



Montauk Fire District

Payroll - Advanced Life Support Employees

2024M-153 | April 2025

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Audit Results

Montauk Fire District



Audit Objective

Did the Montauk Fire District (District) Board of Fire Commissioners (Board) pay Advanced Life Support (ALS) employees only the amounts to which they were entitled?

Audit Period

January 1, 2023 – March 31, 2024

Understanding the Program

Payroll is one of the largest components of a fire district's budget. The Board is responsible for establishing and approving all salaries and hourly wages by position or as part of a collective bargaining agreement. The District's 13 ALS employees use a combination of sign-in sheets and a biometric timeclock (finger reader) to help ensure that they are properly compensated for all the time worked. In 2023, the District's payroll for ALS employees totaled \$328,847, which was 64 percent of the District's total budgeted payroll of \$510,000.

Audit Summary

The Board did not pay ALS employees only the amounts to which they were entitled. The Board overpaid its 13 ALS employees a total of \$9,386. A lack of oversight and inadequate controls led to the overpayments occurring. For example:

- The Secretary-Treasurer, when implementing a Board-authorized pay increase for ALS employees, increased the hourly rate by \$3 per hour instead of \$2 per hour for each ALS employee. The Secretary-Treasurer also applied the increase nine days before the effective date. Because there was a lack of Board oversight and controls, the error and early implementation of the increased hourly rate went undetected, resulting in a total overpayment of \$8,690.
- The District's inconsistent time records and the Secretary-Treasurer not reconciling time records before processing payroll enabled three ALS employees to overlap their shifts at the District and the neighboring Amagansett Fire District (AFD). Consequently, these three individuals were overpaid \$696 for 29 instances of overlapping shifts.

Had the Chairman of the Board (Chairman), who was responsible for reviewing the payroll, checked the calculations or verified that ALS employee hourly rates were correct before certifying the payroll each pay period, the payroll calculation errors may have been identified and corrected.

The report includes six recommendations that, if implemented, will improve the District's ability to accurately pay ALS employees. District officials disagreed with certain aspects of our findings but indicated they plan to initiate corrective action. Appendix C includes our comments on issues raised in the District's response letter.

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. Our methodology and standards are included in Appendix D.

The Board has the responsibility to initiate corrective action. Pursuant to Section 181-b of New York State Town Law, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. 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. We encourage the Board to make the CAP available for public review.

ALS Employee Payroll Findings and Recommendations

The Board is responsible for establishing and approving all salary and hourly wages by position or as part of a collective bargaining agreement. To ensure that employees are paid the correct salary and wages, the Board should also formally authorize, approve and document any changes to salaries and wage rates. Employees should be required to document days and hours worked with a timekeeping system (i.e., time sheets, timecards or a time clock) to help ensure that they are properly compensated for all time worked. More details on the criteria used in this report are included in Appendix A.

Finding 1 – The Secretary-Treasurer increased the ALS employee hourly wage rate by more than the Board-authorized amount.

On March 14, 2023, the Board adopted a resolution increasing the ALS employee hourly wage rate by \$2 per hour, effective May 1, 2023. However, when implementing this pay increase, the Secretary-Treasurer instead increased the hourly rate by \$3 per hour, resulting in an overpayment of \$1 per regular hour and \$1.50 per overtime or holiday hour (overtime and holidays being paid at time and one-half) for each ALS employee. The Secretary-Treasurer also applied the increase before the effective date, resulting in an overpayment of \$3 per regular hour from April 22, 2023 through April 30, 2023 (no overtime hours were worked by ALS employees during this period).

We reviewed the District’s payroll records for April 22, 2023 through March 22, 2024 and determined that, as a result of the Secretary-Treasurer applying the incorrect rate and applying it before the effective date, the District overpaid 13 ALS employees a total of \$8,690, (2.8 percent) of the total ALS gross pay (Figure 1). This error went undetected because, although the Chairman was responsible for reviewing the payroll, he did not check the calculations or otherwise verify that ALS employee hourly rates were correct before certifying the payroll each pay period.

Figure 1: Amounts Overpaid to ALS Employees

ALS Employee	Gross Pay	Amounts Overpaid		Total Overpayment
		April 22, 2023-April 30, 2023	May 1, 2023-March 22, 2024	
ALS 1	\$71,953	\$144	\$1,871	\$2,015
ALS 2	62,105	54	1,541	1,595
ALS 3	50,732	107	1,213	1,320
ALS 4	50,075	144	1,332	1,476
ALS 5	21,462	-	588	588
ALS 6	15,913	-	413	413
ALS 7	15,321	72	387	459
ALS 8	8,787	-	232	232
ALS 9	6,187	72	146	218
ALS 10	5,055	-	139	139
ALS 11	3,705	72	102	174
ALS 12	1,278	-	36	36
ALS 13	894	-	25	25
Total	\$313,467	\$665	\$8,025	\$8,690
Overpayment as a percentage of ALS Gross Pay				2.8%

Recommendations

1. The Secretary-Treasurer should pay ALS employees using the Board-authorized pay rate.
2. The Chairman should review each payroll in enough detail to be reasonably certain that it is accurate before certifying that payroll. This includes confirming the accuracy of the hourly rates used to calculate an employee's payroll.
3. The Board should consult with the District's legal counsel with regard to how to address the overpaid amounts.

Finding 2 – Inconsistent time records may have enabled three ALS employees to overlap shifts with a neighboring fire district.

The Board requires that ALS employees clock in and out using a finger reader. However, we determined that the ALS employees only sporadically used the finger reader to record when the employee clocked in or out of work. Instead, the employees often relied on the use of manual sign-in sheets to record time worked for the District. The Secretary-Treasurer paid ALS employees using the manual sign-in sheets without first reconciling the times to available finger reader records, which often did not match. As a result, to the extent the finger reader was used, we found inconsistent time records between the manual sign-in sheets and the finger reader.

Three of the District's ALS employees also worked for the neighboring AFD. Given our concern regarding inconsistencies with recording time worked at the District, we reviewed the District's time records for the three employees against their AFD time records. Based on records obtained from the neighboring AFD, the employees may have been able to overlap their shifts at the two fire districts. Specifically, we determined that the three ALS employees used the District's manual sign-in sheets on occasion, either in addition to or in place of the finger reader, to record that they worked a full shift for the District. However, according to the available finger reader records we reviewed, the three employees arrived at the District 15 minutes late or left 15 minutes early on 28 occasions.

Consequently, given the inconsistent nature of recording time worked, we question whether the District may have collectively paid these three employees a total of \$246 as a result of arriving late or leaving early from a shift. In addition, the time records indicated that, on February 17, 2024, one employee clocked in simultaneously at the District and AFD for a full 12-hour shift for which he was paid \$450. While the District provided additional documentation that this employee answered a 2.5 hour call for the District, it remains unclear whether this employee worked his entire shift at the District or the District may have paid this employee for time actually worked at AFD on that day.

Recommendations

4. ALS employees should consistently use the finger reader, as required by the Board.
5. To the extent manual sign-in sheets are still necessary, the Secretary-Treasurer should reconcile the District's sign-in sheets and finger reader records before processing payroll.
6. The Board should work with AFD officials to confirm and, as appropriate, resolve the identified recordkeeping discrepancies.

Appendix A: Profile, Criteria and Resources

Profile

The District provides fire protection and emergency services to the hamlet of Montauk within the Town of East Hampton in Suffolk County. The elected five-member Board, including the Chairman and four Commissioners, governs the District and is responsible for its overall financial management. The Board delegated the responsibility of reviewing and certifying payrolls to the Chairman.

The Board-appointed Secretary-Treasurer is the chief fiscal officer and is responsible for receiving and distributing District funds (including payroll), maintaining accounting records and preparing periodic financial reports. The Secretary-Treasurer should review and reconcile employee time records and verify employee pay rates before processing payroll to ensure that employees are compensated properly.

Criteria – Payroll

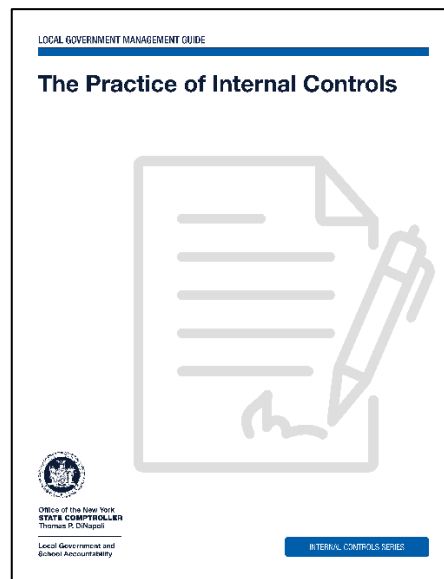
Employees should be required to document days and hours worked with a timekeeping system (i.e., time sheets, timecards or a time clock) to help ensure that they are properly compensated for all time worked. For this reason, the Board has required since 2022 that all ALS employees clock in and out using a finger reader.

Additional Payroll Resources

FIGURE 2: OSC Publication

OSC *Local Government Management Guides* available on our website to help officials understand and perform their responsibilities.

The Practice of Internal Controls



<https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf>

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

Appendix B: Response From District Officials

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James Wright
Chairman

Dawn E. Lucas
Secretary- Deputy Treasurer

April 9, 2025

Office of the New York State Comptroller
110 State Street
Albany, NY 12236

RE: Payroll-Advanced Life Support Employees, Report of Examination 2024M-153

Dear Ira McCracken:

In response to the New York State Comptrollers Payroll-Advanced Life Support Employees, Report of Examination 2024M-153, the Montauk Board of Fire Commissioners offers the following response;

Finding 1: Errors regarding payment of the hourly rate of pay to ALS employees;

The Board has reviewed the records related to the action taken by the Board at its meeting of March 14, 2023, how those actions were recorded in the minutes of the meeting and how the pay increases were implemented. It appears that the final decision of the Board was to make the pay increase \$3 per hour, but it was recorded by the Secretary-Treasurer as \$2 per hour in the Board minutes. She also recorded a later start date for the commencement of the application of the pay rate change. The Board members specifically recall making the increase \$3 per hour because they believed that neighboring districts with whom it competes for personnel were at the higher amount.

Clearly, the employees were paid the correct wage, but the correct wage was not accurately recorded in the minutes by the Secretary-Treasurer. The Board members failed to realize the error when they reviewed and approved the final draft of the minutes.

The Secretary-Treasurer must accurately record the motions and resolutions approved by the Board at Board meetings.

The Board members must carefully proofread the minutes before voting to approve the final draft.

The Commissioner assigned to review payroll must verify the pay rate that is being paid to all employees listed. He or she must refer to the Board minutes for authorization for increases when he or she notes an employee's rate of pay has changed. He or she should compare the current payroll to the prior payroll to make certain that there are no rate changes. If he or she notes a rate change he or she must refer to the Board minutes to find an approved rate change.

Any rate change discrepancies should be discussed and resolved at the next Board meeting.

Finding 2: Inconsistent use of time records may have enabled three ALS employees to overlap shifts with a neighboring fire district;

The Board believes that the records of the other fire district were not accurate, and the ALS employees were not getting paid by a neighboring district for the same time- period that they were being paid at

Board of Fire Commissioners
Earmino Marino, Charles "Chip" McLean, Michael Mirras, Richard Schoen, James Wright

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the Montauk Fire District. The Board was able to find one emergency call in Montauk that the ALS member responded to in Montauk when he or she was allegedly being paid for the same time- period/ shift at that the other district. The Board has spoken with a representative of AFD and believes that the AFD staff made time adjustments for its employees for accruals applying the payments in the AFD payroll system as if the employees were working on dates and times. These entries did not relate to the employee actually working on that date, but were made to pay an accrual owed. Montauk cannot be responsible for time adjustments made by another district to address time owed by that other district to that employee. We have no way to track that.

With that being said, staff and the Board made the mistake of permitting employees to both sign in on the computerized finger reader and the manual time sheets and then permitted employees to rely on the manual time sheets and to a certain extent ignoring their obligations to use the computerized finger reader.

This will not be permitted in the future. All sign ins and sign outs will be accomplished with the computerized finger reader and manual time sheets will be supplemental records. Employees and supervisors will need to submit a report when a manual time sheet is meant to replace a missing computerized finger reader imprint.

Staff will resolve any discrepancies between computerized finger reader records and manual time sheets for each payroll period and will report any discrepancies to the Board.

The Board will coordinate with the neighboring district to make certain that employees are not leaving one district to report to the other district in a manner that involves leaving one employment before the end of a shift. Emphasis on the requirement of a computerized finger reader imprint at the start and completion a shift should put an end to speculation that ALS employees working at multiple fire districts are leaving one employment early to go to another employment.

Sincerely,

Richard Schoen
Vice-Chairman Board of Fire Commissioners
Montauk Fire District

Appendix C: OSC Comments on the District's Response

Note 1

Our audit was based on the Montauk Fire District's records. It is the Board's responsibility to ensure those records are accurate and reflect the Board's intent.

Note 2

We obtained time records from Amagansett Fire District in response to concerns expressed by Montauk Fire District Commissioners about Advanced Life Support employees who worked in both locations. As explained in our report, the inconsistencies with recording time worked at the Montauk Fire District limits the officials' ability to verify that Advanced Life Support employees worked all hours for which the Montauk Fire District paid these individuals.

Appendix D: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed Board members and the Secretary-Treasurer to gain an understanding of the District's payroll process and how District officials track employee time and attendance.
- We verified whether ALS employees were paid the correct amounts by comparing payroll journals to time records and Board resolutions authorizing pay increases.
- We obtained copies of the biometric report for all of 2023 and the first quarter of 2024 that the ALS employees were supposed to use for time keeping purposes and compared the reports to the manual sign-in sheets for the three ALS employees who worked for the District and AFD. We obtained copies of the timecard reports from AFD officials for these three ALS employees from January 1, 2023 through March 31, 2024 and compared them to the District's time records to determine whether employees worked overlapping shifts.

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(s). We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective(s).

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 relevant population size and the sample selected for examination.

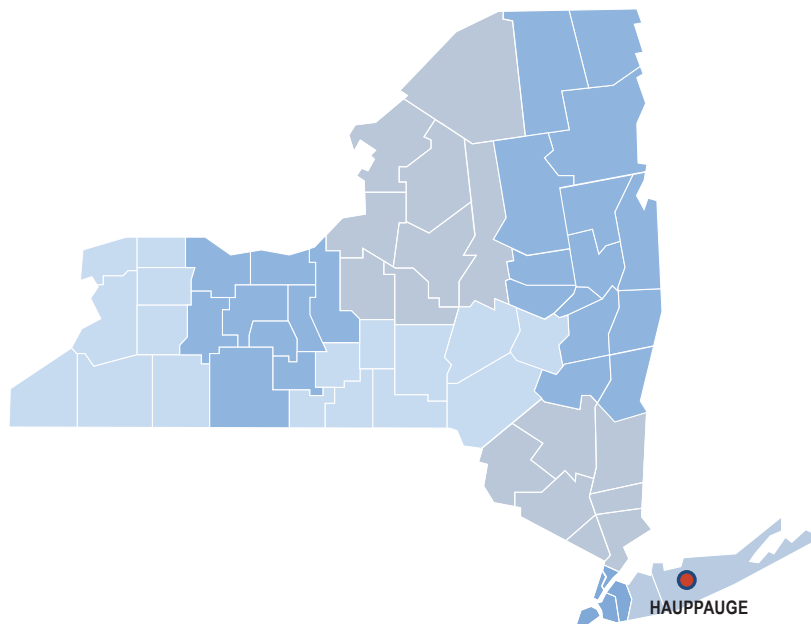
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