtime protocol serves as a real-time tool to track the completion of

repair and preventative maintenance projects completed in-house by custodian/maintenance workers avoiding more expensive outside contractors.

4. **Assistant Superintendent for Business and Finance-** Receives the overtime requests, often after the date of the work, as a redundancy to confirm there is not a trend which is not equitable between buildings. Furthermore, comparisons are compiled to track totals against prior periods and data is reported monthly to the Board of Education where any substantive change must be either explained or addressed. This is an additional step to track trends and identify areas for improvement, or altered response, moving forward. This step ensures that he has information in real time to make needed corrections before the completion of the reporting process, if necessary.

My understanding on this claim is that during our COVID emergency all levels of approval were not secured, in writing, in advance of the work completed. During COVID we often had members of the approval process who were either out with COVID, or honoring required quarantine periods. This did delay our approval process, as stated in the report provided. Our process, is highly effective during non-pandemic conditions, but did not maintain our designed level of control during this once in a hundred year challenge.

See
Note 1
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In the instances cited, Level 1 (Head Custodian or Supervisor) and Level 2 (Principal, where applicable) both, approved the work completed in advance as soon as they were available on site; these two levels always approve work prior, even if it must be done verbally in their absence. The Director of Facilities (Level 3) states that he approved the work verbally and confirmed this by signing the approval form after the work was completed. The Assistant Superintendent for Business and Finance completed his normal protocol of evaluating and tracking in preparation of a monthly report presented for Board of Education approval.

See
Note 2
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Based on my evaluation all building-level work had two levels of supervisory approval and one level of districtwide verbal approval. Respectfully, this is still an effective multi-level control. Supervisor requested had one level of written supervisory approval and one level of verbal approval (Principal not applicable in these areas). As maintenance or grounds work is relatively easy to quantify after the fact, this is also an effective control. Outside of a 100-year pandemic, we are able to mitigate the instances of third level of approval not being obtained formally prior to the work commencing, but this does not invalidate the efficacy of two levels of building-level approval and one level of verbal approval centrally.

See
Note 2
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If emergency overtime was requested, and not completed, the Director of Facilities would be required to withhold authorization and commence a disciplinary process; there is no evidence presented, or identified by district staff, which would have warranted this procedure during the period identified. Some of the additional work mentioned in the report included setting up classrooms for our new Pre-K program (180 additional seats in 5 buildings), while we were also preparing for a full September reopening for the first time in over a year and a half.

Frontline Workers v. Office Staff: Requirements of the Job:

I applaud the agencies in New York State who prudently limited staff person-to-person contact during our continuing nationwide COVID ordeal. Many lives have been saved, illness avoided, and the ability of hospital to address people in need of care has been assisted. This was not an option though for the front-line facilities workers in our schools. All of our facilities workers have been affected by sickness and death, personally and/or attributable to their family members which affected them personally and our district in regard to providing the services our children require.

Even with the near certainty of becoming ill themselves, and/or infecting their family, not one of our employees ever refused an assignment. They did this out of loyalty to the district and most importantly our students. Overtime was required to meet the needs of children and was not sought out by our staff. Their work was done in response to a crisis, with the full knowledge that their continued response was a barrier between COVID and the well-being of our students and staff.

We did employ as many call-in subs to mitigate overtime as possible from a very limited pool of available and willing candidates during COVID. Furthermore, our staff was also subject to quarantine requirements which on several occasions decimated our ranks. The impact of the use of subs was mitigated by most of the available workers choosing their personal safety and generous unemployment benefits over the opportunity to help protect our students and staff; thankfully, our staff filled the void even when we were understaffed due to illnesses and quarantines.

In-House v. Outside Vendors

A substantial component of the overtime approved over the period identified, which is also true both before and after this period, was maintenance and preventative maintenance work completed by our Maintenance and Custodial staffs. We have a highly skilled team, which has been highly trained to maximize their skill levels, who completes many jobs which would be completed by outside vendors in other districts. Many jobs completed by our most highly paid workers are assigned based on their unique skills and training. Outside vendors, at prevailing rates, would far exceed the cost of our staff (including our most highly skilled staff) and minimize the quality of the work completed, as our staff has a dedication to the district and our physical plant (actual analysis previously provided to Board of Education to expand the use of in-house staff is provided in a separate attachment). Nationally, our approach has received several awards and is used as a benchmark by industry experts (A routine monthly analysis, a past comprehensive report, and award information are attached).

Many of the assertions are a restatement of the Key Findings, and as such have previously been addressed. Here are several other assertions and my proposed response:

(3) District should have a written plan to guide the use of overtime hours in an efficient and effective manner.
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East Meadow Schools has an overtime protocol which has consistently been employed since the Spring of 2019 and until today (following a staffing change). Any opportunity to further codify our strong protocols into a clear policy is accepted as a prudent recommendation. We will pursue this guidance to more clearly define our long-standing process.

(4) When the factors that create overtime are analyzed, officials may be able to take alternative action to effectively cover non-critical work without using overtime.

East Meadow Schools has analyzed overtime and provided a report for approval of our Board of Education every month for well over 15 years. The two reports attached define examples of the profound efforts in this area.

(5) Additionally, District officials should monitor the budget periodically to ensure that appropriations are available for overtime costs.

East Meadow Schools tracks all overtime and reports our findings to the Board of Education each month.

(6) When these methods are used, the form should be submitted for approval the next day.

This statement refers to instances of verbal approval of overtime. We agree with this statement, and as part of our non-pandemic protocols we will mitigate any delay in written confirmation. Instances of the district failing to maintain this protocol were attributable to COVID, COVID quarantines, emergency responses to mitigate COVID exposures, and a safe reopening during COVID.

See
Note 1
Page 15

(7) July 1, 2020 through December 31, 2021, 88 of 112 Department employees received a total of \$1,298,796 in paid overtime; the Department's overtime costs were 97 percent of the District's overall overtime costs during our audit period.

East Meadow Schools was preparing for, and then dealing with, a hybrid reopening from July 2020 to June of 2021; our schools were preparing for, and then dealing with, a full opening from July 2021 to the end of the period stated. We also, as mentioned previously, completed our full, safe, reopening with an additional 180 Pre-K students from new funding sources. Reviewing the history, many requirements were frequently imposed on schools by the State with no prior notice, and then were implemented via all means available by operational staff, including overtime. There was a period of time that operational changes were mandated by the State and the Department of Health via an afternoon press conference, which did not allow any time for prior planning. This constant state of emergency/emergency response we anticipate to not be a major factor moving forward.

As teachers, administrators, Cabinet members, and clerical staff are not normally eligible for overtime, therefore the actual percentage of overtime cost for custodial, maintenance, and grounds staffs will routinely be close to 100% of incurred overtime costs as only a monitor, on rare occasions, will be issued overtime. Only the custodial, maintenance, and grounds staffs are tethered to the operation of the buildings, which exist 24 hours a day, 7 days a week.

- (8) District officials did not adequately monitor the overtime budget to ensure that sufficient appropriations were available for overtime costs.
- (9) The Assistant Superintendent said that he is aware that the amount budgeted for overtime was inadequate but hoped that the lower budgeted amounts could help prevent excessive overtime.

Our approach to budgetary appropriations in this area will be prudently considered and we are planning an adjustment moving forward. Our estimates had been, in retrospect, overly optimistic and we appreciate the guidance offered, which will be implemented. We developed, and received voter approval, of the identified budget periods several months prior to the State announcing the plans for a reopening of schools, required mandates, and prudent recommendations for mitigation of COVID.

Second (9), this quote is incomplete and therefore out of context. We were aware of a long-standing district protocol to under-budget overtime by a former Superintendent, which was shared with the OSC Auditors, as the documentation clearly exhibits this prior to July 1, 2017, when a change of district leadership was completed. We had, starting with the 2017-2018 budget began to close the gap in budgetary funding to actual expenditure which had been the protocol of the former Superintendent, as his concern was that operational units would see an increase causing an upward pressure on overtime; as stated this recommendation will be addressed and your guidance is appreciated.

In 2018-2019 overtime exceeded our budget by an unacceptable/unplanned amount, which contributed to a necessary change in leadership in the facilities area. The diagram on page 7, actually validates the veracity of this claim, as immediately upon the change of leadership in the facilities area and the addition of the Assistant Superintendent to receipt of the actual overtime form in real time, overtime began to align with the allocated resources. During the rapidly changing times of COVID mitigation we did miss our mark on matching budgetary allocations to our overtime expenses, which was primarily attributable to our COVID response and requirements outside of district control.

Moving forward we are taking prudent steps to address this shortfall. First, controlling overtime via strict adherence to our existing approval process, continued monthly monitoring, and proficient leadership in the facilities area. Second, increases in the overtime areas will be budgeted to address increases in hourly costs and needs identified. It has never been a recommendation to excessively fund an area, "just in case", nor will it be a part of any future recommendation. Budgeting tightly in this area continues to be a prudent approach, as long as it is done in concert with a close evaluation of anticipated needs.

Here is a question-by-question response to the recommendations made from the OSC report:

What Do We Recommend?

The Board should:

1. Adopt a policy with clear guidelines and procedures for overtime work, including preapproval of overtime.

I propose we accept and implement this recommendation to codify our existing protocol to an approved Board of Education policy.

See
Note 3
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Note 4
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See
Note 3
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District officials should:

2. Ensure all Department non-emergency overtime is preapproved in writing, properly documented and monitored.

This is an existing point of emphasis for our district, which will be largely achievable post-COVID. Emergencies can and will happen, so this recommendation can never be fully implemented, but every effort will be made to mitigate this issue.

3. Ensure that in emergency situations, for monitoring purposes, the overtime approval form is completed the next day as required by District policy.

This, outside of another school closure, can and will be implemented. Again, our issue in this area was primarily attributable to COVID.

4. Consider scheduling Department employees' work hours to cover non-emergency events to reduce overtime costs.

This is already a long-standing protocol in the operational areas; we are perpetually and aggressively seeking substitute staff to mitigate overtime. During times of full employment our efforts are limited by the constraints of the job market. As has been well documented in the news outlets, facilities, bussing, school lunch, monitors, and even teaching positions are currently hard to staff. Unilaterally shifting hours of existing appointed employees would be subject to negotiations and would create shortfalls on areas where labor was removed. Our current staffing levels are tight relative to the size of the district and the scope of the work covered by these departments.

5. Develop realistic Department overtime budgets based on anticipated overtime and historic trends.

The district plans to better project based on a hopeful return to normalcy and certainty of labor cost achieved through the prudent, collaborative negotiation of a long-term agreement in the applicable areas.

6. Ensure the Department overtime budget is periodically monitored and budgetary amendments are made when warranted to prevent appropriations from being over-expended.

I would like to offer my sincere thank you to the auditors from the OSC, with whom we worked diligently to answer their every question with full documentation, and complete transparency, over the years they worked on this audit. While my responses above do indicate an operational perspective, which varies from the conclusions which you have drawn in some instances, your observations are appreciated and respected. This audit was a valuable opportunity to gain an outside perspective on how to improve our process.

Sincerely,

Dr. Kenneth A. Card, Jr.
Superintendent of Schools

Appendix C: OSC Comments on the District's Response

Note 1

Overtime should be approved in advance which may require establishing alternate approvers to ensure non-emergency overtime requests are reviewed and authorized in writing before the overtime is worked.

Note 2

According to the Assistant Superintendent and the Director, they are the only individuals to authorize overtime. Employees should only obtain verbal approval in emergency situations and complete the overtime approval form the next day.

Note 3

The audit report accurately reflects the Assistant Superintendent's statement. Although District officials attribute the District's overtime underbudgeting practice to a former Superintendent, this practice continued during the audit period, after the former Superintendent left District employment.

Note 4

We acknowledge that the pandemic may have contributed to the overtime expenses exceeding appropriations. However, the District's overtime costs also exceeded the budget in the 2018-19 fiscal year, prior to the pandemic. Overtime costs may have been prevented with adequate planning and schedule adjustments.

Appendix D: 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 overtime procedures.
- We reviewed and documented total overtime payments made to District employees, including Department employees, during the audit period. We identified all employees earning more than \$30,000 in overtime and listed their earnings and position. We calculated the total percentage of overtime earned by these employees in comparison to overtime earned by all Department employees during the audit period.
- Using our professional judgment, we selected Department overtime and compensatory work request forms for six of the 18 months in our audit period. We selected the Department because they earned 97 percent of all District overtime during the audit period. We selected overtime and compensatory work request forms for six months within the audit period. We selected December 2020 and January 2021 to review overtime earned at the end and beginning of the calendar year during the holiday season. We selected June and July 2021 to review overtime earned at the end of the fiscal year in preparation for the next school year. We selected September and October 2021 to review overtime earned at the beginning of the school year.
- We reviewed the payroll report and documented the total number of Department employees as of June 30, 2021.
- For the months selected, we reviewed all Department overtime and compensatory work request forms to determine whether the Director approved the employee's request for overtime. We also documented the date, location, employee's name and reason for the overtime.
- We reviewed overtime claim forms to verify that employees worked the overtime they requested. We documented the number of overtime hours worked that the Department employee was requesting payment for. If an overtime request form did not have a corresponding overtime claim form, we removed the instance from our test because the overtime was not worked.
- For the test months reviewed, we quantified the total Department overtime paid to employees by totaling all overtime claims sheets that were submitted.
- We requested and reviewed payroll overtime earning summary reports to determine whether the overtime paid equaled the overtime worked, as documented on the overtime claim form, and did not include overtime earned as compensation time.

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- We filtered our test to obtain the amount of overtime that was approved late or not approved. Additionally, we reviewed the overtime that was approved late to determine whether it was due to an emergency, absenteeism or a non-emergency. We then filtered the late approvals to determine whether the overtime was approved one or more days after the overtime was worked.
 - We requested and reviewed appropriation status reports for the 2018-19, 2019-20, 2020-21 and 2021-22 fiscal years. We compared the Department's overtime budget to actual overtime paid to determine whether overtime paid exceeded the budgeted amount. We also compared the Department's total budget to actual expenditures to determine whether the Department's actual total expenditures exceeded the budget.

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 E: Resources and Services

Regional Office Directory

www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf

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

www.osc.state.ny.us/local-government/publications

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

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

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

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/files/local-government/publications/pdf/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

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

www.osc.state.ny.us/local-government/publications

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

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

www.osc.state.ny.us/local-government

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

HAUPPAUGE REGIONAL OFFICE – Ira McCracken, Chief of Municipal Audits

NYS Office Building, Room 3A10 • 250 Veterans Memorial Highway • Hauppauge, New York
11788-5533

Tel (631) 952-6534 • Fax (631) 952-6091 • Email: Muni-Hauppauge@osc.ny.gov

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