



Tuckahoe Union Free School District

Overtime

2023M-53 | July 2023

Contents

- Report Highlights 1**

- Overtime 2**
 - How Should District Officials Ensure Overtime Was Properly
Approved, Accurate and Monitored?. 2
 - Written Policies and Procedures Were Not Established 2
 - District Officials Did Not Ensure Overtime Was Accurate 3
 - District Officials Did Not Properly Monitor Overtime 3
 - What Do We Recommend? 5

- Appendix A – Response From District Officials 6**

- Appendix B – Audit Methodology and Standards 9**

- Appendix C – Resources and Services 11**

Report Highlights

Tuckahoe Union Free School District

Audit Objective

Determine whether the Tuckahoe Union Free School District (District) officials ensured overtime was properly approved, accurate and monitored.

Key Findings

Although overtime was properly approved, District officials did not monitor overtime or ensure it was accurate. As a result, overtime payments increase the amount owed by a district, annually to the State, for its share of the cost of future employee retirement benefits.

District officials:

- Did not adopt written policies and procedures for overtime.
- Overpaid 15 employees a total of \$4,432 for overtime due to lack of adequate review of time records.
- Paid 15 employees overtime totaling \$324,934 primarily for routine anticipated events. Had the District considered alternative options instead of incurring overtime, some of these payments may have been reduced.

Key Recommendations

- Adopt written policies and procedures that address how and when overtime may be incurred, and the documentation required to support the time worked.
- Implement procedures for supervisory review of hours worked to ensure the accuracy of overtime charges.
- Ensure overtime is properly monitored.

District officials agreed with our recommendations and indicated they will take and have taken corrective action.

Background

The District is located in the Town of Eastchester in Westchester County. It is governed by a five-member Board of Education (Board) responsible for the general management and control of financial and educational affairs.

The Superintendent of Schools is appointed by the Board and is the chief executive officer responsible, along with other administrative staff, for day-to-day management, under the Board's direction.

Employees' immediate supervisors are responsible for scheduling overtime. Building supervisors and building principals are responsible for approving overtime. The payroll clerk processes the payroll.

Quick Facts

Overtime Paid for the Audit Period	
Total Overtime Wages Paid	\$547,925
Overtime-(OT) Reviewed	
Paid For:	
Non-Routine OT	\$34,662
Routine OT	\$285,840
Overpayments	\$4,432
Total OT Reviewed	\$324,934
OT Overpayments Breakdown	
Non-Routine-(Overpayments)	\$1,320
Routine-(Overpayments)	\$3,112
Total Overpayments	\$4,432
Employees	
Paid OT	79
Reviewed in Audit	15

Audit Period

July 1, 2020 – May 31, 2022

Overtime

How Should District Officials Ensure Overtime Was Properly Approved, Accurate and Monitored?

Officials should ensure procedures are in place to:

- Document the requests and approvals of overtime before overtime work is performed,
- Overtime pay is accurately paid, and
- Periodic monitoring of overtime is performed to determine if the overtime costs are reasonable and whether alternatives are available to reduce such costs.

While overtime pay may be an expected cost of doing business, it must be carefully monitored and controlled. Overtime not only impacts and increases a district's current payroll costs but can also increase an employee's future pension benefit. As a result, overtime payments increase the amount owed by the district, annually to the State, for its share of the cost of the district's employees' retirement benefits. Therefore, it is important to have adequate oversight for overtime, which include the establishment and distribution of written policies and procedures that address how and when overtime may be incurred, and the documentation necessary to support the time worked. Further, the procedures for review should include checking the mathematical accuracy of the timesheet and specifying the person responsible for this procedure to ensure overtime is accurately calculated and approved. In addition, overtime should be incurred only when necessary.

Preapproval of overtime should be obtained in all instances where overtime is planned, such as for a school program or the second day of an emergency event, using a written authorization form. In emergency situations, supervisors could verbally preapprove overtime to be incurred and follow up with the written form.

Department heads and supervisors should regularly review available documentation (e.g., budget to actual reports, overtime request forms) to effectively monitor the use and cost of overtime.

Written Policies and Procedures Were Not Established

The District had no formal written overtime policy or procedures. The Business Manager told us that there is no specific reason for the lack of written policies or procedures for overtime but that the District's employee handbook contains payroll procedural information for employees. However, the handbook does not specifically address a policy or procedure for approval and review of overtime.

Employees' direct supervisors or building principals approved overtime either verbally or via email and did not document that the overtime was approved or the

purpose for the overtime. During our audit period, the District paid \$547,925 in overtime wages.

We analyzed the overtime paid to 15 employees with the highest overtime charges for the audit period and reviewed all their time records and payments, totaling \$324,934. Although, employee timesheets generally indicated the purpose of the overtime, we found 63 time records out of the 913 reviewed, totaling \$18,395, where the purpose of the overtime was not indicated on the timesheets and in some cases (discussed below) the mathematical accuracy verified before they were approved. Because officials did not properly approve overtime or verify time worked, timesheets were approved with mathematical errors and missing information. Further, we were unable to determine whether approvals were granted before the work was performed and the purpose of the overtime.

[T]imesheets were approved with mathematical errors and missing information.

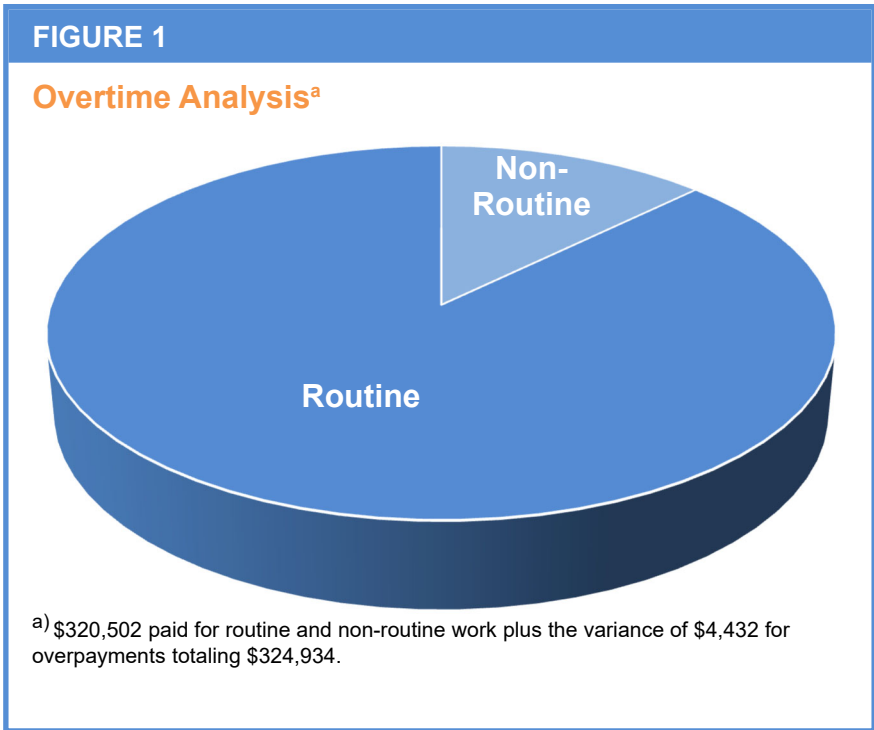
District Officials Did Not Ensure Overtime Was Accurate

Although time records were generally reviewed and approved by the respective building principal, we found that both building principals, as well as the payroll clerk, did not effectively review overtime charges for accuracy. The payroll clerk stated that she does not verify the accuracy of the time sheet if it has been signed and approved by the building principal. However, the Business Manager stated that building principals do not check employees' time sheets for mathematical accuracy. As a result, no official or employee verifies the accuracy of overtime being paid to employees.

We found 56 of 913 time records tested (6 percent) contained errors. For example, we found in some instances that the hours entered on the time sheet did not match the actual electronic punch time. As a result, the 15 employees whose time records we tested were overpaid overtime totaling \$4,432 due to mathematical errors in the records. These errors were not discovered because supervisors and the payroll clerk did not compare time sheets with punch-in records to check for accuracy. Because District officials did not ensure overtime was paid accurately, multiple employees were paid more for overtime than they were entitled.

District Officials Did Not Properly Monitor Overtime

District officials did not properly monitor the use of overtime. During our audit period, the District paid \$547,925 in overtime wages. We analyzed the overtime paid to 15 employees with the highest overtime charges for the audit period and reviewed all their time records and payments, totaling \$324,934. As illustrated in Figure 1, our review found that \$285,840 (89 percent) of the overtime payments were for routine anticipated events that may have been avoided had the District considered alternative options. Specifically, we found the District



incurred overtime costs for building checks, as well as for a bus monitor and a bus supervisor. These overtime costs to the District may have been prevented by District officials with adequate planning (such as the hiring of bus monitors, instead of using teacher aides, to conduct bus monitoring duties if this proved to be a viable and cost-effective alternative).

For example, the District paid \$18,902 in overtime to two of the 15 employees in our sample for bus supervision duties. Furthermore, the District paid five teacher’s aides an overtime rate of \$32 per hour for bus monitoring and supervising duties beyond their normal 6.5-hour workday, totaling \$75,341. These overtime payments occurred despite the District knowing that coverage would be needed ahead of time.

Although a bus monitor in Westchester County is hired for approximately \$20 per hour, which is \$12 per hour or 38 percent less than what the teachers’ aides were paid, District officials never performed a cost-benefit analysis of hiring bus monitors instead of paying teachers’ aides overtime. Had the District considered other alternative options, such as hiring additional bus monitors and supervisors, some of the \$94,243 in overtime payments may have been reduced. Also, District officials could have analyzed the workday responsibilities and considered alternative work hours to allow the bus monitoring and supervision to be covered as part of the aides’ 6.5-hour workday.

District officials told us that most of the overtime spending was generated from the supervision of the arrival and dismissal of students, bus monitoring, as well as building checks and cleaning by custodial staff. Officials also stated it is difficult to hire several people willing to work only 30 minutes in the morning and only 30 minutes in the afternoon. However, the District did not post any job listings for the bus monitor and bus supervisor positions or consider alternative work hours or changes in work responsibilities, and instead, relied on current employees working overtime.

Because District officials did not ensure overtime was properly monitored and did not provide adequate review of time records, the District may have spent more on overtime than necessary. Additionally, the increased overtime may also lead to an increase in the amount owed by the District, annually to the State, for its share of the cost of the District's employees' retirement benefits.

What Do We Recommend?

The Board should:

1. Adopt written policies and procedures that address how and when overtime may be incurred, and the documentation required to support the time worked. The policy should also address the review and approval of overtime.

District officials should:

2. Implement procedures for supervisory review of hours worked to ensure the accuracy of overtime charges.
3. Ensure overtime is properly monitored and consider alternatives to reduce overtime costs for routine work tasks.
4. Recover overpayments identified in the report, if applicable.
5. Perform a cost-benefit analysis to identify the most economical alternative options for controlling the District's overtime costs..

Appendix A: Response From District Officials



Dr. Amy Goodman
Superintendent of Schools
65 Swanoy Blvd.
Eastchester, NY 10709

Tel: (914) 337-6600 ext. 1250
Fax: (914) 337-3072
GoodmanA@tuckahoeschools.org
www.tuckahoeschools.org

July 5, 2023

Ms. Dara Disko-McCagg
Chief of Municipal Audits
Newburgh Regional Office
State of New York
Office of the State Comptroller
33 Airport Center Drive, Ste. 102
New Windsor, NY 12553

Dear Ms. Disko-McCagg,

On June 9, 2023 the Superintendent and Board of Education of the Tuckahoe Union Free School District received the preliminary “DRAFT” Report of Examination issued by your office titled “Overtime”, which covered the period of July 1, 2020 through May 31, 2022. The Board of Education and District Administration have reviewed the Report and are appreciative of the efforts of the auditing team from the office of the State Comptroller.

I would like to express my appreciation for the audit team's professionalism and politeness in carrying out their duties and engaging with the District staff throughout the entirety of the audit procedure. We have always had the belief that the Comptroller's Audit would serve to provide reassurance to the Board of Education and the Community that there are no irregularities in the Tuckahoe UFSD. The Audit Team's thorough review did not uncover any instances of fraud, waste, or misconduct, thus affirming the honesty and integrity of the District Staff.

This letter includes both the District's response as well as the outline for the corrective action plan that will be formally reviewed by the District's Audit Committee with anticipated approval by the full Board of Education. For each recommendation included in this audit report, the following is our plan for corrective action and explanations:

Audit Recommendation 1: Adopt written policies and procedures that address how and when overtime may be incurred, and the documentation required to support the time worked. The policy should also address the review and approval of overtime.

Preparing Every Student for Excellence.

Implementation Plan of Action: The District agrees with this recommendation. Since completion of the audit fieldwork, the Business Manager developed formal written overtime procedures and the Board adopted a payroll policy. Adjusted procedures include a process to request and receive approval prior to incurring overtime; ensuring overtime is accurately paid, and a periodic audit of overtime to determine if alternatives exist to avoid or lessen overtime hours.

Implementation Date: Completed June 2023.

Persons Responsible for Implementation: The Board will review and approve the written procedures, with oversight by the Superintendent and Business Manager.

Audit Recommendation 2: Implement procedures for supervisory review of hours worked to ensure the accuracy of overtime charges.

Implementation Plan of Action: The District agrees with this recommendation and will develop procedures for supervisory review of hours worked to ensure accuracy of overtime charges. Since the completion of audit fieldwork, we began the development of these procedures. Timesheets will be verified against time clock punches.

Implementation Date: Summer 2023.

Persons Responsible for Implementation: The Business Manager in collaboration with the Treasurer and Payroll Clerk.

Audit Recommendation 3: Ensure overtime is properly monitored and consider alternatives to reduce overtime costs for routine work tasks.

Implementation Plan of Action: The District agrees with this recommendation and will monitor overtime monthly by comparing actual to budget. This will be reviewed with the Superintendent and building leaders. Alternatives that may reduce overtime costs will be reviewed on occasion and will be considered during the next round of collective bargaining negotiations.

Implementation Date: Monitoring overtime will be an ongoing process. Current collective bargaining agreements expire June 30, 2025. We anticipate negotiations will begin in the Winter of 2025.

Persons Responsible for Implementation: The Business Manager will monitor overtime and review monthly with the Superintendent and business leaders. Negotiations involve the Board of Education in collaboration with the Superintendent and Business manager.

Audit Recommendation #4 : Recover overpayments identified in the report, if applicable.

Implementation Plan of Action: The District will review identified overpayments to make a determination on recovery.

Implementation Date: Summer 2023

Persons Responsible for Implementation: The Business Manager and Superintendent.

Audit Recommendation #5: Perform a cost-benefit analysis to identify the most economical alternative options for controlling the District's overtime costs.

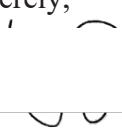
Implementation Plan of Action: The District agrees with this recommendation; however, the majority of these procedures are governed by collective bargaining agreements. The District will consider cost savings measures based on a review of overtime throughout the year but intends to negotiate additional cost saving measures during the next round of negotiations in 2025.

Implementation Date: We anticipate negotiations will begin in the Winter of 2025.

Persons Responsible for Implementation: The Business Manager, Superintendent and Board of Education.

Based on the measures instituted above, we believe the District has adequately responded to the recommendations of the Auditors. The District appreciates the work of the State Comptroller's Office. The Audit was both professional and thorough and we are appreciative of the communication throughout and after the audit process.

Sincerely,



Dr. Amy Goodman
Superintendent of Schools

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, our audit procedures included the following:

- We interviewed District officials, department heads, building principals and supervisors to obtain an understanding of the policies and procedures for the approval of overtime.
- We reviewed the District's collective bargaining agreements to determine whether overtime payments were paid in accordance with the agreements.
- We reviewed the total overtime payments for all employees and departments during our audit period to determine which employees and departments had the highest overtime charges.
- We used our professional judgment to determine our sample size and selected the 15 highest paid employees of the 79 employees receiving overtime payments. We reviewed all the time records for the audit period for these 15 employees to determine if overtime worked was for routine work and if the overtime was calculated correctly.
- We documented all the budget estimates for overtime listed on the 2020-2021 and 2021-2022 adopted budgets and then compared to the budget status reports and overtime reports. We then calculated the difference to determine if the District's budgeted estimates were reasonable compared to the actual overtime incurred.
- We calculated the bus monitor and bus supervision overtime charges at regular pay to determine potential cost savings.

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. 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.

The Board has the responsibility to initiate corrective action. 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-a (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 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. The CAP should be posted on the District's website for public review.

Appendix C: Resources and Services

Regional Office Directory

www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf

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

www.osc.state.ny.us/local-government/publications

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

www.osc.state.ny.us/local-government/fiscal-monitoring

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

www.osc.state.ny.us/local-government/publications

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

www.osc.state.ny.us/local-government/resources/planning-resources

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

www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.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/local-government/required-reporting

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

www.osc.state.ny.us/local-government/publications

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

www.osc.state.ny.us/local-government/academy

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.ny.gov

www.osc.state.ny.us/local-government

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

NEWBURGH REGIONAL OFFICE – Dara Disko-McCagg, Chief of Municipal Audits

33 Airport Center Drive, Suite 102 • New Windsor, New York 12553-4725

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

Serving: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester counties

osc.state.ny.us

