

Clarkstown Central School District

Time and Attendance Records

SEPTEMBER 2017



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

Contents

- Report Highlights 1**

- Time and Attendance Records 2**
 - What Is the Purpose of a Biometric System? 2
 - The Biometric System Was Not Properly Used to Track Time. 2
 - How Should Officials Ensure Overtime Is Documented? 3
 - Overtime Forms Were Not Always Used. 3
 - What Do We Recommend? 3

- Appendix A: Response From District Officials. 4**

- Appendix B: Audit Methodology and Standards. 7**

- Appendix C: Resources and Services 8**

Report Highlights

Clarkstown Central School District

Audit Objective

Determine whether District officials properly enforced the use of time records to track time worked.

Key Findings

- We found 36 transportation employees were paid 741 hours, totaling approximately \$19,000, where proper documentation for hours worked was not maintained.
- We found 207 overtime hours, totaling \$9,470, worked by 19 employees for which overtime forms were not submitted.

Key Recommendations

- Enforce the use of the biometric system and overtime forms.

District officials generally agreed with our findings and indicated they planned to take corrective action.

Background

The Clarkstown Central School District (District) is located in the Town of Clarkstown in Rockland County.

The 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), along with other administrative staff, is responsible for the District's day-to-day management.

The District's annual payroll costs are approximately \$113 million. The District's budget is funded primarily by real property taxes and State and federal aid.

Quick Facts

Employees	1,800
Enrollment	8,400
School Buildings	13
2016-17 Budgeted Appropriations	\$195 million

Audit Period

July 1, 2015 – March 16, 2017

Time and Attendance Records

What Is the Purpose of a Biometric System?

The District uses a biometric system to track employees' time and attendance in the Facilities and Transportation departments. This is an electronic timekeeping system that requires employees to use a badge and thumb print to clock in and out for time worked. The primary benefit of using a biometric system for time and attendance is payroll accuracy. It eliminates the possibility of employees punching in and out for each other and many inaccuracies inherent in a manual timekeeping system, including manual data entry errors. It is management's responsibility to implement an effective timekeeping system to ensure employees' hours worked are accurately recorded. In addition, accurate payroll records require accurate time and attendance data. The Director of Transportation and the Director of Facilities are responsible for ensuring employees use the biometric system properly.

The Biometric System Was Not Properly Used to Track Time

District employees did not properly use the biometric system, and the system and the District's payroll software are incompatible. Therefore, employees' time records captured in the system must be entered manually into the payroll software from the information recorded in the system.

A dispatcher and trip coordinator share time-tracking duties. Each prints and reviews time reports from the biometric system and enters the time worked for each employee on a spreadsheet based on what is recorded in the system and their knowledge of the bus routes. The spreadsheets are then given to the Transportation secretary who enters the time worked into the payroll software.

We tested one month of payroll¹ for 169 employees, comparing the hours worked as recorded in the biometric system to the hours paid. We identified 36 transportation employees who were paid 741 hours, totaling approximately \$19,000, more than the biometric system reports showed as being worked. There was no documentation explaining the differences.

The dispatcher and trip coordinator told us that either employees forgot to scan into the system or that the building where the biometric system was located was locked when bus drivers returned, so they were unable to scan out. When there were no available records of time worked, the dispatcher and trip coordinator checked the scheduled bus and van routes and automatically recorded time worked for the drivers on those days.

¹ Refer to Appendix B for further information on our sample selection.

Without adequate recording of time worked, coupled with manual entry of hours worked that did not match system entries, the District is susceptible to errors and irregularities occurring.

How Should Officials Ensure Overtime Is Documented?

An important control over overtime expenditures is written pre-approval of overtime work and subsequent approval of employees' timesheets for payment, which helps ensure that the District incurs only necessary overtime costs. Overtime logs that indicate the date, time of day and purpose of overtime, combined with proper authorization, provide an acceptable method of documenting overtime. The District has an overtime form that indicates employees' names, their positions, the school where work was performed, purpose of the work and the date and time worked. The form is to be signed by the employee and supervisor.

Overtime Forms Were Not Always Used

The District paid 191 Facilities Department employees for approximately 369 hours of overtime totaling \$16,078 during April 2016. We compared the overtime hours paid to available overtime forms and found 19 employees were paid 207 overtime hours totaling \$9,470 without overtime forms being submitted. There were three supervisors for the employees who worked overtime, two of whom are no longer employed by the District. The remaining supervisor had 20 hours of the overtime paid without an available overtime form. He told us this was an oversight.

If officials do not enforce the use of overtime forms, the District will not have any documentation of the purpose for overtime worked, which may lead to paying for unnecessary overtime costs.

What Do We Recommend?

The Board and District officials should:

1. Enforce employees' use of the biometric system and explore options for integrating the payroll system with the biometric system.
2. Enforce the use of overtime forms.

Appendix A: Response From District Officials



CLARKSTOWN CENTRAL SCHOOL DISTRICT

Martin D. Cox
Superintendent of Schools

62 Old Middletown Road · New City · NY 10956
Tel: (845) 639-6418 · Fax: (845) 639-6488
mcox@ccsd.edu · www.ccsd.edu

August 22, 2017

Tenneh Blamah, Chief Examiner
Office of the State Comptroller
Newburgh Regional Office
33 Airport Center Drive, Suite 103
New Windsor, New York 12553-4725

Re: 2017M-150 Audit Response

Dear Chief Examiner Blamah:

The Clarkstown Central School District has received your draft Report of Examination related to "Time and Attendance" reporting completed by the Office of the State Comptroller ('OSC') for the period July 1, 2015 through March 16, 2017. Please accept this document as our Audit Response and the Corrective Action Plan.

The Board of Education and the District's Administration extend a thank you for the time and effort devoted to your risk assessment and the detailed examination of our internal controls related to overtime and attendance.

We accept your recommendation to "enforce the use of the biometric system and overtime forms" and are pleased that your examination did not find evidence of fraud, theft and or professional misconduct.

The District thanks the OSC for the opportunity to respond to the draft Report. We strongly support the audit process and welcome all efforts to ensure that District policies and procedures are in alignment with best practices.

Sincerely,

Martin D. Cox
Superintendent of Schools

c: Board of Education
John LaNave
Ann Marie Tromer

attachment

Unit Name: Newburgh Regional Office
Audit Report Title: Clarkstown Central School District
Time and Attendance Records
Report of Examination
Audit Report #: 2017M-150

For the recommendation included in the audit report, the following is our corrective actions.

Audit Recommendation: Enforce the use of the biometric system and overtime forms.

Implementation Plan of Action:

In response to the audit point: "District employees did not properly use the biometric system and the system and the District's payroll software are incompatible".

The District's plan of action is:

1. Purchase new Time Clocks that are fully integrated with the District's payroll software. This will eliminate all manually entering of payroll data by the Transportation and Facilities Departments. (These clocks have already been purchased)
2. Install additional Time Clock locations, specifically in the Transportation Department, that will ensure access to employees 24 hours a day 7 days a week. This will eliminate any issues with bus drivers not being able to clock in or out after regular school day hours.
3. Provide extensive training to all employees who will be using the new Time Clocks to ensure proper usage. Employees will also be re-trained on their responsibility to punch in and out timely.

In response to the audit point: "If officials do not enforce the use of overtime forms, the District will not have any documentation of the purpose of overtime worked, which may lead to paying for unnecessary overtime costs"

The District's plan of action is:

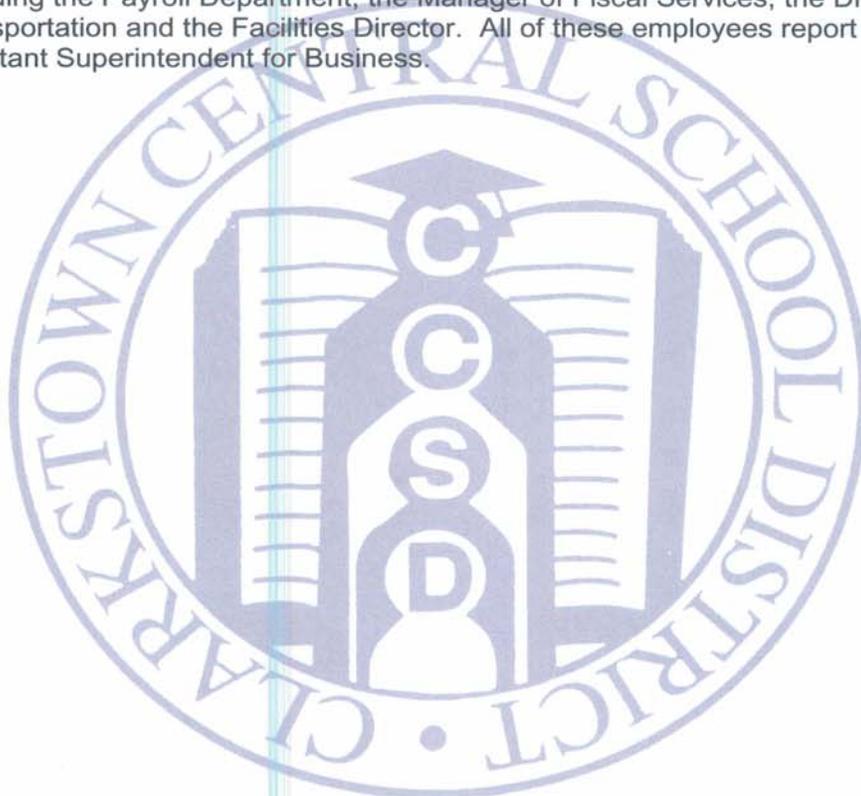
1. Review and update current payroll policies and procedures to ensure they align with best practices. These policies and procedures include the requirements to use overtime forms by Transportation and Facilities and the review of these forms by payroll before employees are paid.
2. Provide additional training to supervisors on the updated payroll policies and procedures to ensure they fully understand their responsibility to punch in and out timely.

Implementation Date:

The implementation process has already begun. The new Time Clocks that will integrate directly with the District's payroll system have already been purchased. We are also working with the payroll software company to integrate the system. Piloting of the time clocks has already begun and we expect full implementation for the Facilities and Transportation departments by Spring 2018.

Person Responsible for Implementation:

There are several key personnel that will be responsible for the implementation, including the Payroll Department, the Manager of Fiscal Services, the Director of Transportation and the Facilities Director. All of these employees report to the Assistant Superintendent for Business.



Appendix B: 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, we performed the following audit procedures:

- We interviewed key personnel to gain an understanding of internal controls over timekeeping.
- We chose April 2016 as our test month because it was in the middle of our audit period. We reviewed system reports for 169 Transportation Department and 191 Facilities Department employees.
- For our test month we compared overtime written on the system report to overtime forms for the Facilities Department employees.
- We calculated the amount of overtime paid without documentation.
- We calculated the amount of payment for the hours worked that did not appear on the system report.

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 size of the relevant population and the sample selected for examination.

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 2116-1(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 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 in the Clerk's office.

Appendix C: Resources and Services

Regional Office Directory

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

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

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#lmgm

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

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

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

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

www.osc.state.ny.us/localgov/researchpubs/index.htm

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/localgov/academy/index.htm

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.state.ny.us

www.osc.state.ny.us/localgov

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

NEWBURGH REGIONAL OFFICE – Tenneh Blamah, Chief Examiner

33 Center Airport Drive, Suite 103, New Windsor, NY 12553-4725

Tel: (845) 567-0858 • Fax: (845) 567-0080 • Email: Muni-Newburgh@osc.state.ny.us

Serving: Columbia, Dutchess, Greene, Orange, Putnam, Rockland, Ulster, Westchester counties



Like us on Facebook at facebook.com/nyscomptroller

Follow us on Twitter @[@nyscomptroller](https://twitter.com/nyscomptroller)