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July 16, 2021

Mantosh J. Dewan, M.D.
President
State University of New York
Upstate Medical University
750 East Adams Street
Syracuse, NY 13210

Re: Human Resource Practices
Report 2021-F-7

Dear Dr. Dewan:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the State University of New York (SUNY) Upstate Medical University (Upstate) to implement the recommendations contained in our audit report *Human Resource Practices* (Report [2018-S-57](#)).

Background, Scope, and Objective

A part of the SUNY system since 1950, Upstate's mission is to improve the health of the communities it serves through teaching, research, and patient care. Upstate, the only academic medical center in Central New York, comprises four colleges, a research enterprise, one hospital with two locations (Upstate University Hospital and Upstate University Hospital at Community Campus), and over 80 outpatient clinics and other centers. Based on information provided by Upstate, it serves approximately 1.8 million people and is Central New York's largest employer, with a workforce of more than 10,000 supporting its operations. According to Upstate officials, each year, Upstate's Human Resource Department (HR) receives over 30,000 employment applications and processes approximately 1,600 new hires, 1,000 separations, and 1,700 job changes.

HR is responsible for classifying and recruiting for position vacancies and ensuring timely appointment of candidates for all positions, except those under Nursing Recruitment and faculty in the College of Medicine. Positions may be campus funded, hospital funded, or both.

HR is also responsible for developing local human resource-related policies in conjunction with SUNY System Administration (System Administration), ensuring employees receive appropriate compensation, maintaining personnel records, and handling many other miscellaneous daily activities, including verifying references on prospective employee job applications and processing leave requests. Additionally, Upstate supervisors and managers work with HR on the counseling and discipline process. The Labor Relations office will also interact with local union officers to resolve more sensitive and complicated labor matters, such as employee grievances or misconduct. For certain employees, the agreement may include an

alternate work (off-campus) assignment (Assignment) during the disciplinary process.

Our initial audit report, issued on September 25, 2019, sought to determine if Upstate developed and consistently applied policies and procedures related to select human resource functions. Our audit covered the period from January 1, 2015 through June 24, 2019. Overall, we found insufficient HR monitoring and oversight, as well as inadequate or poorly enforced policies and procedures, contributed to questionable and/or weak practices that rendered Upstate vulnerable to misuse of funds and safety and security risks. For example, Upstate paid employees additional compensation for work beyond their regular job duties (known as an “Also Receives” [ALR] allowance), but did not maintain adequate documentation to support either the basis for the dollar amount or the additional duties that employees were tasked with. Also, Upstate did not establish policies and procedures for managing employees’ Assignments, including monitoring of employees’ performance and work quality.

Additionally, HR did not adequately follow, enforce, or monitor its employee separation policies and procedures to ensure employment terminations are processed timely. Finally, we found SUNY System Administration continued to pay a former Upstate President her presidential salary while she was on leave – and while Upstate was also paying an interim President a presidential salary – but could not provide documentation to justify the decision.

The objective of our follow-up was to assess the extent of implementation, as of April 22, 2021, of the four recommendations in our initial audit report.

Summary Conclusions and Status of Audit Recommendations

Upstate officials made significant progress in addressing the problems identified in the initial audit, having implemented all four recommendations.

Follow-Up Observations

Recommendation 1

Develop written procedures for ALR-related transactions, including documenting the specific duties that justify additional pay and obtaining and retaining the justification for decisions concerning the dollar amount associated with each ALR.

Status – Implemented

Agency Action – SUNY System Administration developed ALR procedures and guidance and issued it to all SUNY campuses, effective July 1, 2021. The procedures will assist HR and supervisors in determining who is eligible for ALR compensation and documenting specific duties that justify the additional pay. The procedures also explain the ALR approval process as well as ongoing monitoring requirements and employee notification. In addition, Upstate implemented a new ALR request form in order for employees to request a temporary ALR compensation increase for a new or additional job assignment.

Recommendation 2

Establish and enforce policies and procedures to require stronger oversight of Assignments, including more clearly defined processes for work product submission and retention, and to ensure work products are useful and sufficient given the duration of the Assignments.

Status – Implemented

Agency Action – Upstate developed and implemented guidelines for employees placed on an Assignment to ensure that they are not receiving shift differential payment or inconvenience pay in addition to their regular salary. Upstate officials stated that, as a direct result of our audit, they sent a reminder to supervisors of their expected oversight of employees' Assignments and work product as well as the process for submitting work products to the Self-Serve system. Upstate also developed a separation agreement template that contains additional guidance for work product submissions as well as an example of an employee settlement agreement explaining the employee's Assignment responsibilities.

Recommendation 3

Develop, monitor, and enforce a comprehensive set of policies and procedures that address hiring and separation. These policies and procedures should be standardized and applied uniformly to all Upstate departments and groups of employees – including residents, student federal grant employees, and research fellows – and should include a consistent process for checking professional references and verifying that all required reference checks have been conducted.

Status – Implemented

Agency Action – In March 2021, Upstate replaced its original hospital-only Pre-Employment Process policy with a university-wide policy. Changes to the policy include implementation of background checks for campus-funded hires and clarification of the reference process. In addition, to improve the reference process, Upstate developed an online reference system as well as an online employee separation application. In the reference system, the recruiter enters the applicant's information into the Skill Survey application, which houses the applicant's file. The file then moves through the various stages of verification, including the applicant's professional references. The online employee separation application allows employees to complete and submit their Employee Separation Form online, including resignation/termination letters. It also allows supervisors to review pending employee separations or complete an Employee Separation Form on an employee's behalf.

Recommendation 4

Formally document leave salary decisions to justify that the amount granted is commensurate with the job title and duties performed.

Status – Implemented

Agency Action – Upstate formally documented its leave salary decisions in the current President's appointment letter. The letter includes the terms and conditions of his appointment, duties to be performed, salary, allowances, expenses, ethics, and conditions of outside income. It also states that the President will receive a continuing appointment at the rank of full professor and that, upon leave, the President will transition from President to professor with a salary paid at the discretion of the Chancellor.

Major contributors to this report were Amanda Eveleth, Lauren Bizzarro, Karen Corbin, and Jacqueline Keeys-Holston.

We thank the management and staff of SUNY Upstate for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Theresa Podagrosi
Audit Manager

cc: Michael Jurbala, Upstate
Amy Montalbano, SUNY