

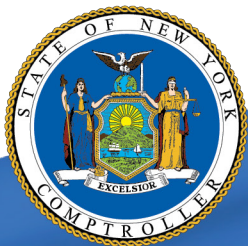
# Bay Shore Fire District

## Time and Attendance Records

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FEBRUARY 2018

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

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# Report Highlights

## Bay Shore Fire District

### Audit Objective

Determine whether District officials maintained adequate time records to ensure employees received the pay and accrued leave to which they were entitled.

### Key Findings

- District officials did not use a formal timekeeping system, instead they relied on the District Manager's (Manager) observations of employees' time worked. As a result, officials cannot be certain that employees received the pay and accrued leave to which they were entitled.

### Key Recommendations

- Develop and implement comprehensive written procedures for time and attendance
- Require that all employees complete a time reporting record or time sheet and that all time sheets or timecards are reviewed and signed by employees, their respective supervisors and the District Manager before payroll processing.

District officials disagreed with certain aspects of our findings and recommendations, but indicated they have initiated corrective action. Appendix B includes our comments on issues raised in the District's response letter.

### Background

The Bay Shore Fire District (District) is a district corporation of the State, distinct and separate from the Town of Islip in Suffolk County. The District provides approximately 13,500 residents with fire protection and emergency services covering 8.1 square miles.

An elected five-member Board of Fire Commissioners (Board) governs the District and is responsible for overall financial management.

The Treasurer serves as the chief fiscal officer and is responsible for receiving, maintaining custody of and disbursing funds, maintaining financial records, preparing monthly and annual financial reports and transmitting payroll information to the District's payroll processing service provider (payroll service).

The Manager is responsible for the day-to-day operations management, which includes maintaining time and attendance records.

The District's budget is funded primarily by real property taxes.

#### Quick Facts

2017 Budgeted Appropriations	\$3.9 Million
2016 Expenditures	\$2.5 Million
2016 Payroll Costs	\$1.4 Million
Employees	16

### Audit Period

January 1, 2016 – May 31, 2017

# Time and Attendance Records

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## Why Are Time and Attendance Records Important?

Payroll costs represent a significant portion of District operating expenditures. To properly control and account for payroll costs, it is important that the Board develop and implement procedures to ensure that accurate attendance and timekeeping records are maintained so leave used or earned and hours worked are accurately reported.

## Time Records Were Unreliable

District officials did not use a formal timekeeping system, instead they relied on the Manager's observations of employees' time worked. Officials did not maintain time records for the Treasurer's or Secretary's time worked. For all other full-time employees, the Manager kept a handwritten diary that included, among other information, his observations of when employees started and ended work each day, worked overtime or used accrued leave. When the Manager was not at work, no other District official maintained this diary.

Additionally, time worked by part-time dispatchers was based on the time each dispatcher logged into the dispatching software. The end of a dispatcher's shift was calculated when the next assigned dispatcher logged into the software and was not necessarily when the previous dispatcher left work.

The Treasurer prepares a weekly time and attendance spreadsheet containing the data from the software log-ins and the Manager's diary observations for submission to the payroll service. The Manager reviews this spreadsheet to ensure it matches his diary before the Treasurer transmits the spreadsheet.

We reviewed payroll records for all 14 employees who were paid a total of \$54,187 during January 2017 and their leave records from December 1, 2016 through February 28, 2017. The reports from the payroll service showing hours worked and accrued leave agreed with the Treasurer's spreadsheet, except for minor discrepancies, which we discussed with District officials. However, because the payroll service prepares the payrolls based on the Manager's observations of time worked and no other supporting documentation is maintained, officials cannot be sure that employees receive the pay and accrued leave to which they are entitled.

## What Do We Recommend?

The Board and District officials should:

1. Develop and implement comprehensive written procedures for time and attendance.

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2. Require that all employees complete a time reporting record or time sheet and that all time sheets or timecards are reviewed and signed by employees, their respective supervisors and the Manager before payroll processing.

## Appendix A: Response From District Officials

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Bay Shore, New York 11706  
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January 18, 2018

Office of the New York State Comptroller  
Division of Local Government & School Accountability  
PSU-CAP Submission  
110 State Street, 12<sup>th</sup> Floor  
Albany, New York 12236

Dear Office of the New York State Comptroller,

Bay Shore Fire District response and corrective action plan to the N.Y.S.O.C.S audit draft report.

In the opinion of the Bay Shore Fire District, the N.Y.S. O.C.S.C. representatives conducted the audit with a high degree of professionalism and courtesy. The audit process, as was the intent, has been viewed by the Bay Shore Fire District as an opportunity to identify areas where we could improve operations and strengthen internal controls.

While the “Key Findings” of the O.S.C. audit report suggesting that the District did not have a “ formal time keeping system” in place (sign-in sheets or time cards) , is essentially correct, the re[ports implication that the reliance of the District Manager’s daily log, which recorded attendances, absences and partial work days of the Monday through Friday employees, along with the use of pre-determined, posted monthly schedule of those employees working the weekend shifts, was unreliable or haphazard, is somewhat inaccurate characterization of the process. As noted in the audit report, the data in the

See Note 1 Page 7
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District Managers daily log, along with the pre-assigned schedule of weekend employees, were carefully reviewed and vetted by the District Treasurer and the District Manager at the end of each pay period when preparing the weekly time and attendance spreadsheets, prior to them being submitted to the payroll service.

The audit reports cites that the unreliability associated with using the Districts Managers log as means of Employee time keeping was due, in part, that no log entries were made on the days that the District Manager was not present, referring specifically to, with some exceptions, the weekends. It should be noted, however, that weekend work shifts, consisting of a single Emergency Dispatcher ( Employee) manning an eight hour shift (six eight hour shifts through the weekend), have inherent checks and balances that assure that the Employee who is assigned a shift is present for the duration of that shift. The primary checks and balances are the responsibilities of the position.

See  
Note 2  
Page 7

See  
Note 3  
Page 7

As the sole Employee on duty through the weekend, the Dispatcher is responsible for the answering of all incoming phone calls ( if the phone rings four times without being answered, the call is automatically transferred to a neighboring Fire Department, triggering a notification from that Department to the BSFD Management), monitoring and responding to radio transmissions, receiving various phone, fax and radio transmissions from the Suffolk County 911 Center, dispatching all emergency calls, along with being point of contact for the Chiefs, Officers, Firefighters, Police Officers, and members of the Public who may come to or call the Fire Station at any time throughout the weekend. Because of the high profile and responsibility of the position , the weekend Dispatcher cannot leave their shift unless relieved by another Dispatcher. It is extremely unlikely that a breach of this mandate would go unnoticed and unreported. Any such breach would be grounds for discipline, up to termination of Employment. Therefore, any deviation from the schedule, including the request to leaving early, start late, or excusal from a shift, requires notification to and approval of the District Manager. Because of these factors ( checks and balances ), the use of pre-assign roster of weekend Employees has proven to be a reliable and accurate statement of the attendance of these Employee.

See  
Note 3  
Page 7

It should be noted , that *this method* of Employee time keeping had never been identified as a risk by the Bay Shore Fire Districts internal auditors. The audit is conducted annually.

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Note 4  
Page 7



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As recommended by the N.Y.S.O.C.S. 's draft audit report , the Bay Shore Fire District has implemented the use of an electronic card system to track time and attendance of the Districts full-time and part-time Employees. In fact the equipment had been purchased and put into service while the N.Y.S.O.C.S. audit was still in progress. Proof of purchase of the electronic time system and a copy of the Board of Fire Commissioners resolution #2017-35 adopting the use of this system, ( dated 10/10/2017 ) and the procedures for the electronic time keeping system had been sent to the O.S.C. auditors in an e-mail dated 10/13/2017. We believe that these actions and the documentation of such serves as the required Corrective Action Plan..

Sincerely,

Bay Shore Fire District

Gregory Nardone 

Chairman of the Board



## Appendix B: OSC Comments on the District's Response

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### Note 1

We reviewed a handwritten diary maintained by one employee (interspersed with daily handwritten notes) and found that this timekeeping record was incomplete and unreliable because time worked by all employees was not captured.

### Note 2

As stated in our report, dispatcher time is not recorded in the District Manager's log. Further, if the District Manager is absent during the week, no one else maintains a record of employee time worked.

### Note 3

While these checks and balances might ensure that someone is present at all times, they do not necessarily ensure that the assigned employee is present at the scheduled times instead of another employee.

### Note 4

As stated in our report, because the payroll service prepared the payrolls based on the Manager's observations of time worked and no other supporting documentation was maintained there is a risk that employees may not receive the pay and accrued leave to which they are entitled.

## Appendix C: 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, we performed the following audit procedures:

- We interviewed District officials to gain an understanding of the District's payroll time and attendance process.
- We reviewed the Treasurer's spreadsheets, Manager's diary and the payroll service records to determine whether all District employees' regular and overtime hours paid for January 2017 and leave accrued from December 1, 2016 through February 28, 2017 agreed with the payroll service payroll records. We reviewed these records to determine whether they contained evidence of supervisory reviews and approvals and whether leave time was properly earned, used and accounted for. We based selection of our sample months on the likelihood that more overtime would occur during the winter months.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). 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 relevant population size and the sample selected for examination.

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.

## Appendix D: Resources and Services

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### **Regional Office Directory**

[www.osc.state.ny.us/localgov/regional\\_directory.pdf](http://www.osc.state.ny.us/localgov/regional_directory.pdf)

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

[www.osc.state.ny.us/localgov/costsavings/index.htm](http://www.osc.state.ny.us/localgov/costsavings/index.htm)

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

[www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm](http://www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm)

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

[www.osc.state.ny.us/localgov/pubs/listacctg.htm#lgmg](http://www.osc.state.ny.us/localgov/pubs/listacctg.htm#lgmg)

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

[www.osc.state.ny.us/localgov/planbudget/index.htm](http://www.osc.state.ny.us/localgov/planbudget/index.htm)

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

[www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf](http://www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.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/localgov/finreporting/index.htm](http://www.osc.state.ny.us/localgov/finreporting/index.htm)

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

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