

Health Department  
Grants Audit Report

**Introduction**

The office of the Onondaga County Comptroller's Audit Division performed an audit of Health Department's grants. This audit was conducted in accordance with generally accepted auditing standards in the United States and the applicable standards contained in the Government Auditing Standards, issued by the Comptroller General of the United States.

**Purpose**

In planning and performing our audit, we considered the grant control environment and concentrated our efforts on expenditure and revenue compliance testing as they related to specific grant agreements. This audit also included a review of the timeliness of closing out grants.

**Procedure**

The Audit Division developed an understanding of the Health Department's (the Department) grant control environment and randomly selected three grants for testing. Audit testing was based on grant requirements and compliance with Federal OMB Circular A-87.

**Scope**

The scope of this audit was limited to three current grants and tested a sample of their expenditures and revenues as of 9/30/2011.

<b>GRANT</b>	<b>Title</b>	<b>Revenue</b>	<b>Expense</b>	<b>Difference</b>
743786	ELIM DISP IN PERINATAL HLTH 6/10-5/11	\$ 873,499	\$ 897,836	\$ (24,337)
743801	COMMUNITY PARTNERSHIP TOBACCO	\$ 297,781	\$ 288,522	\$ 9,259
743811	LEAD PRIMARY PREVENT 10/10-9/11	\$ 335,740	\$ 458,195	\$(122,455)

We also selected twenty grants for closeout testing. The Department has approximately one hundred open grants.

**Summary of Findings**

**Payroll**

1. The Department is not fully in compliance with the requirements of Federal OMB Circular A-87 Attachment B Section 11, part h, Support for Salaries and Wages. The

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Department is attempting to use payroll sign-in sheets as a means to account for an employee's time chargeable to various grants. However it appears the percentages indicated on the sign-in sheets are of a predetermined nature and not an after-the-fact accounting of time actually spent working on various grants and or other functions, as required by the Circular. The Circular refers to these as a "Personal Activity Report", which is based on the actual time worked on respective grants/functions. These standards regarding weekly time distribution are in addition to the standards for payroll documentation. The requirements are described in the recommendation below.

It also states employees who work solely on a single Federal award or cost objective, can support their charges by completing a periodic certification that the employee worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee.

*The Audit Division recommends the Department revisit Federal OMB Circular A-87 Attachment B Section 11, part h, Support for Salaries and Wages section (5) regarding the completion of personnel activity reports or equivalent documentation ensuring they meet the following standards:*

- a. *They must reflect an after-the-fact distribution of actual activity of each employee,*
- b. *They must account for the total activity for which the employee is compensated,*
- c. *They must be prepared at least monthly and must coincide with one or more pay periods, and*
- d. *They must be signed by the employee.*

*The Audit Division recommends the department fully utilize the Kronos system and discontinue the use of sign-in sheets as means for documenting an employee's salary. Implementing A-87 procedures should also alleviate some of the paper sign-in sheets currently generated. The grants fiscal staff should become familiar with the A-87 requirements.*

*It should be noted the Department has recently implemented the use of the Kronos time clock system, for a majority of its employees in May 2011.*

### **Department Response:**

The Health Department is implementing a formal method of collecting after-the-fact personnel activity that will be utilized by all employees who work on various grants and/or multiple programs. Employees will complete a Personnel Activity Report (PAR) each payroll period. The PAR will be signed and dated by the employee and supervisor then forwarded to the grant fiscal manager. Budget estimates will be used for interim accounting purposes. Quarterly comparisons of actual activity determined from the PAR to the budget will be completed quarterly with adjustments made accordingly. Until the Department discontinues the use of time sheets, employees who work solely on a single grant award will continue to use their time sheet to certify after-the-fact activity. Timesheets will be modified to include a date field for both the employee and the supervisor to complete when signing the document. Upon discontinuance of time sheets

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the Department will implement semi-annual certifications that will be signed and dated by the employee and their supervisor,

As stated in the audit findings, the Health Department just started using Kronos in May, 2011. At this time, time sheets are essential as employees are not consistently reporting exceptions. Without the time sheets, payroll would *not* be able to make sense of the punches. When punches match exceptions consistently, we will discontinue the use of time sheets in a small sample group to determine whether or not time is accurately reported without time sheets before rolling it out to the entire Department.

2. It was noted a part time employee works 64 out of 80 hours per pay period, and the time sheet indicates 40% is spent on grant #743786 and 40% is spent to #333187, totaling only 80%, instead of 100%. This is contrary to the Letters of Distribution Report, which is allocating the salary as follows: 30% to #743786 and 70% to #333187.

*The Audit Division recommends the Department revisit the salary charges to the above grants and inform their employee's the combined time allocated on the activity/time sheets should equal 100%.*

**Department Response:**

The employee has been informed that time allocated must equal 100%. A review of the salary charges to the grant showed that the grant was charged for the maximum allowed by the grant budget which was less than the employee indicated on their time sheet.

3. It was noted during the time period tested one employee was using a computer signature font as the authorizing signature on their time sheet, instead of signing the timesheet by hand. This practice is not in compliance with A-87 (5) (d) above. The employee's signature is a means to attest to their work activity.

*The Department has addressed the issue with its staff per memo dated 8/15/11. Based on a subsequent review of time sheets it appears employees have taken the necessary corrective action.*

**Closeout Process**

4. Twenty grants were selected which had no activity within the past year for closeout testing. Of the twenty selected, the Department identified the following 8 that should have been closed out:

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GRANT	Title	Balance
743497	COMMUNITY DEVELOPMENT HUD	\$ 480
743712	LEAD PRIMARY PREVENTION GRANT	\$ 0
743723	C/SYR LEAD HAZARD CTRL GRT 1	\$ 0
743732	CANCER SCREEN SERV-INFRASTRUCTURE	\$ 0
743734	HEART DIS & STROKE PREV 4/09-3/10	\$ (1)
743746	COMMUNITY HEALTH WORKER 7/09-6/10	\$ 0
743747	EI ADMINISTRATION 10/09-9/10	\$ 0
743750	ADVOCACY/ACTION TOBACCO 7/09-6/10	\$ 0

It is noted the department has procedures in place for reviewing and closing out grants.

*The Audit Division recommends the Fiscal Grants Manager review grants for timely close outs.*

**Department Response:**

Closing memos have been sent to the Comptroller's Office for the eight grants. The Health Department has requested an open grant report be sent quarterly so that the Fiscal Grant Manager can review for timely closeouts.

**Suggestion of Best Practice**

It was noted the Department missed an opportunity to receive an early registration discount of \$25 for a conference relating to Eliminating Disparities in Perinatal Health, grant #743786, if the payment was received by 4/30/11. The Department head approved the travel authorization on 4/22/11; however the County Executive's Office did not approve it until 5/3/11. The department followed the Travel and Entertainment Directive dated 2/11/10 requiring County Executive's Office approval of conference fee registrations in excess of \$200. The full conference fee was \$275.

*As a recommendation of best practice the Audit Division recommends the County revisit its authorization process to prioritize approvals where early pay discounts are available in order to maximize savings to the County.*