



COUNTY OF LEHIGH
OFFICE OF THE CONTROLLER

LEHIGH COUNTY GOVERNMENT CENTER
17 SOUTH SEVENTH STREET
ALLENTOWN, PA 18101-2400
(610) 782-3082 FAX: (610) 871-2897

GLENN D. ECKHART
COUNTY CONTROLLER

JOHN A. FALK
DEPUTY CONTROLLER

TO: Donna Zimmerman, Aging Services Director
FROM: Glenn Eckhart, County Controller *G.E.*
DATE: July 5, 2013
RE: Compliance Audit – Time Reporting Policies and Procedures
Investigation – Ethics Hotline #13-06

As a result of an Ethics Hotline call (#13-06), we have completed an audit of Aging and Adult Services compliance with The County of Lehigh Personnel Policies and Procedures Manual time reporting requirements. Our audit was limited to time reporting by selected employees of the Office of Aging and Adult Services during the period March, 2013 through May, 2013. Our report number 13-43 is attached.

The results of our audit are:

- The Office of Aging and Adult Services management was not in compliance with the Personnel Policies and Procedures Manual, Chapter 4 – Employee Standards, Chapter 16 – Working Hours, and Chapter 17- Overtime/Compensatory Time.
- Compensatory time for certain employees within the Office of Aging and Adult Services was not formally recorded and reported in the county's time reporting system.
- Aging and Adult Services management allowed the practice of "flex" scheduling in which employees were instructed to not record time earned in excess of their regularly scheduled work and were allowed to use "off-the-books" compensatory time. No formal record keeping system was in-place to document compensatory time earned or used.

COUNTY OF LEHIGH, PENNSYLVANIA

*Independent Auditor's Report Compliance Audit
Ethics Hotline E13-06
County of Lehigh Personnel Policies and Procedures
Aging and Adult Services*

For the period March, 2013 – May, 2013

REPORT NO. 13-43

COUNTY OF LEHIGH, PENNSYLVANIA
AGING AND ADULT SERVICES
COUNTY OF LEHIGH PERSONNEL POLICIES AND PROCEDURES
INVESTIGATION – ETHICS HOTLINE #13-06

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COUNTY OF LEHIGH, PENNSYLVANIA
AGING AND ADULT SERVICES
COUNTY OF LEHIGH PERSONNEL POLICIES AND PROCEDURES
INVESTIGATION – ETHICS HOTLINE #13-06

Background

On May 22, 2013, the Office of the Controller received an anonymous Ethics Hotline call alleging that an Aging and Adult Services employee was leaving work early to attend work at a second job (umpire baseball games) and not properly recording leave time on the County time reporting system. Our office examined internal county records and other supporting evidence pertaining to the allegations.

Based on our review of the relevant county records, we interviewed county staff and management to determine the facts surrounding the allegations. Please find attached a copy of our compliance audit report including our findings and recommendations.



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Donna Zimmerman, Aging Services Director
Office of Aging and Adult Services
Lehigh County Government Center
17 South Seventh Street
Allentown, PA 18101-2400

Compliance

We have audited Aging and Adult Services (AAS) compliance with the County of Lehigh Personnel Policies and Procedures Manual time reporting requirements for the period March, 2013–May, 2013. Compliance with the requirements referred to above is the responsibility of the AAS management. Our responsibility is to express an opinion on the AAS compliance based on the audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America and the generally accepted government auditing standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The responsibility of the Office of the Controller is further described in the County of Lehigh Home Rule Charter Article V, Section 503, and County of Lehigh Administrative Code Article V, Section 502. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on time reporting activity. An audit includes examining, on a test basis, evidence about the AAS management's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the AAS management's compliance with those requirements.

In our opinion, AAS management did not comply, in all material respects, with the compliance requirements referred to above that are applicable to County of Lehigh Personnel Policies and Procedures Manual. We noted compliance deficiencies or other management issues that are described in the accompanying "*Schedule of Audit Findings and Recommendations*".

Internal Control Over Compliance

Management of the AAS is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the AAS management's internal control over compliance to determine the auditing procedures for the purposes of expressing an opinion on compliance, but not for the purposes of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the AAS management's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A material weakness in internal control over compliance is a deficiency or combination of deficiencies in internal control over compliance, such that there is reasonable possibility that a material noncompliance with a compliance requirement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management; Thomas Muller, Acting County Executive; others within the county; and the Board of Commissioners and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



GLENN ECKHART
County Controller

May 31, 2013
Allentown, Pennsylvania

xc: Board of Commissioners
Matthew Croslis, County Executive
David Gilgoff, Director of Human Services
M. Judith Johnston, Human Resources Officer
Brian L. Kahler, Fiscal Officer
Thomas Muller, Director of Administrator

COUNTY OF LEHIGH, PENNSYLVANIA
AGING AND ADULT SERVICES
COUNTY OF LEHIGH PERSONNEL POLICIES AND PROCEDURES
INVESTIGATION – ETHICS HOTLINE #13-06

Schedule of Audit Findings and Recommendations

1. Unreported Vacation Time/"Flex" Time System

Condition: An AAS employee did not report leave time when absent from work. AAS management approved the absence with justification through the unauthorized, informal practice of an off-books, compensatory accrual/use "flex" time system. Failure to properly report time worked could result in unauthorized leave time, violation of provisions of the Fair Labor Standards Act, and inaccurate county time reporting and payroll payments.

Recommendation: The AAS management should comply with County of Lehigh Personnel Policies and Procedures Manual requiring the accounting and recording of overtime and compensatory time. The following corrective actions should be taken:

- Management should provide a retroactive recording of the affected employee's vacation time to coincide with "off-the-books" flex time previously taken to attend a second job. This should not include the ability for the employee to apply retroactively any "off-the-books" compensatory time that was earned during the course of employment. No other AAS employees' "off-the-books" compensatory time should be retroactively applied.
- Management should comply with the County of Lehigh Personnel Policies and Procedures Manual, specifically:
 - Chapter 4 – Employee Standards
4-1.1.B Employee Requirements (outside employment)
 - Chapter 16 – Working Hours
16-1.1.B.2 (use of vacation)
 - Chapter 17 – Overtime/Compensatory Time
17-1.IV. and .V (required recording of compensatory time)

The practice of allowing the "flex" schedules or "off-the-books" compensatory time accruals should cease immediately.



COUNTY OF LEHIGH
Department of Human Services

David Gilgoff, Ph.D.
Director of Human Services

July 1, 2013

Mr. John A. Falk
Deputy Controller
Office of the Controller
17 S. 7th Street
Allentown, PA 18101-2400

Dear Mr. Falk:

As per your request I am writing in response to audit E-16-03 involving the time use of an Office on Aging and Adult Services employee. This audit resulted from a call to your hotline and resulted in the identification by your office of an employee who had inaccurate timesheets.

The hours of the employee will be adjusted so that they are accurate.

The personnel Policies and Procedures as to time worked and leave time reporting will be followed.

Sincerely,

David Gilgoff, Director
Department of Human Services

cc: Judith Johnston