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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

June 22, 2010

Mr. John L. Buono
Chairman
New York State Thruway Authority
200 Southern Boulevard
Albany, New York 12201

Re: Report 2010-F-18

Dear Mr. Buono:

Pursuant to the State Comptroller's authority under Article X, Section 5 of the State Constitution and Section 2803 of the Public Authorities Law, we have followed up on the actions taken by officials of the New York State Thruway Authority and New York State Canal Corporation to implement the recommendation contained in our audit report, *Accuracy of Employee Retirement Reporting* (Report 2008-S-57).

Background, Scope and Objective

The New York State Thruway Authority (Authority) was established by the New York State Legislature in 1950 to build, operate, and maintain the Thruway system. The Authority, through its subsidiary, the New York State Canal Corporation, is also responsible for the operation, maintenance, and promotion of the State's four historic canals.

The Authority is a participating employer in the Employees' Retirement System (ERS), covering its employees and those of the Canal Corporation. The Authority is required by Section 45 of the New York State Retirement and Social Security Law to notify all optional employees, such as temporary and part-time employees, of their right to membership in the ERS. The Authority is required to establish a standard workday, up to eight but not fewer than six hours, for each employee title. The ERS has rules for determining how earnings and days worked should be calculated and reported. Each month, the Authority reports the earnings and days worked to the ERS for each enrolled employee. Authority officials indicated that as of May 2010, the Authority payroll included 4,085 employees with 351 active employees not enrolled in the ERS.

Our initial audit report, which was issued on July 31, 2008, examined whether or not the Authority complied with the requirements of the ERS when enrolling individuals in the ERS and reporting information about their earnings and days worked. We found the Authority enrolled valid employees in the ERS and accurately reported employee earnings. However, the Authority

overstated the days worked that it reported to the ERS for one employee. The objective of our follow-up was to assess the extent of implementation, as of May 24, 2010, of the one recommendation included in our initial report.

Summary Conclusions and Status of Audit Recommendation

We found that Authority officials have implemented the one recommendation identified in our initial report.

Follow-up Observations

Recommendation

Determine the time that was over-reported for the identified employee and work with the ERS to ensure the information gets reported accurately and retroactively, if necessary.

Status - Implemented

Agency Action - Authority officials provided documentation showing that they determined the correct number of days worked by the employee retroactive to the employee's hire date and reported adjustments to the ERS that reduced the employee's service credit by 550 days. We also determined that the adjustments were made by the ERS.

Major contributors to this report were Steve Goss, Mark Ren, and Brandon Ogden.

We thank the management and staff of the New York State Thruway Authority for the courtesies and cooperation extended to our auditors during this review.

Very truly yours,

Carmen Maldonado
Audit Director

cc: M. Hannibal, Thruway Authority
K. Allen, Thruway Authority
T. Lukacs, Division of the Budget