



Introduction

The Audit Department conducted a review of contract # 01207 with Pediatric Service Group 750 East Adams Street Syracuse NY 13210 for the term 1/1/07 through 12/31/07; #01207-R1, 01207-R2 and 01207-R3 with the Department of Pediatrics 750 East Adams Street NY 13210 for the 2008-2010 year terms respectively ; and 01207-R4 with 2 amendments with Pediatric Service Group, LLP at 750 East Adams Street, Syracuse, NY 13210 for the 2011-2013 term years respectively.

Purpose

The purpose of this review was to ascertain timesheets provided detail to prove deliverables to the terms of the contracts were met.

Procedural Information

The Audit Division discussed contract payment procedures with the Accountant I-Health on June 18, 2014. She was informed this was part of a normal audit and this contract was selected.

As a note, the Accountant I-Health informed the Audit Division physical form blank timesheets were given to the doctor performing the service to complete and sign. In 2012, the timesheets were sent electronically to the doctor to print, complete and sign. In either case, the signed physical forms were returned to the secretary to the Deputy Commissioner to review and authorize. The timesheet format was changed in 2012 to follow the format used for the grants. This standardized the form to be used by all doctors.

The signer of the contracts had blank contract claim forms and would fill in the month and year of the work done by Pediatric Service Group LLP, sign and send to the Health Department. Upon receipt of the signed contract claim form, the Accountant I filled in the hours from the timesheets. She also wrote in the rate and total payment to be made, as well as the account numbers. She signed and the Accountant II signed as approver. The contract claim was considered the invoice until the inception of PeopleSoft (9/1/12). At that time, the Finance Office at Upstate University emailed the Accountant I Upstate Medical University letterhead to be used as the invoice. From the timesheets, the Accountant I entered the hours, rate and total to

be paid on the letterhead. She updated her excel worksheet, and then emailed the completed letterhead and timesheets to the Finance Office Upstate University for review. The Finance Office would notify the Accountant I if something was incorrect. If no problems were noted, the Accountant I would enter the invoice and timesheets in PeopleSoft for payment.

Summary of Findings and Recommendations

1. Criteria:

The contractor shall provide services outlined in the contract.

Finding:

Timesheets for the years of January 2007 through July 2013 note work hours charged. Explanations on the back up provided are not detailed enough to determine deliverables to the terms of the contract.

Recommendation:

It is recommended to the Department in the future to ascertain contractor timesheets evidence detailed work performed and work is according to the terms of the contract.

2. Criteria:

According to the contract, the contractor will be compensated in satisfaction of services performed.

Finding:

For the years January 2007 through July 2013 the payment rate appears to be inconsistent (i. e. either rate per hour or monthly amount used). There was no indication in the contracts to whether the contractor was to be paid hourly, etc. Per the Accountant I-Health, starting out, the contracts throughout the years were paid in 12 monthly installments; then mid- 2012, the Health Department wanted to make sure payment was for total hours of work shown on the timesheets, so a rate of pay per hour was calculated based on the contract amount and number of expected hours to be worked during the year. The Audit Division noted rates of pay used in 2007, 2008, part of 2012, and 2013 in comparison to installment amounts in 2009, 2010, 2011 and part of 2012.

Recommendation:

It is recommended to the Department future contracts incorporate a rate of pay based on the contract amount and number of expected hours to be worked during the year.

Department Action:

In reference to findings 1 and 2, the contract reviewed in this audit has been terminated, however, discussions with Health Management and the audit review of three other similar contracts notes clarified language as to expectations and reimbursables.

3. **Criteria:**

According to Contract #01207, the physician will work up to eleven (11) hours per week on site at the health department and will participate in the Health Department on-call rotation approximately one week in every five weeks.

Contract #s 01207-R1, 0207-R2 and 01207-R3 state the physician will work up to eight (8) hours per week on site at the health department.

Finally, Contract #01207-R4 states the contractor shall provide a Medical Director of the Maternal and Child Health Division who will work up to eight (8) hours per week 75% on site at the Onondaga County Health Department.

Finding:

A review of the total hours worked on weekly timesheets noted most were in compliance with the contracts except for the weeks ending July 13, 2012 and July 26, 2013 where payment was made for 11 hours worked each week instead of up to 8 hours required by the contract.

Recommendation:

It is recommended to the Department in the future to ascertain contractor timesheets are in compliance with contract terms to prevent overpayment.

Department Action:

The contract reviewed in this audit has been terminated, however, discussions with Health Management and the audit review of three other similar contracts notes clarified language as to expectations and reimbursables.

4. **Criteria:**

According to Contract #01207 for the year 2007, the physician will work up to eleven (11) hours per week on site at the Health Department and will also participate in the Health Department on-call rotation approximately one week in every five weeks. This on call coverage will equate to one (1) hour reimbursement per week.

Contract #s 01207-R1, 01207-R2 and 01207-R3 (for years 2008, 2009, 2010) state the physician will work up to eight (8) hours per week on site at the Onondaga County Health Department.

Contract #01207-R (and amendments) (for years 2011, 2012, 2013) states the contractor shall provide a Medical Director of the Maternal and Child Health Division who will work up to eight (8) hours per week 75% on site at the Onondaga County Health Department.

Findings:

- Timesheets for the years 2007 through 2011 and months January through April 2012 do not evidence the physician worked on site at the Onondaga County Health Department.

- For 19 of 30 work weeks in the months of May through July and September through December 2012 and 9 of 28 work weeks in the months of February through May 2013 and July 2013, hours worked per week on site at the Onondaga County Health Department were under the contract's required percentage of 75%.

Recommendation:

It is recommended to the Department to ascertain the contractor is complying with the terms of the contract.

Department Action:

The contract reviewed in this audit has been terminated, however, discussions with Health Management and the audit review of three other similar contracts notes clarified language as to expectations and reimbursables. There will also be checks and balances.

5. **Criteria:**

According to the contract, the contractor will be compensated in satisfaction of services performed.

Finding:

Of the total number of vouchers paid for the years of 2007 through July 2013, there were 2 instances of overpayment by \$86.96 and \$90.00.

Recommendation:

It is recommended to the Department due care be taken by staff when making payments.

6. **Criteria:**

According to the contract, the contractor will be compensated in satisfaction of services performed.

Findings:

Of the total number timesheets for the years of 2007 through July 2013, there were 8 instances where it appears holiday and vacation time was paid. The contracts do not address holiday and vacation pay.

Recommendation:

Best practice would be to address compensation; vacation and holiday pay in the contract when dealing with independent contractors. In general, it is audit's opinion independent contractors should follow contract terms addressing compensation for services performed.

Department Action:

In reference to findings 5 and 6, the contract reviewed in this audit has been terminated, however, discussions with Health Management and the audit review of three other similar contracts notes clarified language as to expectations and reimbursables. Fiscal Staff will be checking invoices to timesheets.

7. **Criteria:**

Weekly timesheets require signatures by the physician and by the administration of the Onondaga County Health Department.

Finding:

Of the total number of timesheets for the years of 2007 through July 2013, there were 5 instances where there was the physician's signature, but no administrative signature from the Onondaga County Health Department.

Recommendation:

It is recommended to the Department in the future timesheets be signed by the contractor and administrator authorized to approve vouchers.

Department Action:

The department has instituted controls whereby administrators (Deputy Commissioner and Director of Disease Control) must sign contractor timesheets. The Deputy Commissioner will sign the timesheets of the medical doctor who will provide medical consultation and on call services. The Director of Disease Control will sign the timesheets of the doctors from the Department of Medicine Medical Service Group at the SUNY Health Science Center at Syracuse Inc. involved in STD and TB work for the County.