

OFFICE OF THE NASSAU COUNTY COMPTROLLER



Audit Follow-Up

Limited Review of the Nassau County Office of the Public Administrator

Original Report Dated: December 18, 2018

December 17, 2019

JACK SCHNIRMAN COMPTROLLER

OFFICE OF THE NASSAU COUNTY COMPTROLLER

JACK SCHNIRMAN, COMPTROLLER

Kim G. Brandeau
*Deputy Comptroller for Administration
& Operations, Audit Division*

Jeffrey R. Schoen
Deputy Comptroller/Chief Counsel

Anthony N. Dalessio
Deputy Comptroller

JoAnn Greene, MBA, CPA
Director of Field Audit

Audit Staff

Aurora Scifo, CPA
Assistant Director of Field Audit

Denise Gianotti
Field Auditor IV

Blaine Griffin
Field Auditor IV



This report is also available on our website at: <https://www.nassaucountyny.gov/Audits>



OFFICE OF THE NASSAU COUNTY COMPTROLLER

240 Old Country Road

Mineola, New York 11501

Tel: (516) 571-2386 Fax: (516) 571-5900

nccomptroller@nassaucountyny.gov

Hon. Jack Schnirman

Nassau County Comptroller

December 17, 2019

Dear Nassau County Taxpayers:

From day one, a key priority for my Office continues to be our focus on conducting audits that achieve results.

That's why in 2018, our team implemented a new policy establishing a follow-up review of our audits. Along with providing an update and making it accessible for taxpayers, this new follow-up procedure will help us better ensure that the audit's recommendations are implemented, further increasing efficiency and accountability within our County government.

This process is not about playing "gotcha" with our audits; it's about real work getting done, focused on outcomes and results for our taxpayers.

This report provides a follow-up to the *Limited Review of the Nassau County Office of the Public Administrator*, which was released in December of 2018. I encourage you to read the original audit and this follow-up report to evaluate both the work of this Office and the Public Administrator's implementation of the corrective actions recommended by our Office. All audits are posted on our website, at www.nassaucountyny.gov/Audits.

Please feel free to reach out to our *Report It Reform It* tipline at ReportItReformIt@nassaucountyny.gov with any suggestions or questions that you might have.

Sincerely,

Honorable Jack Schnirman
Nassau County Comptroller

EXECUTIVE SUMMARY

INTRODUCTION

On December 18, 2018 the Nassau County Comptroller's Office released an audit of the Nassau County Office of the Public Administrator. The audit covered the period from January 1, 2014 to December 2018. The objective of the review was to ensure the Office was operating in compliance with governing laws, performing the numerous functions of its mission and to evaluate the internal controls over the Office's operations.

A copy of the *Limited Review of the Nassau County Office of the Public Administrator* can be found online at the Comptroller's website [here](#).¹

Auditor Assessment of Progress Objectives and Methodology

Under a new policy implemented in 2018, the Comptroller's Office conducts a follow-up review of audits to ensure that the recommendations made are being implemented. Working with the Office of the Public Administrator, and with limited follow-up analysis performed by the Auditors, we have prepared this status report.

- **The audit of the Public Administrator contained 12 audit findings, with a total of 55 recommendations.**
- **Almost 95% of the recommendations have been either implemented or are in the process of being implemented. This illustrates the Nassau County Office of Public Administrator is working towards strengthening its internal controls to improve the department's accuracy and efficiency and to decrease the risk for fraud, waste and abuse.**

We commend the Public Administrator for making positive strides toward implementing our recommendations and thank his staff for the courtesy extended to our Office during this review.

Summary of Public Administrator's Implementation of Audit Recommendations

Based on conversations with the Public Administrator and the limited follow-up analysis performed by the Auditors, each recommendation has been assessed by the Auditors as either Implemented (**Green**), In Process (**Yellow**), or Not Implemented (**Red**). See Exhibit I and Exhibit II on the next page for a breakdown of the stages of completion for all audit recommendations.

¹ <https://www.nassaucountyny.gov/DocumentCenter/View/24186/Final-Report---Limited-Review-of-the-Nassau-County-Office-of-the-Public-Administrator?bidId=>

EXECUTIVE SUMMARY

Exhibit I

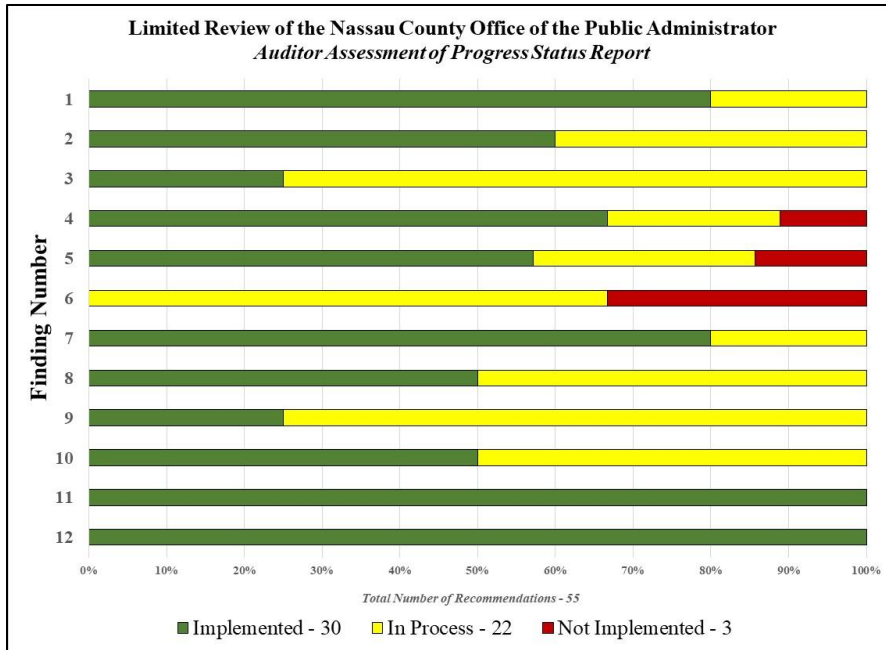


Exhibit II

Audit Follow-Up				
Limited Review of the Nassau County Office of the Public Administrator				
Summary of Department Implementation of Audit Recommendations				
Finding #	# Recommendations	Implemented ●	In Process ●	Not Implemented ●
1	5	4	1	0
2	5	3	2	0
3	8	2	6	0
4	9	6	2	1
5	7	4	2	1
6	3	0	2	1
7	5	4	1	0
8	4	2	2	0
9	4	1	3	0
10	2	1	1	0
11	2	2	0	0
12	1	1	0	0
Total	55	30	22	3
Stages of Completion		54.5%	40.0%	5.5%

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Summary of Original Report Finding and Recommendations

The Nassau County Office of the Public Administrator (“NCPA” or “Public Administrator” or “PA”) was established under the New York State Surrogate’s Court Procedure Act² (“SCPA”) to administer the estates of individuals who die without a will (“intestate”) and leave either no known heirs or heirs who are not qualified or willing to administer the estate. The Public Administrator is appointed by the Surrogate’s Court of Nassau County.

Major Findings of the Original Report

The major findings of the original report included:

- The former Public Administrator was not involved in the daily operations of the Office, which is short staffed, leading to internal control and segregation-of-duty issues and excessive reliance on outside parties, which can be expensive (i.e. \$425 an hour attorney services). The majority of expenditures made by the Office are paid by estates, therefore higher costs reduce the amounts ultimately distributed to estate heirs.
- Lack of management oversight was found, including inaccurate staff time and leave balances, and inadequate personal property inventory records for estates.
- The vendor selection process was not in accordance with departmental procedures or best practices, which could both stifle competition and result in favoritism.
- The former Public Administrator misrepresented his arrival times to work in the time and leave system on multiple occasions.
- Reports to the Internal Revenue Service of vendor and professional service payments (Form 1099-MISC) were potentially understated, which could result in the underpayment of vendor income taxes. The Public Administrator hires vendors and others to provide a variety of services required to assist with the disposition of estate assets, including appraisers, accountants, movers, contractors, cleaning services, investment advisers, funeral directors, genealogists, insurance brokers, auctioneers, and lawyers.
- The use of multiple record keeping systems creates a manually intensive process to oversee estate administration.

Major Recommendations of the Original Report

The major recommendations of the original report included:

² New York State Surrogate’s Court Procedure Act, Article 12 and Sections 1201-1219.

INTRODUCTION

- The County employ a knowledgeable Public Administrator who is fully engaged in the daily operations of the Office. Outside parties should not be excessively involved in Office operations.
- Management should properly oversee all functions of the Office including implementing proper time keeping practices.
- Additional staff should be hired in the Office, including an in-house Accountant to oversee estate assets.
- The Public Administrator should advertise for vendors timely and require complete and accurate applications to assure the most qualified vendors and others are hired at competitive prices. The costs for these vendors are paid by the estates, and the County should do everything possible to protect the assets of the deceased for their families and heirs.
- Departmental staff should properly record all time worked and keep a log of offsite field work.
- A unified electronic case management system should be funded and implemented to efficiently track and record estate activity.

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Summary of Assessment of Audit Recommendations

Exhibit III below shows the audit findings and recommendations. The recommendations have been individually color coded to denote the Auditors' status assessment of each recommendation: Implemented (**Green**), In Process (**Yellow**), or Not Implemented (**Red**).

Exhibit III

Summary of Assessment of Audit Recommendations		
#	Audit Finding	Audit Recommendation(s)
1	The Public Administrator is Not Involved in Day-to-Day Operations - Outside Parties Have Excessive Involvement with Office Operations	<p>a) The County employ a knowledgeable Public Administrator who is fully engaged in the daily operations of the Office.</p> <p>b) The NCPA's appointed estate attorney only perform duties related to the administration of the individual estates they represent.</p> <p>c) All legal matters pertaining to the operations of the Nassau County Office of the Public Administrator be forwarded to the Nassau County Attorney's Office.</p> <p>d) The NCPA consider issuing an RFP for estates attorneys services and consider using multiple attorneys to represent estates with sliding scales depending on complexity of the estate.</p> <p>e) The NCPA cease from relying on an outside CPA for internal accounting operations and immediately hire an in-house Accountant.</p>
2	Reports to Taxing Authorities of Vendor and Professional Service Payments Were Not Made	<p>The NCPA:</p> <p>a) require vendors complete Form W-9 or require such information on their internal vendor application for Form 1099-MISC reporting purposes;</p> <p>b) issue Form 1099-MISC to all attorneys utilized by the NCPA who received over \$600 in a calendar year;</p> <p>c) issue Form 1099-MISC to all qualifying vendors using the NCPA's Tax Identification Number;</p> <p>d) aggregate the total amount paid to vendors regardless of their source of payment, without excluding payments under \$600 to determine if vendors would require a 1099-MISC; and</p> <p>e) utilize their pre-existing QuickBooks application, or other similar software, to track 1099 eligible vendor payments and generate 1099s to ensure accuracy and reduce costs paid to the outside accountant.</p>
3	The Public Administrator Deviated from Departmental Procedures Regarding the Selection and Compensation of Vendors	<p>The NCPA:</p> <p>a) ensure newspaper advertisements for outside vendors be published timely in the year preceding the advertised year of service to allow vendors appropriate time to respond and NCPA staff adequate time to review vendor applications and select vendors for use and inclusion on NCPA's annual vendor list;</p> <p>b) thoroughly review all vendor applications for completeness. All applications should be time stamped immediately upon receipt, indicate the vendor's type of business entity, list the vendor's fees, be signed by the vendor and notarized, include copies of all applicable business licenses and have supplementary vendor information packages completed as necessary;</p> <p>c) educate itself on the business licenses needed to perform services in Nassau County and verify all vendors have the required licenses;</p> <p>d) require all vendors submit a properly completed Form W-9 along with all vendor applications denoting the vendor's appropriate federal tax classification;</p> <p>e) ensure that complete and accurate applications are received for all vendors included on NCPA's annual vendor list;</p> <p>f) annual vendor lists include the vendor fees and an indication of a vendor's past experience with NCPA;</p> <p>g) keep written documentation to justify the selection of the particular vendors included on the annual vendor list; and</p> <p>h) use only vendors who are included on their annual vendor list and have submitted a properly completed vendor application.</p>

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Summary of Audit Findings and Recommendations		
#	Audit Finding	Audit Recommendation(s)
4	<p>Cash Receipt, Cash Disbursement and Inter-Bank Transfer Procedures Require Improvement, Largely Caused by Lack of Departmental Accounting Staff</p>	<p>a) All cash receipts be recorded on the estate's Inventory Listing and a supervisory review be performed.</p> <p>b) The Public Administrator request all banks send monthly or quarterly statements indicating the amount of interest credited and the current balance of each Certificate of Deposit.</p> <p>c) Original invoices be maintained in the estate files and attached to copies of disbursement checks. In instances where there is no invoice, a payment authorization form indicating the vendor's name, date of service, type of service provided, or hours being charged, and dollar amount must be attached to the check.</p> <p>d) The NCPA select one consistent means to document their approval of disbursements.</p> <p>e) An appropriate level of checks and balances be instituted whereby the same individual is not permitted to approve an expense and also prepare the check for all disbursements and inter-bank transfers.</p> <p>f) Invoice numbers of the associated payments be written in the memo section of the check or on the check stub for audit trail purpose.</p> <p>g) Vendors are used only for work stipulated on their vendor application and are paid in accordance with the terms of their applications for all work performed.</p> <p>h) Bills for advertising and calculations supporting an estate's proportionate share of expenses be maintained in the estate folder.</p> <p>i) Payment authorization forms indicating the reason for bank transfers be maintained in the estate folder.</p>
5	<p>Auditors Found Inadequate Personal Property Inventory Records for the Safe and Safe Room</p>	<p>a) The NCPA update their Safe Room Log to ensure an accurate list of all estates with personal property.</p> <p>b) The NCPA perform a count of cash and coins found at estates as soon as possible after its discovery. The count should be re-performed by a supervisor or a second party and documented on the estate's Inventory Listing and recorded on NCPA's "Cash/Checks log."</p> <p>c) The description and quantity count of personal property items be re-performed by a separate employee through a supervisory review to increase the accuracy of estate Inventory Listings and verify all items have been accounted for.</p> <p>d) All estate Inventory Listings be properly filled out with applicable estate information such as the address, date of death, Surrogate's numbers, date of Letter of Administration or social security numbers. The Inventory Listings should be perpetually updated.</p> <p>e) Personal property items be individually tagged in an effort to increase accountability and decrease the risk for items to be lost or stolen or items of jewelry switched with one of lesser value.</p> <p>f) Appraised item values be recorded individually on the Inventory Listings.</p> <p>g) The NCPA consider hiring a different external audit firm to perform their annual operational audit in order to obtain a fresh perspective on their internal controls. The NCPA should speak with other neighboring Public Administrators to compare fees and results for their annual operational audits.</p>

INTRODUCTION

Summary of Audit Findings and Recommendations		
#	Audit Finding	Audit Recommendation(s)
6	The Public Administrator Needs A Unified Electronic Case Management System to Track Estate Activity as Required by NYS Guidelines	<p>a) The Public Administrator speak with Nassau County and New York State Court Administration about implementing a central case management system for tracking and recording estate activity. A centralized system is imperative to accurately reflect the cases being handled by the NCPA.</p> <p>b) NCPA maintain management reports to detail how many cases the NCPA started a calendar year with, how many new cases were opened, how many cases were closed and how many cases remain open at any given time.</p> <p>c) All supporting documentation used in the creation of the OCA Annual Report be reviewed and retained.</p>
7	Discrepancies with the Estate Closing Process Lead to Inconsistent Report Data and Estate Activity Not Being Reported to the Surrogate's Court	<p>a) The NCPA perform supervisory reviews of all "Final Accountings" prepared by their estates attorneys for accuracy and completeness.</p> <p>b) The NCPA update their ledgers to include a key/legend to tie information listed in their ledgers to the Final Accounting.</p> <p>c) The Affidavit Bringing Account to Date include a time frame.</p> <p>d) Any activity not previously reported to the Surrogate's Court via an Affidavit Bringing Account to Date or Final Decree be reported to the Surrogate's Court.</p> <p>e) The Surrogate's Court consider adding a post Final Decree clause to explicitly stipulate the method for distributing and reporting any additional assets identified subsequent to the Final Decree.</p>
8	Lack of Management Oversight and Incomplete Suspense Account Personnel Files Have Resulted in \$49,070 of Overpayments to Suspense Account Personnel	<p>The NCPA:</p> <p>a) publicly advertise for all future Suspense employee positions;</p> <p>b) document the justification for the hiring of employees financed by the Suspense account;</p> <p>c) create employee contracts for all Suspense employees detailing their duties and responsibilities, scheduled work hours, agreed upon salaries, types of benefits, waiting timeframe for receiving benefits and compensated time off policies; and</p> <p>d) disseminate Human Resources' New Hire Packet Orientation Checklist to all employees (Appendix A).</p>
9	Manual Timekeeping Practices for Suspense Account Employees Have Resulted in Inaccurate Time & Leave Balances	<p>a) The accrual of Time & Leave balances be performed in accordance with the CSEA contract.</p> <p>b) Routine supervisory review be performed of Suspense employee Time & Leave records and balances to verify the accuracy of balances and minimize potential errors.</p> <p>c) The NCPA properly document the accrual and approval of any compensated time and its subsequent usage.</p> <p>d) INTIME attendance records for Suspense employees be reviewed and certified each pay period and traced to manual time & leave records.</p>

INTRODUCTION

Summary of Assessment of Audit Recommendations		
#	Audit Finding	Audit Recommendation(s)
10	The Public Administrator Failed to Perform the Required Review and Certification of Timekeeping Records Resulting in Significant Time & Leave Errors	<p>a) All employee time sheets be certified by either the designated Payroll Supervisor or Department Head every two weeks to ensure employee absences are supported by a time off request or a designated County holiday.</p> <p>b) Manual entries for time on/time off be recorded daily.</p>
11	NCPA Administrative Staff is Not Properly Accounting for Time When They Are Not Physically at Work	<p>a) The NCPA establish a departmental log for all employees to record time they are physically out of the office when they are attending to departmental business or using time off for personal reasons in order to establish accountability.</p> <p>b) The Public Administrator accurately enter his actual arrival and departure time manually into INTIME noting any lateness, or the Public Administrator and Deputy Public Administrator be required to swipe in/out of work with their INTIME Proximity ID Badges.</p>
12	The Public Administrator May Not Be in Compliance with Executive Order 1-2018 Which Prohibits Agency Heads from Holding Certain Political Positions	<p>We recommend that the County Attorney review this situation and determine if the position of the Public Administrator, which is a position appointed by the Surrogate Court, but employed by Nassau County, is subject to Executive Order 1-2018. Based upon the results of the County Attorney's review, appropriate action to bring the Public Administrator into compliance with Executive Order 1-2018 be immediately taken if required.</p>

AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

Auditor Assessment of Recommendation Implementation Progress

This section provides details on the audit report findings, recommendations, progress reports from the Nassau County Office of the Public Administrator and the Auditors' analysis of the recommendation implementation. The recommendation implementation status also includes a color-coded bullet to indicate its progress.

Finding 1 Title	The Public Administrator is Not Involved in Day-to-Day Operations - Outside Parties Have Excessive Involvement with Office Operations
Finding 1 Recommendations	<p>a) The County employ a knowledgeable Public Administrator who is fully engaged in the daily operations of the Office.</p> <p>b) The NCPA's appointed estate attorney only perform duties related to the administration of the individual estates they represent.</p> <p>c) All legal matters pertaining to the operations of the Nassau County Office of the Public Administrator be forwarded to the Nassau County Attorney's Office.</p> <p>d) The NCPA consider issuing an RFP for estates attorneys' services and consider using multiple attorneys to represent estates with sliding scales depending on complexity of the estate.</p> <p>e) The NCPA cease from relying on an outside CPA for internal accounting operations and immediately hire an in-house Accountant.</p>
Public Administrator's Response to 12/18/18 Report	<i>"The NCPA acknowledges the audit recommendations and submits they are in full compliance with the SCPA and PA Guidelines, and will continue to adhere to same."</i>
Auditors' Follow-Up Comments	We stand by our finding and reiterate our recommendations that the County employ a knowledgeable Public Administrator who is fully engaged in the daily operations of the Office; the NCPA's appointed estates attorney only perform duties related to the administration of the individual estates they represent; all legal matters pertaining to the operations of the Nassau County Office of the Public Administrator be forwarded to the Nassau County Attorney's Office; the NCPA consider issuing an RFP for estates attorneys services and consider using multiple attorneys to represent estates with sliding-fee scales depending on complexity of the estate; and the NCPA cease from relying on an outside CPA for internal accounting operations, and immediately hire an in-house Accountant.

AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

NCPA Response to Audit Follow-Up

1.a) *“On November 9, 2018, Jeffrey DeLuca retired as the Nassau County Public Administrator. On December 10, 2018*, the Honorable Margaret C. Reilly appointed Brian Curran to the position of Nassau County Public Administrator.”*

1.b) *“Mahon, Mahon, Kerrins & O'Brien (MMKO) serves as estate counsel to the Nassau County Public Administrator's Office (NCPA). In that capacity, MMKO has provided outstanding legal services and counsel in the administration of the individual estates currently under the purview of the Nassau County Public Administrator. All administrative duties pertaining to the Nassau County Public Administrator Office is solely handled by the undersigned and Deputy Public Administrator, Domenica Leone.”*

1.c) *“Pursuant to Surrogate's Court Procedure Act (SCPA), the Public Administrator will continue to employ MMKO as estate counsel to the Office and the individual estates under its charge. Any legal issue or matter pertaining to an estate under the charge of the PA will be properly referred to legal counsel retained by the PA. Any legal matter pertaining to an organizational/personnel/ indemnification issue with regards to the PA Office will be properly referred to the Nassau County Attorney's Office.”*

1.d) *“In compliance with SCPA 1206 (3), NCPA retains an estate attorney.”*

1.e) *“To the extent that the PA's retention of an outside CPA for external accounting operations was in full compliance with the SCPA and PA Guidelines, the PA's Office partially adopted the Comptroller's recommendation and requested budgetary funding for an* in-house accountant. Please note, the NCPA had made prior budgetary requests for an in-house accountant in August 2018 which was denied by the Nassau County Department of Budget. On January 18, 2019, a secondary budget request was made by the PA for an in-house accountant in a letter which is hereby attached. On February 6, 2019, the PA met* with the County Executive Office with regards to the budgetary request. In a letter dated 2/26/19 (attached hereto), County Executive Curran delayed approving the PA's budgetary request for an in-house accountant pending implementation and evaluation of an* office case management software product for the PA which may streamline existing accounting functions. Currently, the retention of the outside CPA by the NCPA is prudent, proper and necessary because the request for an in-house accountant has not been approved.”*

**Note: Typographical error corrected by Auditors to improve readability.*

AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

Post Audit Follow-Up Analysis	<p>Field Audit met with the Public Administrator and Deputy Public Administrator on Tuesday July 30, 2019 to discuss the corrective actions taken by the department since the release of the audit. Auditors then performed a limited analysis to determine the validity of the NCPA's responses.</p> <p>A follow-up discussion took place on Tuesday August 6, 2019 to discuss the Auditors' preliminary Assessment of Progress and any additional NCPA input.</p>
Auditor Assessment of Progress	<ul style="list-style-type: none">● 1.a) We commend the current Public Administrator for the implementation of numerous recommendations made in our audit. It appears the new Public Administrator is engaged in the daily operations of the Office.● 1.b) Based on the NCPA's response to recommendation 1.c, and our discussion on 7/30/2019, it appears this recommendation has been implemented.● 1.c) We are pleased our recommendation appears to have been implemented.● 1.d) This recommendation was discussed with the NCPA on 8/6/2019. The NCPA stated the department's past experiences with multiple attorneys did not yield a more productive work environment. Cases were not closed as quickly and work eventually backlogged. As a result, selecting one main attorney to handle the estates was deemed by management to be a more appropriate means of business. Additionally, if there are conflicts of interest with the current attorney another must be utilized. <p>Although our recommendation does not appear to have been addressed, the NCPA's corrective action is acceptable.</p> <ul style="list-style-type: none">● 1.e) We commend the current Public Administrator for attempting to implement our recommendation. Although the new CompuTrust case management system may improve departmental efficiency, the NCPA should continue to pursue hiring an in-house accountant for the performance of the department's internal accounting operations. The current employee who performs the majority of the department's accounting functions is expected to retire in the near future and a successor must be trained.

AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

Finding 2 Title	Reports to Taxing Authorities of Vendor and Professional Service Payments Were Not Made
Finding 2 Recommendations	<p>The NCPA:</p> <p>a) require vendors complete Form W-9 or require such information on their internal vendor application for Form 1099-MISC reporting purposes;</p> <p>b) issue Form 1099-MISC to all attorneys utilized by the NCPA who received over \$600 in a calendar year;</p> <p>c) issue Form 1099-MISC to all qualifying vendors using the NCPA’s Tax Identification Number;</p> <p>d) aggregate the total amount paid to vendors regardless of their source of payment, without excluding payments under \$600 to determine if vendors would require a 1099-MISC; and</p> <p>e) utilize their pre-existing QuickBooks application, or other similar software, to track 1099 eligible vendor payments and generate 1099s to ensure accuracy and reduce costs paid to the outside accountant.</p>
Public Administrator’s Response to 12/18/18 Report	<p><i>“The NCPA acknowledges the audit recommendations and submits they are in full compliance with the SCPA and PA Guidelines, and will continue to adhere to same. With respect to vendor 1099-Misc forms, the NCPA will continue to issue same in the aggregate, from the Suspense Account, at the request of the Nassau County Comptroller. The NCPA requests the Nassau County Comptroller seek an advisory opinion from the Internal Revenue Service on the NCPA’s obligation to issue 1099-Misc Forms by the NCPA, from both suspense and estate accounts, for GAL attorney appointments by the Surrogate, and for the attorney for the Public Administrator.”</i></p>
Auditors’ Follow-Up Comments	<p>In accordance with the request by the NCPA, the Comptroller will request an advisory opinion on the requirement of issuing 1099-MISC forms from the Internal Review Service.</p>
NCPA Response to Audit Follow-Up	<p>2.a) <u><i>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018 required all vendors to file a W-9 Form with its vendor application for it to be considered complete.”</i></u></p> <p>2.b) <u><i>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, the PA’s Office adopted the Comptroller’s recommendation. Commencing on December 10, 2018, the PA issues</i></u></p>

AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

	<p><u>1099-MISC* to all attorneys utilized by the office who receive over \$600 in a calendar year.”</u></p> <p>2.c) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation and commencing on December 10, 2018, the PA issues 1099-MISC to all qualifying vendors using the NCPA's Tax Identification Number.”</u></p> <p>2.d) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation and commencing on December 10, 2018, the PA Office will compute the total aggregate paid to a vendor regardless of the source of payment for purposes to determine if a vendor is required a 1099-MISC.*”</u></p> <p>2.e) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office is hoping to satisfy this recommendation with the installation of CompuTrust (case management system) which is scheduled for August 2019.”</u></p> <p><i>*Note: Typographical error corrected by Auditors to improve readability.</i></p>
<p>Post Audit Follow-Up Analysis</p>	<p>Auditors obtained the NCPA’s 2018 Form 1099-MISC which were sent to the department’s vendors. Auditors noted the 1099s were issued in the NCPA’s Tax Identification Number, completed for attorneys and appear to be aggregated totals of vendor expenses. The NCPA has yet to implement their new CompuTrust case management system but anticipates CompuTrust will assist with the tracking of 1099 eligible vendor payments and the creation of 1099s.</p>
<p>Auditor Assessment of Progress</p>	<p>● 2.a) We are pleased the NCPA has attempted to implement our recommendation. Although the NCPA is requesting Form W-9s from all vendors, our review found some 2019 vendor applications were not accompanied by a Form W-9. During our 8/6/2019 discussion with the NCPA, it was noted that vendors who did not have completed applications (i.e. vendor application, license, W-9, etc.) would not normally be selected to provide services.</p> <p>● 2.b) We are pleased our recommendation appears to have been implemented.</p>

AUDITOR FOLLOW-UP ASSESSMENT OF PROGRESS

	<ul style="list-style-type: none"> ● 2.c) We are pleased our recommendation appears to have been implemented. ● 2.d) We are pleased our recommendation appears to have been implemented. ● 2.e) We are pleased the PA's Office is hoping to satisfy this recommendation with the installation of the CompuTrust case management system. During an 11/20/2019 discussion with the PA, he indicated the NCPA experienced some setbacks with their original implementation date and is hoping CompuTrust will be implemented in December 2019.
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Finding 3 Title	The Public Administrator Deviated from Departmental Procedures Regarding the Selection and Compensation of Vendors
Finding 3 Recommendations	<p>The NCPA:</p> <ul style="list-style-type: none"> a) ensure newspaper advertisements for outside vendors be published timely in the year preceding the advertised year of service to allow vendors appropriate time to respond and NCPA staff adequate time to review vendor applications and select vendors for use and inclusion on NCPA's annual vendor list; b) thoroughly review all vendor applications for completeness. All applications should be time stamped immediately upon receipt, indicate the vendor's type of business entity, list the vendor's fees, be signed by the vendor and notarized, include copies of all applicable business licenses and have supplementary vendor information packages completed as necessary; c) educate itself on the business licenses needed to perform services in Nassau County and verify all vendors have the required licenses; d) require all vendors submit a properly completed Form W-9 along with all vendor applications denoting the vendor's appropriate federal tax classification; e) ensure that complete and accurate applications are received for all vendors included on NCPA's annual vendor list; f) annual vendor lists include the vendor fees and an indication of a vendor's past experience with NCPA;

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	<p>g) keep written documentation to justify the selection of the particular vendors included on the annual vendor list; and</p> <p>h) use only vendors who are included on their annual vendor list and have submitted a properly completed vendor application.</p>
<p>Public Administrator’s Response to 12/18/18 Report</p>	<p><i>“The NCPA acknowledges the audit recommendations and submits the NCPA is in full compliance with the SCPA and PA Guidelines, and will continue to adhere to same. The NCPA is fully aware that the County of Nassau requires vendors to have the proper business licenses to perform services in Nassau County, and shall continue to verify that all vendors have the required license. NCPA will continue to use best efforts to have all vendors fill out applications, and list usual vendor fees on the annual Vendor List.”</i></p>
<p>Auditors’ Follow-Up Comments</p>	<p>We stand by our finding and reiterate all of our recommendations.</p>
<p>NCPA Response to Audit Follow-Up</p>	<p>3.a) <i>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, NCPA will ensure newspaper advertisements for outside vendors be published timely in the year preceding the year of service.</u>”</i></p> <p>3.b) <i>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, the PA reviews the vendor applications on a quarterly basis to ensure completeness. Additionally, all vendor applications are time stamped and include all required license information and insurance declaration sheets.</u>”</i></p> <p>3.c) <i>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, the PA reviews the vendor applications on a quarterly basis to ensure that all requisite business licenses are obtained by office vendor’s and are on file with the PA Office.</u>”</i></p> <p>3.d) <i>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, the PA requires all vendors to file a W-9 Form with its vendor application for it to be considered complete.</u>”</i></p>

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	<p>3.e) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, the PA reviews the vendor applications on a quarterly basis to ensure that all applications are complete and accurate.”</u></p> <p>3.f) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, the PA includes with each vendor application, which includes a fee schedule, a written Vendor Profile which outlines the vendors past work experience with the PA Office.”</u></p> <p>3.g) <u>“The PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, the PA includes on the Vendor Profile a detailed list of office assignments for that given year with a brief explanation/reason for each selection.”</u></p> <p>3.h) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, the PA’s Office notified each vendor that only vendors with fully completed and accurate applications (including applications, copy of business license, copy of insurance declaration sheet and W-9 Form) will be selected as a vendor for the PA Office in 2019 and going forward.”</u></p>
<p>Post Audit Follow-Up Analysis</p>	<p>Auditors spoke with the Deputy Public Administrator on Wednesday July 31, 2019 to determine if any newspaper advertisements had been placed for vendor services for 2019. We reviewed the 2019 advertisements, Vendor List and binder of vendor applications.</p> <p>A follow-up discussion took place on Tuesday, August 6, 2019 to discuss the Auditors’ preliminary Assessment of Progress and any additional NCPA input.</p>
<p>Auditor Assessment of Progress</p>	<p>● 3.a) Auditors observed an advertisement for calendar year 2019 auditing services was placed in July 2019. This allows for almost six months for vendor selection, since services cannot be rendered until the calendar years is closed. However, the calendar year 2019 advertisement for all other general service vendors was not placed until December 2018, leaving less than one month for application review and vendor selection.</p>

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We reiterate the need for advertisements to be placed earlier in the year to allow NCPA staff adequate time to review vendor applications, select vendors and possibly re-advertise if warranted.

● 3.b) During our discussion with the NCPA on 8/6/2019, Auditors were told that the NCPA reviews incomplete vendor applications on a quarterly basis. The NCPA will follow up with vendors via email to request any additional information that was not initially submitted along with their application. Documentation of this review is a printout of the email sent to the vendor requesting the additional information.

During this discussion, the NCPA noted that, going forward, they will update their Annual Vendor List to include a column to denote whether a vendor fully completed the application process and may be selected for services. This will better document that they have reviewed the vendors application for completeness.

● 3.c) We are pleased the NCPA has attempted to implement our recommendation. However, during our review Auditors noted vendors still submitted applications without the appropriate business licenses.

We reiterate that the NCPA should research the business licenses needed to perform services in Nassau County and verify all vendors have the required licenses. If these vendors were ultimately selected to provide services for the NCPA they must have the appropriate license. If they are deemed to not have a complete application, it should be noted on the Annual Vendor List and the vendor should not be used for services.

● 3.d) We are pleased our recommendation appears to have been implemented. The NCPA has instituted a new procedure whereby they request a Form W-9 be submitted with every application. Although we found several vendors still did not have a W-9 on file, Auditors noted emails were sent to vendors requesting their Form W-9. Vendors who do not submit a Form W-9 should be deemed to not have a complete application and should be noted as such on the Annual Vendor List.

● 3.e) During our 8/6/2019 discussion, the NCPA noted that, going forward, they will update their Annual Vendor List to include a column to denote whether a vendor fully completed the application process and may be selected to provide services.

● 3.f) We are pleased the NCPA has attempted to implement our recommendation. Auditors did see NCPA's new Vendor Profile forms; however, we still observed some vendor applications that did not contain the fees associated with their services. In many instances, the

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	<p>application simply stated “estimate” or gave a range of fees without specifying individual prices.</p> <p>During our 8/6/2019 discussion, the NCPA noted that, vendors will be requested to provide better fee schedules to denote the prices they may charge.</p> <ul style="list-style-type: none"> ● 3.g) We are pleased our recommendation appears to have been implemented. ● 3.h) During our 8/6/2019 discussion, the NCPA noted that, going forward, they will update their Annual Vendor List to include a column to denote whether a vendor fully completed the application process and may be selected to provide services.
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Finding 4 Title	Cash Receipt, Cash Disbursement and Inter-Bank Transfer Procedures Require Improvement, Largely Caused by Lack of Departmental Accounting Staff
Finding 4 Recommendations	<p>a) All cash receipts be recorded on the estate’s Inventory Listing and a supervisory review be performed.</p> <p>b) The Public Administrator request all banks send monthly or quarterly statements indicating the amount of interest credited and the current balance of each Certificate of Deposit.</p> <p>c) Original invoices be maintained in the estate files and attached to copies of disbursement checks. In instances where there is no invoice, a payment authorization form indicating the vendor’s name, date of service, type of service provided, or hours being charged, and dollar amount must be attached to the check.</p> <p>d) The NCPA select one consistent means to document their approval of disbursements.</p> <p>e) An appropriate level of checks and balances be instituted whereby the same individual is not permitted to approve an expense and also prepare the check for all disbursements and inter-bank transfers.</p> <p>f) Invoice numbers of the associated payments be written in the memo section of the check or on the check stub for audit trail purpose.</p>

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	<p>g) Vendors are used only for work stipulated on their vendor application and are paid in accordance with the terms of their applications for all work performed.</p> <p>h) Bills for advertising and calculations supporting an estate's proportionate share of expenses be maintained in the estate folder.</p> <p>i) Payment authorization forms indicating the reason for bank transfers be maintained in the estate folder.</p>
Public Administrator's Response to 12/18/18 Report	<p><i>"The NCPA acknowledges the audit recommendations and submits they are in full compliance with the SCPA and PA Guidelines, and will continue to adhere to same. The NCPA shall continue to request all banks send monthly or quarterly statements indicating the amount of interest credited and the current balance of each certificate of deposit."</i></p>
Auditors' Follow-Up Comments	<p>We stand by our finding and reiterate all of our recommendations.</p>
NCPA Response to Audit Follow-Up	<p>4.a) <i><u>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation that all cash receipts be recorded on the estates Inventory Listing and a supervisory review be performed."</u></i></p> <p>4.b) <i><u>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation and commencing on December 10, 2018, the PA requires all banks and financial institutions doing business with the office to provide either monthly or quarterly statements on all accounts."</u></i></p> <p>4.c) <i><u>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation that original invoices be maintained in the estate files, along with copies of disbursement checks."</u></i></p> <p>4.d) <i><u>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation and instituted a disbursement approval process that requires the Public Administrator or Deputy Public Administrator to provide written approval for all submitted disbursement requests. The written approval for estate disbursements require a Payment Authorization Form to be executed by either the PA or DPA. The written approval for office disbursements require either a Payment</u></i></p>

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	<p><u>Authorization Form or Approval Stamp be executed/signed by the PA or DPA.”</u></p> <p>4.e) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation and commencing on December 10, 2018, a written approval for an estate/office expense requires a signature of the PA or Deputy PA on either a Payment Authorization Form or Approval Stamp. The signature on the check for said expense must be signed by the PA or Deputy PA who did not give written approval for said expense.”</u></p> <p>4.f) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation and commencing on December 10, 2018 the invoice numbers of associated payments are written in either the memo section of the check or on the check stub. In instances where an invoice contains no number, the date of said invoice is written on the memo section of the check or the check stub.”</u></p> <p>4.g) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation requiring vendors are used only for work stipulated on their vendor application and are paid in accordance with the terms of their application.”</u></p> <p>4.h) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation that bills for advertising and calculations supporting an estates proportionate share of expenses be maintained in the estate folder.”</u></p> <p>4.i) <u>“To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation that Payment Authorization Forms be issued for bank transfers indicating the reason for the transfer and maintained in the estate folder.”</u></p>
<p>Post Audit Follow-Up Analysis</p>	<p>Auditors briefly reviewed two open estates on August 5, 2019 to determine whether the corrective actions stated to be taken by the NCPA were implemented. Auditors also discussed the</p>

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	<p>recommendations with the NCPA’s Accounting Assistant III, Deputy Public Administrator and Public Administrator.</p>
<p>Auditor Assessment of Progress</p>	<p>● 4.a) Based on our analysis it does not appear our recommendation was implemented. There is presently no all-inclusive document which details all assets of an estate. To this extent, we reiterate our recommendation that all cash receipts be recorded on the estate’s Inventory Listing and a supervisory review be performed.</p> <p>During our 8/6/2019 discussion, the NCPA noted they are hoping the new CompuTrust case management system will offer the ability to produce such information.</p> <p>● 4.b) We are pleased our recommendation appears to have been implemented.</p> <p>● 4.c) We are pleased our recommendation appears to have been implemented.</p> <p>● 4.d) During our 8/6/2019 discussion, the NCPA explained that Payment Authorization Forms are used for claims which do not have a unique invoice to explain the reason for the expense. Any payment which is supported by an invoice is approved via a PAID stamp to prevent the redundancy of creating a Payment Authorization Form which would contain basically the same information as the invoice. In either situation, the approval is signed by the Public Administrator or Deputy Public Administrator.</p> <p>Although our recommendation does not appear to have been addressed, the NCPA’s corrective action is acceptable.</p> <p>● 4.e) We are pleased the NCPA has attempted to implement our recommendation. However, during our analysis Auditors noted multiple instances where expenses were approved and ultimate paid by the same individual. We reiterate our recommendation that an appropriate level of checks and balances be instituted whereby the same individual is not permitted to approve an expense and also prepare the check for all disbursements and inter-bank transfers.</p> <p>● 4.f) We are pleased the NCPA has attempted to implement our recommendation. However, during our analysis Auditors noted multiple instances where no additional information was present in the memo section of a check or check stub. Checks must be uniquely tied to their expenses and as such should contain specific information (i.e., invoice number, invoice date, account number, etc.) to differentiate vendor expenses. This should be done to mitigate the risk of a potential</p>

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	<p>duplicate payment to the vendor for the related expense. We reiterate our recommendation that invoice numbers of the associated payments be written in the memo section of the check or on the check stub for audit trail purpose. If no invoice number is provided another uniquely identifying attribute should be used.</p> <ul style="list-style-type: none"> ● 4.g) We are pleased our recommendation appears to have been implemented. ● 4.h) We are pleased our recommendation appears to have been implemented. ● 4.i) We are pleased our recommendation appears to have been implemented.
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Finding 5 Title	Auditors Found Inadequate Personal Property Inventory Records for the Safe and Safe Room
Finding 5 Recommendations	<p>a) The NCPA update their Safe Room Log to ensure an accurate list of all estates with personal property.</p> <p>b) The NCPA perform a count of cash and coins found at estates as soon as possible after its discovery. The count should be re-performed by a supervisor or a second party and documented on the estate’s Inventory Listing and recorded on NCPA’s “Cash/Checks log.”</p> <p>c) The description and quantity count of personal property items be re-performed by a separate employee through a supervisory review to increase the accuracy of estate Inventory Listings and verify all items have been accounted for.</p> <p>d) All estate Inventory Listings be properly filled out with applicable estate information such as the address, date of death, Surrogate’s numbers, date of Letter of Administration or social security numbers. The Inventory Listings should be perpetually updated.</p> <p>e) Personal property items be individually tagged in an effort to increase accountability and decrease the risk for items to be lost or stolen or items of jewelry switched with one of lesser value.</p> <p>f) Appraised item values be recorded individually on the Inventory Listings.</p>

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	<p>g) The NCPA consider hiring a different external audit firm to perform their annual operational audit in order to obtain a fresh perspective on their internal controls. The NCPA should speak with other neighboring Public Administrators to compare fees and results for their annual operational audits.</p>
<p>Public Administrator’s Response to 12/18/18 Report</p>	<p><i>“The NCPA acknowledges the audit recommendations and submits they are in full compliance with the SCPA and PA Guidelines, and will continue to adhere to same. The NCPA will promulgate internal procedures to ensure continuing accurate safe room record keeping and estate inventory listing.”</i></p>
<p>Auditors’ Follow-Up Comments</p>	<p>We stand by our finding and reiterate all of our recommendations. We are pleased the NCPA will promulgate internal procedures to ensure continuing accurate safe room record keeping and estate inventory listing.</p>
<p>NCPA Response to Audit Follow-Up</p>	<p>5.a) <i>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, the NCPA performs monthly inspections of the Safe Room to ensure the accuracy of estate property contained on the Safe Room Log and in the possession of the NCPA.</u>”</i></p> <p>5.b) <i>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, NCPA performs an immediate count of cash and coins found at new estates that come under the purview of the NCPA. The count is performed by the PA or DPA and an NCPA employee. Said cash/coin count is documented and listed on the estate Inventory Listing and recorded* on the NCPA’s “Cash/Checks Log”.</u>”</i></p> <p>5.c) <i>“To the extent that the recommended action was in effect at the time of the audit and as noted in 5a Response, <u>the PA’s Office adopted the Comptroller’s recommendation and performs monthly inspections of the Safe Room to ensure the accuracy of estate property contained on the Safe Room Log and in the possession of the NCPA. The monthly inspections are performed by either the PA/DPA and a PA employee.</u>”</i></p> <p>5.d) <i>“To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation and commencing on December 10, 2018, the PA conducted a review of all Inventory Listings to ensure completeness of all required information including address, date of death, Surrogates Index Number, date of Letters of Administration and social security</u>”</i></p>

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	<p><i>numbers. Additionally, the PA will conduct six month review of the Inventory Listings to ensure accuracy.”</i></p> <p><i>5.e) “To the extent that the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's recommendation and commencing on December 10, 2018, all personal property of value is individually tagged and listed on the estate Inventory Listing.</u>”</i></p> <p><i>5.f) “To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's* recommendation and commencing on December 10, 2018, all appraised item values be recorded individually on the Estate Inventory Listing with a copy of any Appraisal Report attached thereto.</u>”</i></p> <p><i>5.g) “To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the NCPA advertises through a Request for Proposals for an auditing firm to perform an annual independent audit with the intent to solicit multiple accounting firms to perform the mandatory yearly audit. Through said process the NCPA has only received one proposal over the past seven years. It is the belief of the NCPA that an increase by the County of the PA audit budget (\$7,000) will encourage a greater response for the annual audit. The NCPA has requested and received an increase in said budget allocation to \$10,000 for calendar year 2019. However, since the firm of Calabrese & Calabrese was the only CPA firm to respond to the 2018 Audit RFP, said firm performed the 2018 NCPA Audit. Pursuant to the recommendation of the NC Comptroller, the NCPA communicated with Queens County Public Administrator's Office which has an independent audit budget of \$20,000 and Suffolk County Public Administrator's Office which has an independent audit budget of \$12,000. The NCPA is hoping that the 2019 budgetary increase for the yearly independent audit will increase the number of qualified accounting firms submitting under the RFP. ”</i></p> <p><i>*Note: Typographical error corrected by Auditors to improve readability.</i></p>
<p>Post Audit Follow-Up Analysis</p>	<p>Field Audit met with the Public Administrator and Deputy Public Administrator on Tuesday July 30, 2019 to discuss the corrective actions taken by the department since the release of the audit.</p> <p>On July 31, 2019 Auditors performed an inventory inspection of the NCPA's Safe Room and compared the results to the NCPA's Safe Room Log. Auditors selected one estate with contents within NCPA's</p>

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	<p>safe and traced their observations to the estate's Inventory Listing. Auditors also attempted to trace the "money held prior to deposit" items listed on the estate's Inventory listing to the NCPA's Cash/Checks Log. Additionally, Auditors viewed the NCPA's "Sign In Sheet for Safe Room" to determine if monthly inventory inspections were being performed.</p>
Auditor Assessment of Progress	<p>● 5.a) We are pleased our recommendation appears to have been implemented. Auditors performed an inventory inspection of the NCPA's Safe Room and compared the results to the NCPA's Safe Room Log and noted no exceptions.</p> <p>● 5.b) Auditor testing found discrepancies with the cash recorded on the estate's Inventory Listing in comparison to the NCPA's Cash/Check log. We reiterate our recommendation that the NCPA perform a count of cash and coins found at estates as soon as possible after its discovery. The count should be re-performed by a supervisor or a second party and documented on the estate's Inventory Listing and recorded on NCPA's Cash/Checks log.</p> <p>● 5.c) We are pleased our recommendation appears to have been implemented. Auditors selected one estate with contents within NCPA's safe and traced their observations to the estate's Inventory Listing and noted no exceptions. However, review of the NCPA's "Sign In Sheet for Safe Room" found monthly inventory inspections were performed for only five of the seven months which had passed since the audit was issued. The NCPA should be performing these inspections on a monthly basis as stated in their response.</p> <p>● 5.d) We are pleased our recommendation appears to have been implemented.</p> <p>● 5.e) We are pleased our recommendation appears to have been implemented.</p> <p>● 5.f) The estate that the Auditors reviewed was not yet appraised, rendering us unable to test this recommendation. However, the NCPA stated that once the items were appraised the information on the estate's Inventory Listing would be updated and the appraisals would be attached. Therefore, we are pleased our recommendation appears to have been implemented.</p> <p>● 5.g) We are pleased the NCPA is hoping that the 2019 budgetary increase for the yearly independent audit will increase the number of qualified accounting firms submitting under the RFP. However, a greater budget increase may be required to stimulate competition.</p>

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Finding 6 Title	The Public Administrator Needs A Unified Electronic Case Management System to Track Estate Activity as Required by NYS Guidelines
Finding 6 Recommendations	<p>a) The Public Administrator speak with Nassau County and New York State Court Administration about implementing a central case management system for tracking and recording estate activity. A centralized system is imperative to accurately reflect the cases being handled by the NCPA.</p> <p>b) NCPA maintain management reports to detail how many cases the NCPA started a calendar year with, how many new cases were opened, how many cases were closed and how many cases remain open at any given time.</p> <p>c) All supporting documentation used in the creation of the OCA Annual Report be reviewed and retained.</p>
Public Administrator’s Response to 12/18/18 Report	<i>“The NCPA acknowledges the audit recommendations and submits they are in full compliance with the SCPA and PA Guidelines, and will continue to adhere to same. NCPA hereby requests that the County of Nassau provide increased budget funds for an additional system, additional staff, training and IT support to maintain a singular electronic "comprehensive" case management system.”</i>
Auditors’ Follow-Up Comments	<p>We stand by our finding and reiterate all of our recommendations. If properly utilized, a comprehensive case management system would greatly improve departmental efficiency and strengthen the department’s internal controls. The NCPA should be able to produce real time statistics with the press of a button instead of manually compiling data from multiple different sources. The status of each estate should not have to be determined by a manually intensive review process.</p> <p>We are pleased the NCPA is requesting resources for a comprehensive electronic case management system, additional staff, training and IT support.</p>
NCPA Response to Audit Follow-Up	<p>6.a) <i>“The PA’s Office adopted the Comptroller’s recommendation to implement a central case management system. The PA Office is currently in the process of obtaining and installing CompuTrust which is a case management system used by the Queens County and Suffolk County Public Administrator Offices. The estimated implementation date for CompuTrust into the Nassau County PA office is August 2019.”</i></p> <p>6.b) <i>“The PA’s Office adopted the Comptroller’s recommendation that the NCPA’s Office maintain management reports. Commencing on</i></p>

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	<p><i>January 1, 2019, the Public Administrator Office generates Departmental Management Reports which catalog the number of new estates opened (both formal and 1211) by the PA in the six (6) month reporting period; number of estates closed (both formal and 1211) by the PA in the six (6) month reporting period; and total number of active estates (formal and 1211) being handled by the PA at the end of the reporting period. The Departmental Management Report is generated every six (6) months.”</i></p> <p><i>6.c) “To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation and retains all supporting documentation used in the creation of the OCA Annual Report.”</u></i></p>
<p>Post Audit Follow-Up Analysis</p>	<p>Field Audit initially met with the Public Administrator and Deputy Public Administrator on Tuesday July 30, 2019 to discuss the corrective actions taken by the department since the release of the audit. Since then, there have been several other discussions with the Public Administrator regarding the implementation of the CompuTrust case management system. During an 11/20/2019 discussion with the PA, he indicated the NCPA experienced some setbacks with their original implementation date and is hoping CompuTrust will be implemented in December 2019.</p>
<p>Auditor Post Audit Assessment of Progress</p>	<p>● 6.a) Although not yet implemented, we are pleased the NCPA is currently in the process of obtaining and installing the CompuTrust case management system which is scheduled for a December 2019 implementation.</p> <p>● 6.b) Although the NCPA created a new Departmental Management Report it is not all encompassing of the department’s workload. The report should be amended to include a count of the year’s initial open cases, new cases, closed cases and in-process workload for all formal and informal estates, as well as any other cases under the NCPA’s administration such as Creditor’s Petitions, Wrongful Death Lawsuits, Trusts and Guardianships. The Departmental Management Report should also include a detailed listing of each of these cases, not just a count of the number of cases.</p> <p>During our 8/6/2019 discussion with the NCPA, they noted this information will be added going forward.</p> <p>● 6.c) Auditors reviewed the support for the 2018 OCA Annual Report and found some discrepancies between the supporting documentation and report. We reiterate our recommendation that all supporting documentation used in the creation of the OCA Annual</p>

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	<p>Report be reviewed and retained. The support for the OCA Annual Report should be maintained in one location and should agree with the figures presented in the report. Additionally, totals should be included for all exhibits in the OCA Annual Report.</p> <p>During our 8/6/2019 discussion with the NCPA, they noted this information will be maintained going forward.</p>
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Finding 7 Title	Discrepancies with the Estate Closing Process Lead to Inconsistent Report Data and Estate Activity Not Being Reported to the Surrogate's Court
Finding 7 Recommendations	<p>a) The NCPA perform supervisory reviews of all "Final Accountings" prepared by their estate's attorneys for accuracy and completeness.</p> <p>b) The NCPA update their ledgers to include a key/legend to tie information listed in their ledgers to the Final Accounting.</p> <p>c) The Affidavit Bringing Account to Date include a time frame.</p> <p>d) Any activity not previously reported to the Surrogate's Court via an Affidavit Bringing Account to Date or Final Decree be reported to the Surrogate's Court.</p> <p>e) The Surrogate's Court consider adding a post Final Decree clause to explicitly stipulate the method for distributing and reporting any additional assets identified subsequent to the Final Decree.</p>
Public Administrator's Response to 12/18/18 Report	<i>"NCPA acknowledges the audit recommendations and submits they are in full compliance with the SCPA and PA Guidelines, and will continue to adhere to same. The NCPA shall add a provision in its proposed decrees to provide for the distribution for that of monies received subsequent to the issuance of said decrees."</i>
Auditor's Follow-Up Comments	We stand by our finding and reiterate all of our recommendations. We are pleased the NCPA will add a provision in its proposed decrees to provide for the distribution of monies received after the decrees are issued.
NCPA Response to Audit Follow-Up	<p>7.a) <i>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation and the NCPA performs a supervisory review of all "Final Accountings" prepared and submitted by the estate attorney."</i></p> <p>7.b) <i>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the</i></p>

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	<p><i>SCPA and PA Guidelines, the PA's Office is hoping to fully or partially satisfy this recommendation with the installation of CompuTrust (case management system) which is scheduled for August 2019. At this time, it is unclear whether the case management system will require the continued use of separate office ledgers by the NCPA exclusive of CompuTrust.”</i></p> <p><i>7.c) “To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation to include dates/time frames in the Affidavit Bringing Account to Date.”</i></p> <p><i>7.d) “To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation that the NCPA add a provision in its proposed decrees that shall provide for the distribution of any monies received subsequent to the issuance of said decrees.”</i></p> <p><i>7.e) “The PA's Office has no authority to direct or request that Surrogates Court take any action. However, please be advised that the Surrogates Court has added a post Final Decree clause to explicitly stipulate the method for distributing and reporting any additional assets identified subsequent to the Final Degree.”</i></p>
<p>Post Audit Follow-Up Analysis</p>	<p>Auditors obtained copies of recently closed estate paperwork and reviewed the verbiage of a sample of Final Accountings, Affidavits Bringing Account to Date, and Final Decrees. During an 11/20/2019 discussion with the PA, he indicated the NCPA experienced some setbacks with their original implementation date and is hoping CompuTrust will be implemented in December 2019.</p>

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Auditor Assessment of Progress	<ul style="list-style-type: none"> ● 7.a) We are pleased our recommendation appears to have been implemented. ● 7.b) We are pleased the NCPA is hoping to fully or partially satisfy this recommendation with the installation of CompuTrust (case management system) which is scheduled for December 2019. ● 7.c) We are pleased our recommendation appears to have been implemented. Our review found timeframes were added to the Affidavit Bringing Account to Date in our sample. ● 7.d) Auditors found that the Court has placed new verbiage in the Final Decree to specify how post Final Decree funds should be distributed. However, this new wording does not appear to require the Court to be notified of such Post Decree activity. Although our recommendation does not appear to have been addressed, the NCPA’s corrective action is acceptable. ● 7.e) We are pleased our recommendation appears to have been implemented. Our review found wording was added to the Final Decrees to specify how post Final Decree funds should be distributed. Specifically, we noted the following verbiage was added to all Final Decrees in our sample: <i>“ORDERED, ADJUDGED AND DECREED that the Public Administrator is further directed to pay any and all additional sums received by him subsequent to the entry of this Decree, in accordance with the terms and provisions herein, and that he deduct before payment commissions, legal fees, SCPA 1207(4) fees or disbursements due based upon the receipt of same.”</i>
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Finding 8 Title	Lack of Management Oversight and Incomplete Suspense Account Personnel Files Have Resulted in \$49,070 of Overpayments to Suspense Account Personnel
Finding 8 Recommendations	<p>The NCPA:</p> <ul style="list-style-type: none"> a) publicly advertise for all future Suspense employee positions; b) document the justification for the hiring of employees financed by the Suspense account; c) create employee contracts for all Suspense employees detailing their duties and responsibilities, scheduled work hours, agreed upon salaries, types of benefits, waiting timeframe for receiving benefits and compensated time off policies; and

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	d) disseminate Human Resources' New Hire Packet Orientation Checklist to all employees (Appendix A).
Public Administrator's Response to 12/18/18 Report	<i>"NCPA acknowledges the audit recommendations and submits they are in full compliance with the SCPA and PA Guidelines, and will continue to adhere to same. The NCPA will review all employees' personnel files and use best efforts to make sure required human resource paper work is up to date."</i>
Auditor's Follow-Up Comments	We stand by our finding and reiterate all of our recommendations. We are pleased the NCPA will review all employees' personnel files and use best efforts to make sure required human resource paper work is up to date.
NCPA Response to Audit Follow-Up	<p>8.a) <i>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's recommendation commencing on December 10, 2018 will publicly advertise for all future Suspense employee positions.</u>"</i></p> <p>8.b) <i>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's recommendation commencing on December 10, 2018 will document in an employee's* file the justification for the hiring of said Suspense employee.</u>"</i></p> <p>8.c) <i>"To the extent that the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's recommendation that the NCPA create a Suspense employee contract/Job Description Sheet. An Estate Worker Contract/Job Description Sheet was drafted which outlined the Suspense Employee duties/responsibilities, scheduled work hours, salary, benefits and compensated time off policies. Said Contract/Job Description Sheet is contained in the Suspense employee folder.</u>"</i></p> <p>8.d) <i>"To the extent that the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's recommendation and disseminated a Human Resources' New Hire Packet to the Suspense employee on 12/27/2018. Acknowledgement and Receipts for the Nassau County Ethics Booklet, NC Family Medical Leave and Family Military Leave Policy, NC Domestic Partner Leave Policy, NC Whistleblower Protection Notice, NC Equal Employment Opportunity and Sexual Harassment Prevention Policy, NC Electronic Mail Policy, and NC Drug and Alcohol Free Workplace Policy is within the suspense employee's file.</u>"</i></p>

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	<i>*Note: Typographical error corrected by Auditors to improve readability.</i>
Post Audit Follow-Up Analysis	The Auditors obtained the personnel file of the Suspense employee for review.
Auditor Assessment of Progress	<p>● 8.a) Although there have not been any new Suspense employees hired since our audit was issued, we are pleased the NCPA plans to implement our recommendation whenever the next Suspense Employee hiring occurs.</p> <p>● 8.b) Although there have not been any new Suspense employees hired since our audit was issued, we are pleased the NCPA plans to implement our recommendation whenever the next Suspense Employee hiring occurs.</p> <p>● 8.c) We are pleased our recommendation appears to have been implemented. The NCPA has created an “Estate Worker” (i.e. Suspense Employee) Job Description which specifies the typical job duties and responsibilities, qualifications, skills needed for the position, salary, and leave time. If the NCPA hires a Suspense Employee for another position a similar job description should be created.</p> <p>● 8.d) We are pleased our recommendation appears to have been implemented. Auditors reviewed the Suspense employee’s personnel file and noted that all policies, trainings etc. were signed by the suspense employee and maintained in the employee’s personnel file.</p>

Finding 9 Title	Manual Timekeeping Practices for Suspense Account Employees Have Resulted in Inaccurate Time & Leave Balances
Finding 9 Recommendations	<p>a) The accrual of Time & Leave balances be performed in accordance with the CSEA contract.</p> <p>b) Routine supervisory review be performed of Suspense employee Time & Leave records and balances to verify the accuracy of balances and minimize potential errors.</p> <p>c) The NCPA properly document the accrual and approval of any compensated time and its subsequent usage.</p>

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	d) INTIME attendance records for Suspense employees be reviewed and certified each pay period and traced to manual time & leave records.
Public Administrator's Response to 12/18/18 Report	<i>"NCPA acknowledges the audit recommendations and submits they are in full compliance with the SCPA and PA Guidelines, and will continue to adhere to same."</i>
Auditor's Follow-Up Comments	We stand by our finding and reiterate all of our recommendations.
NCPA Response to Audit Follow-Up	<p>9.a) <i>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's recommendation that the accrual of Time & Leave balances be performed in accordance with the CSEA contract.</u>"</i></p> <p>9.b) <i>"To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's recommendation that routine supervisory review (every 30 days) of the Suspense employee time and leave records be performed.</u>"</i></p> <p>9.c) <i>"To the extent that the recommended action was in effect at the time of the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's recommendation to the degree that there is a Supervisory review of the Suspense employee's timesheets and InTime attendance records on a monthly basis.</u>"</i></p> <p>9.d) <i>"To the extent that the recommended action was in effect at the time* of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, <u>the PA's Office adopted the Comptroller's recommendation to the degree that there is a Supervisory review of the Suspense employee's timesheets and In Time attendance records on a monthly basis.</u> Please note that due to the fact that the Suspense employee is paid out of the NCPA 1207 Fund, the suspense employee payroll records are not included in the payroll record that is certified by the office."</i></p> <p><i>*Note: Typographical error corrected by Auditors to improve readability.</i></p>
Post Audit Follow-Up Analysis	Auditors reviewed the Suspense employee's manual time sheets from January 2019 to present and the employee's leave time balance report.

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● 9.a) We are pleased our recommendation appears to have been implemented. It appears that the time and leave balances being accrued for the Suspense employee are mirroring the allowed leave time for CSEA employees.

● 9.b) Auditor review of the Suspense Employee's Time & Leave records and balances did not find the NCPA's Supervisory review to be documented every 30 days as stated in their response. Routine Supervisory review of Suspense employee Time & Leave records and balances should be performed to verify the accuracy of balances and minimize potential errors. This Supervisory review should be performed in conjunction with, and prior to, the processing of the bi-weekly payroll.

During our 8/6/2019 discussion, the NCPA noted they will perform this review bi-weekly in conjunction with the pay period. The review will be noted next to each pay period on the Suspense Employee's Time & Leave records.

● 9.c) Auditor review did not find any compensatory time was earned or used by the Suspense employee since issuance of the audit. However, if/when compensated time is earned it should be reviewed. Supervisory review should be performed in conjunction with, and prior to, the processing of the bi-weekly payroll.

During our 8/6/2019 discussion, the NCPA noted they will perform this review bi-weekly in conjunction with the pay period. The review will be noted next to each pay period on the Suspense Employee's Time & Leave records.

● 9.d) Auditors were told that the Payroll Supervisor gives a copy of the Suspense Employee's signed timesheet to the Public Administrator for review and approval. As per the Payroll Supervisor, ADP automatically pays the Suspense employee every two weeks unless specifically notified to not process the payment. There is no formal documentation instructing ADP to run payroll for the Suspense Employee, only if an exception takes place.

During our 8/6/2019 discussion, the NCPA noted they will perform this review bi-weekly in conjunction with the pay period. The review will be noted next to each pay period on the Suspense Employee's Time & Leave records.

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Finding 10 Title	The Public Administrator Failed to Perform the Required Review and Certification of Timekeeping Records Resulting in Significant Time & Leave Errors
Finding 10 Recommendations	<p>a) All employee time sheets be certified by either the designated Payroll Supervisor or Department Head every two weeks to ensure employee absences are supported by a time off request or a designated County holiday.</p> <p>b) Manual entries for time on/time off be recorded daily.</p>
Public Administrator’s Response to 12/18/18 Report	“NCPA acknowledges the audit recommendations and will make best efforts to comply with said recommendations.”
Auditor’s Follow-Up Comments	We are pleased the NCPA will make best efforts to comply with our recommendations.
NCPA Response to Audit Follow-Up	<p><i>10.a) “To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation that all employee time sheets are certified by either the designated Payroll Supervisor or the Public Administrator every two weeks.</u>”</i></p> <p><i>10.b) “To the extent that the recommended action was in effect at the time of the audit and the PA’s Office was in full compliance with the SCPA and PA Guidelines, <u>the PA’s Office adopted the Comptroller’s recommendation and it is Department policy to manually enter time on/time off on a daily basis unless a Department employee is physically out of the office on department business or office activity at his/her start and/or end time</u>”.</i></p>
Post Audit Follow-Up Analysis	Field Auditors performed a brief review of INTIME certifications performed after the date the audit was issued. Although our recommendations appear to have been partially implemented, improvements are still needed.

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Auditor Assessment of Progress	<p>● 10.a) We are pleased our recommendation appears to have been implemented. However, during our follow-up review Auditors noted instances where employees were certifying their own time. INTIME certifications should be performed by either the Public Administrator, Deputy Public Administrator or Payroll Supervisor but in no instances should those employees be certifying their own time.</p> <p>Additionally, as of 7/31/2019, Auditors noted INTIME certifications were only performed up to 6/20/2019. INTIME certifications should be performed parallel to the payroll cycle (i.e. every two weeks).</p> <p>● 10.b) We are pleased our recommendation appears to have been implemented.</p>
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Finding 11 Title	NCPA Administrative Staff is Not Properly Accounting for Time When They Are Not Physically at Work
Finding 11 Recommendations	<p>a) The NCPA establish a departmental log for all employees to record time they are physically out of the office when they are attending to departmental business or using time off for personal reasons in order to establish accountability.</p> <p>b) The Public Administrator accurately enter his actual arrival and departure time manually into INTIME noting any lateness, or the Public Administrator and Deputy Public Administrator be required to swipe in/out of work with their INTIME Proximity ID Badges.</p>
Public Administrator’s Response to 12/18/18 Report	<i>“NCPA acknowledges the audit recommendations and will make best efforts to keep accurate time and leave records.”</i>
Auditor’s Follow-Up Comments	We are pleased the NCPA will make best efforts to keep accurate time and leave records. We reiterate our recommendations that the NCPA establish a departmental log for all employees to record time they are physically out of the office when they are attending to departmental business or using time off for personal reasons in order to establish accountability; and the Public Administrator accurately enter his actual arrival and departure time manually into INTIME noting any lateness, or the Public Administrator and Deputy Public Administrator be required to swipe in/out of work with their INTIME Proximity ID Badges.

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<p>NCPA Response to Audit Follow-Up</p>	<p>11.a) <i>“To the extent that the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation and commencing on December 10, 2018, a departmental log is maintained which records dates/times of department employees that are physically out of the office while conducting departmental business/duties.”</i></p> <p>11.b) <i>“To the extent that the recommended action was in effect at the time of the audit and the PA's Office was in full compliance with the SCPA and PA Guidelines, the PA's Office adopted the Comptroller's recommendation and the Public Administrator accurately enters his arrival and departure time manually into INTIME. Additionally, as noted above, the Public Administrator is required to sign out/in to the PA Departmental Log when he is physically out of the office on departmental business/duty during the course of the working day.”</i></p>
<p>Post Audit Follow-Up Analysis</p>	<p>Auditors obtained a copy of the NCPA’s new out of office departmental log and also reviewed INTIME records.</p>
<p>Auditor Assessment of Progress</p>	<p>● 11.a) We are pleased our recommendation appears to have been implemented.</p> <p>● 11.b) We are pleased our recommendation appears to have been implemented.</p>

<p>Finding 12 Title</p>	<p>The Public Administrator May Not Be in Compliance with Executive Order 1-2018 Which Prohibits Agency Heads from Holding Certain Political Positions</p>
<p>Finding 12 Recommendations</p>	<p>We recommend that the County Attorney review this situation and determine if the position of the Public Administrator, which is a position appointed by the Surrogate Court, but employed by Nassau County, is subject to Executive Order 1-2018. Based upon the results of the County Attorney’s review, appropriate action to bring the Public Administrator into compliance with Executive Order 1-2018 be immediately taken if required.</p>
<p>Public Administrator’s Response to 12/18/18 Report</p>	<p><i>“Executive Order 1-2018 does not apply to the Public Administrator.”</i></p>
<p>Auditor’s Follow-Up Comments</p>	<p>Although the Public Administrator is appointed by the Surrogate's Court of Nassau County, the position is paid with Nassau County funds as included in the annual operating budget of the County. The</p>

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	<p>individual who served as the Public Administrator during the scope of our audit retired as of November 9, 2018.</p> <p>We stand by our finding and reiterate our recommendation that the County Attorney review this situation and determine if the position of the Public Administrator, which is a position appointed by the Surrogate Court, but employed by Nassau County, is subject to Executive Order 1-2018.</p>
NCPA Response to Audit Follow-Up	<p><i>“Attached hereto please find a letter dated January 15, 2019 from Nassau County Attorney Jared A. Kasschau which confirms that Executive Order No. 1-2018 (“EO 1-18”) does not apply to the Public Administrator.”</i></p>
Post Audit Follow-Up Analysis	<p>Auditors reviewed the County Attorney’s opinion submitted with the NCPA’s Response to the Post Audit Follow-Up.</p>
Auditor Assessment of Progress	<p>● We acknowledge the County Attorney's opinion on this matter.</p>

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