

STATE OF CONNECTICUT

**PERFORMANCE AUDIT
INFORMATION SYSTEM PROJECT REPORT
REVIEW OF DUAL EMPLOYMENT, EMPLOYEE NUMBERS, INVALID
OR QUESTIONABLE SOCIAL SECURITY NUMBERS,
AND MINIMUM FAIR WAGE
FOR THE CALENDAR YEAR ENDED
DECEMBER 31, 2000**

February 5, 2003

**AUDITORS OF PUBLIC ACCOUNTS
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EXECUTIVE SUMMARY

In accordance with the provisions of Section 2-90 of the Connecticut General Statutes, we have conducted a performance audit of dual employment situations, employee numbers, invalid or questionable social security numbers, and compliance with minimum fair wage laws and regulations. The conditions found and our recommendations are summarized below. Our findings are discussed in further detail in the "Results of Review" section of this report.

Dual Employment:

Section 5-208a of the General Statutes states that no State employee shall be compensated for services rendered to more than one State agency during a biweekly pay period unless the appointing authority of each agency or his designee certifies that the duties performed are outside the responsibility of the agency of principal employment, that the hours worked at each agency are documented and reviewed to preclude duplicate payment and that no conflicts of interest exist between services performed. Department of Administrative Services (DAS) General Letter 204, effective August 1, 1999, states that each individual agency should implement procedures for handling dual employment requests. Those procedures must comply with the statutory requirements for dual employment contained in Section 5-208a of the General Statutes. A Dual Employment Request (PER-DE-1) form should be completed by the employee's secondary and primary agency as prescribed in General Letter 204. Adequate internal control over dual employment situations requires that State agencies not required to follow the General Letter 204 guidelines should implement their own procedures for handling dual employment requests.

We reviewed 22 dual employment situations. The employees reviewed worked at two or more State agencies during a bi-weekly pay period during calendar year 2000. We noted that 20 out of 22 dual employment situations tested had some form of deficiency.

Agencies should comply with Section 5-208a of the General Statutes and State dual employment policies to appropriately monitor dual employment situations. Actual hours and days worked by employees should be documented and retained. The Department of Administrative Services should provide agencies with reports on employees holding multiple positions to assist the agencies in tracking dual employment situations. DAS should implement the procedures necessary to adequately monitor State agencies' compliance with Section 5-208a of the General Statutes. (See Item No. 1)

Employee Numbers:

The State of Connecticut is in the process of implementing a new accounting, payroll and human resource system known as Core-CT. As part of Core-CT the State plans to implement functions of the PeopleSoft Human Resources Management System (HRMS) in October 2003. Functions covered by the initial implementation of HRMS would include the bulk of payroll, time and labor, benefits, human resources and reporting modules. The current employee numbers in the employee master file, at the time of conversion, will be used for employees that are active and converted into the PeopleSoft HRMS. The State Payroll Manual, Policy Section, Section VIII, I,

B.1. states that only one employee number should be used per individual regardless of the number of positions held in the State or the number of agencies in which the employee has worked.

A review of the State's employee master file for the year ended December 31, 2000 revealed that 303 State employees, with earnings, had more than one employee number.

Active State employees' master payroll records should be reviewed for duplicate employee numbers and corrections should be made to ensure that each State employee has only one employee number prior to the conversion to the PeopleSoft HRMS. (See Item No. 2)

State Employees' Social Security Numbers:

United States Department of Treasury, Internal Revenue Service (IRS), Publication 15, Circular E, states that employers are required to get each employee's name and social security number to enter them on the IRS form W-2. If employers do not provide the correct employee name and social security number on the employees' W-2 forms, they may owe a penalty. Valid social security numbers should be obtained from employees to facilitate the accurate reporting of taxpayer information to the IRS, Social Security Administration (SSA), State of Connecticut Department of Revenue Services and other providers of benefits.

We reviewed payroll records of 19 State employees with questionable or invalid social security numbers recorded in the calendar year 2000 employee master file. We noted that 17 out of 19 employee social security numbers reviewed were invalid or inaccurately recorded in the employee master file.

The Office of the State Comptroller (OSC) should implement the procedures necessary for all existing and new State employees' social security numbers to be verified to SSA records. OSC should establish guidelines and procedures for State agencies to follow when State employees are using an invalid social security number to ensure that a valid social security card and number are obtained. (See Item No. 3)

AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives:

The Auditors of Public Accounts, in accordance with Section 2-90 of the Connecticut General Statutes, are responsible for auditing the books and accounts of all State agencies, institutions supported by the State, all public and quasi-public bodies and other organizations created by public or special act of the General Assembly. Such examinations include the internal control structure of the organization's financial and administrative systems.

We conducted this performance audit related to dual employment situations, employee numbers, invalid or questionable social security numbers, and compliance with minimum fair wage laws and regulations in accordance with Generally Accepted Government Auditing Standards. This audit encompassed effectiveness issues, which is one type of performance audit.

The objectives of our audit were: (1) to determine if dual employment situations involving more than one State agency were in accordance with State Statutes and policy; (2) to determine if there are State employees with more than one employee number; (3) to determine if State employees' social security numbers recorded in the employee master file for the calendar year ended December 31, 2000, and reported on the State employees' W-2 forms were valid; (4) to determine if State employees reported in the employee master file as being paid below the minimum fair wage of \$6.15, for calendar year 2000, were paid in accordance with State statutes and regulations.

Scope:

To accomplish our objectives, we conducted interviews with staff at the Office of the State Comptroller and Department of Administrative Services. We also relied on computer-processed data contained in the employee master file year ended December 31, 2000. We conducted sufficient tests of the data. Based on these tests we conclude the data are sufficiently reliable to be used in meeting the assignment's objectives. In addition we performed the following test steps:

Dual Employment Situations

We documented the policies and procedures over the approval and monitoring systems for dual employment situations. Using an audit software tool we selected 22 employees who worked at more than one agency during the same bi-weekly pay period(s) during calendar year 2000 for review. Our review included an examination of the Dual Employment Request (PER-DE-1) forms, work schedules, timesheets and other documentation.

Employee Numbers

We documented the policy over the issuance of employee numbers. Using audit software tools we analyzed the employee master file to determine how many State employees with reportable earnings in 2000 had more than one employee number in calendar year 2000.

State Employees' Social Security Numbers

Using audit software tools we selected a sample of 19 employees, with a questionable or invalid social security number, listed in the calendar year 2000 employee master file. Our review included examining pertinent documentation in the employee's personnel file to verify the accuracy of the employee's social security number. We also interviewed employees or agency personnel, when applicable, to determine whether or not the individual was a bona fide employee. In some cases we contacted the United States Social Security Administration to verify, with its records, the validity of the employee's social security number.

Minimum Fair Wage

We selected a sample of 40 employees reported in the employee master file as being paid below the minimum fair wage of \$6.15 for calendar year 2000. We interviewed agency personnel and reviewed documentation that supported the employee's hourly rate. Documents reviewed included, but were not limited to, U.S. Department of Labor issued Certificate Authorizing Special Minimum Wages under Section 14(c) of the Fair Labor Standards Act, Part-Time Lecturer Contract, Educational Assistant Contracts, and Contract Hour Part-Time Lecturer Contracts. We did not note any exceptions.

Methodology:

Our audit methodology included the following:

- Review of policies and procedures.
- Interviews with key administrators and other personnel.
- Review of the State Payroll system documentation.
- Data analysis of the employee master file year ended December 31, 2000, using an audit software tool.
- Review of Dual Employment Request forms, work schedules, time sheets or other equivalent dual employment documentation.
- Review of State employees' personnel files.

BACKGROUND

General Information:

According to Section 3-119 subsection (a) of the General Statutes, the Comptroller is authorized to develop, install and operate a comprehensive fully documented electronic system for effective personnel data, for payment of compensation to all State employees and officers and for maintenance of a chronological and permanent record of compensation paid to each employee and officer for the State employees retirement system and other purposes.

The Office of the State Comptroller (OSC) controls the processing of payroll jobs that are run on the State of Connecticut Payroll System. One job that is run at the end of the calendar year is the “Yearend” process. This major process for year end produces an adjusted, corrected employee master file for Federal, Social Security, and State Tax reporting. It produces year end related reports for the State agencies and OSC Payroll Services, W-2 forms for employees, and the IRS reporting tape. This entire year end process is an ongoing, year long accumulation of data affecting tax reporting.

Currently, the State of Connecticut is engaged in the process of replacing and consolidating the State’s core financial and administrative computer systems, including central and agency accounting, accounts payable, payroll, time and attendance, worker’s compensation, personnel, and other legacy systems. The new system, known as Core-CT, will use PeopleSoft Enterprise Resource Planning software to tie together all functions, using an integrated suite of software packages, a common database, and a unified technical architecture. As part of Core-CT the State plans to implement functions of the PeopleSoft Human Resources Management System (HRMS) in October 2003. Functions covered by the initial implementation of HRMS would include the bulk of payroll, time and labor, benefits, human resources and reporting modules. This initiative is a joint effort between the Office of the State Comptroller, the Department of Administrative Services, the Department of Information Technology and the Office of Policy and Management. Significant cooperation from other State agencies has and will continue to be needed for this initiative to be successful.

Dual Employment Situations:

Section 5-208a of the General Statutes states that no State employee shall be compensated for services rendered to more than one State agency during a biweekly pay period unless the appointing authority of each agency or his designee certifies that the duties performed are outside the responsibility of the agency of principal employment, that the hours worked at each agency are documented and reviewed to preclude duplicate payment and that no conflicts of interest exist between services performed. No State employee who holds multiple job assignments within the same State agency shall be compensated for services rendered to such agency during a biweekly pay period unless the appointing authority of such agency or his designee certifies that the duties performed are not in conflict with the employee's primary responsibility to the agency, that the hours worked on each assignment are documented and reviewed to preclude duplicate payment, and that there is no conflict of interest between the services performed.

Originally, when a State employee became an applicant with a second State agency, the secondary agency was required to initiate a copy of the Dual Employment Request and forward it to the employee's primary agency. The primary agency was required to forward the Dual Employment Request form to the Department of Administrative Services (DAS). DAS was responsible for reviewing the information on the Dual Employment Request and replying to both agencies within five working days. Formal approval from DAS had to be obtained prior to the start of the secondary job.

The Department of Administrative Services' General Letter No. 204, effective August 1, 1999, changed the way two separate agencies handle the initiation of a dual employment situation. Currently, the secondary agency is required to initiate the Dual Employment Request and forward it to the employee's primary agency. The primary agency is then required to complete its portion of the form, and return the original copy to the secondary agency and keep a copy for its own records. DAS is no longer required to review and approve the Dual Employment Request prior to an employee starting a secondary job with the State. The Department of Administrative Services is currently responsible for providing State agencies with semiannual Automated Personnel Reports on employees holding multiple positions and conducting annual post audits to insure compliance with the guidelines for dual employment. [Exhibit A - Dual Employment Request (PER-DE-1)]

DAS' General Letter 204, effective August 1, 1999, also states that each individual agency should implement procedures for handling dual employment requests and that those procedures must comply with the statutory requirements for dual employment contained in Section 5-208a of the General Statutes.

Employee Numbers:

An employee number is the number assigned to each State employee when first hired and is the key identifier for each employee for payroll purposes. The Payroll Manual, Policy Section (Rev. 1995), section VIII, I, B.1 states that only one employee number should be used per individual regardless of the number of positions held in the State or the number of agencies in which the employee has worked.

State Employees' Social Security Numbers:

The United States Department of Treasury, Internal Revenue Service (IRS), Publication 15, Circular E, states that employers are required to obtain each employee's name and social security number to enter them on the IRS W-2 form. If employers do not provide the correct employee name and social security number on the employee's W-2 form, they may owe a penalty.

Minimum Fair Wage:

Connecticut's minimum fair wage and related laws can be found in Chapter 558 of the General Statutes. Minimum fair wage regulations can be found in Section 31-60 and 31-62 of the Department of Labor's regulations. Section 31-58 of the General Statutes states that the minimum fair wage in any industry or occupation in Connecticut means a wage of not less than \$6.15 effective January 1, 2000, and effective January 1, 2001, not less than \$6.40.

AREAS REQUIRING FURTHER REVIEW

Currently, the State payroll system does not have the capability to track and prevent the State from overpaying an employee that worked at two agencies during the same day and had overlapping hours. The actual hours worked are usually maintained at the individual agencies.

The Core-CT project team is currently in the process of implementing the PeopleSoft Human Resources Management System, which includes employee scheduling features. At this time, the procedures for State agencies to track and monitor dual employment have not been finalized.

The Core-CT project team should consider the available options to enhance the system so that the State can monitor and prevent the overpayment of employees with overlapping hours.

RESULTS OF REVIEW

Our examination of State employees' social security numbers, employee numbers in the employee master file and dual employment situations, disclosed matters of concern. The Department of Administrative Services and individual agencies are responsible for addressing Item No. 1. The individual agencies' comments/responses can be found in Appendix 1 of this report. The Office of the State Comptroller is the principal agency responsible for addressing Items No. 2 and 3.

Item No. 1 – Dual Employment:

Criteria:

Section 5-208a of the General Statutes states that no State employee shall be compensated for services rendered to more than one State agency during a biweekly pay period unless the appointing authority of each agency or his designee certifies that the duties performed are outside the responsibility of the agency of principal employment, that the hours worked at each agency are documented and reviewed to preclude duplicate payment and that no conflicts of interest exist between services performed.

Department of Administrative Services (DAS) General Letter 204 states effective August 1, 1999, each individual agency should implement procedures for handling dual employment requests. Those procedures must comply with the statutory requirements for dual employment contained in Section 5-208a of the General Statutes. A Dual Employment Request (PER-DE-1) form should be completed by the employees' secondary and primary agency as prescribed in General Letter 204.

Adequate internal control over dual employment situations requires that State agencies not required to follow the General Letter 204 guidelines should implement their own procedures for handling dual employment requests.

Condition:

We reviewed 22 dual employment situations. The employees reviewed worked at two or more State agencies during a bi-weekly pay period during calendar year 2000. We noted that 20 out of 22 dual employment situations tested had some form of deficiency:

- A Dual Employment Request (PER-DE-1) form or equivalent documentation was not on file at either the employee's primary or secondary agency for 12 out of the 22 dual employment situations we reviewed. Additionally, ten of these 12 employment situations had other deficiencies, which are described as follows:

In one situation we documented that there were at least 26 days that an employee worked at two agencies during the

same day. We found that on six out of the 26 days, there was an overlap of the hours that the employee worked at both agencies. We estimated that the employee was compensated for a total of 25 hours and 28 minutes that overlapped, which resulted in the State making an overpayment to the employee. There was one day out of the 26 days that the employee worked at both agencies but it wasn't clear if there was an overlap of hours. There were 19 days when the employee worked at both agencies but the hours worked by the employee at one of the agencies could not be determined. In addition, there was a bi-weekly period in which we were unable to determine if this employee worked at both agencies during the same day because a time sheet could not be located.

In another situation we found that there was one day when the hours an employee worked at two agencies overlapped. We estimated that this employee was overpaid by the State for one hour and 52 minutes.

In eight situations we were unable to determine the days and times the employee worked at one of the two agencies.

- We found that the PER-DE-1 or equivalent documentation was incomplete for four out of the 22 dual employment situations that we reviewed. We noted that for one out of the four situations the dual employment documentation was signed by an unauthorized signer. For one other situation the employee's primary agency did not sign the copy of the PER-DE-1 form that was on hand at the employee's secondary agency.
- In one dual employment situation reviewed we found that dual employment documentation was on hand only at one of the agencies where the employee worked.
- In two dual employment situations we found that the PER-DE-1 or equivalent documentation was on hand only at one of the agencies where the employee worked and the documentation was incomplete. In one of these situations the dual employment documentation on hand at the employee's secondary agency was not signed by the primary agency.
- One dual employment situation reviewed revealed that an employee worked at three State agencies during the spring of 2000. The employee's primary and two secondary agencies each had a PER-DE-1 on hand that was incomplete and indicated that the employee only worked at two agencies instead of three. This employee worked at two State agencies

during the fall of 2000. The employee's primary agency had a PER-DE-1 on hand that was incomplete and not signed by either agency. The employee's secondary agency had an incomplete PER-DE-1 on hand. We were unable to determine part of the employee's work schedule.

Effect: Agencies are not in compliance with Section 5-208a of the General Statutes. Conflicts in time schedules have occurred leading to overpayments. Conflicts of interest could exist between the services being provided by the employees. Agencies may not be in compliance with the Federal Fair Labor Standards Act.

Cause: The lack of dual employment documents on hand was apparently caused because the agencies were not aware that their employees were working at another State agency during the same period of employment. DAS did not provide agencies with a semi annual Automated Personnel System report on employees holding multiple positions to assist agencies in tracking dual employment forms. State employees did not inform their agencies that they were working at another State agency during the same period of employment.

We were unable to determine days and times that some employees worked because some agencies do not keep timesheets or work schedules to document the days and time that their employees worked.

The other conditions were caused because the agencies lacked the procedures necessary to comply with Section 5-208a of the General Statutes. In addition DAS has not implemented the monitoring procedures necessary to ensure compliance with the dual employment guidelines.

Recommendation: Agencies should comply with Section 5-208a of the General Statutes and State dual employment policies to appropriately monitor dual employment situations.

Actual hours and days worked by employees should be documented and retained.

DAS should provide agencies with reports on employees holding multiple positions to assist the agencies in tracking dual employment situations.

DAS should implement the procedures necessary to adequately monitor State agencies' compliance with Section 5-208a of the General Statutes. (See Recommendation 1.)

Agency Response: **Department of Administrative Services:**
“DAS agrees with the findings. DAS will reissue General Letter 204 to all state agencies. DAS will have its Human Resources (HR) Consultants who are assigned to specific agencies discuss the process and review the record keeping efforts with the emphasis on the accuracy and timeliness of dual employment information. Additionally, another HR Consultant will conduct random reviews of agencies’ dual employment files for continued compliance. The initial focus of this work will be on problem agencies noted in this audit.

DAS will also send the automated Dual Positions Reports to state agencies on a regular basis.”

See Appendix 1 for other Agencies’ comments.

Item No. 2 – State Employee Numbers:

Background: The State of Connecticut is in the process of implementing a new accounting, payroll and human resource system known as Core-CT. As part of Core-CT the State plans to implement functions of the PeopleSoft Human Resources Management System (HRMS) in October 2003. Functions covered by the initial implementation of HRMS would include the bulk of payroll, time and labor, benefits, human resources and reporting modules. The current employee numbers in the employee master file, at the time of conversion, will be used for employees that are active and converted into the PeopleSoft HRMS.

Criteria: The Payroll Manual, Policy Section, section VIII, I, B.1. states that only one employee number should be used per individual regardless of the number of positions held in the State or the number of agencies in which the employee has worked.

Condition: A review of the State’s employee master file for the year ended December 31, 2000 revealed that 303 State employees, with earnings, had more than one employee number.

Effect: Inadequate controls over the issuance of employee numbers create weaknesses that can lead to dual employment violations and improper social security withholdings.

The PeopleSoft HRMS may be populated with duplicate employee records.

Cause: Effective controls are not in place to ensure that only one employee number is issued to each employee.

Recommendation: Active State employees' master payroll records should be reviewed for duplicate employee numbers and corrections should be made to ensure that each State employee only has one employee number prior to the conversion to the PeopleSoft HRMS. (See Recommendation 2.)

Agency Response: **Office of the State Comptroller:**
"As part of the conversion process from the current payroll system to the new PeopleSoft Human Resources Management System (HRMS), the employee master file is being reviewed. Prior to October 1, 2003, HRMS implementation date, any duplicate employee numbers will be eliminated and each employee will have one active employee number."

Item No. 3 – Social Security Numbers:

Criteria: United States Department of Treasury, Internal Revenue Service (IRS), Publication 15, Circular E, states that employers are required to get each employee's name and social security number to enter them on the IRS form W-2. If employers do not provide the correct employee name and social security number on the employee's form W-2, they may owe a penalty.

Valid social security numbers should be obtained from employees to facilitate the accurate reporting of taxpayer information to the IRS, Social Security Administration (SSA), State of Connecticut Department of Revenue Services and other providers of benefits.

Condition: We reviewed payroll records of 19 State employees with questionable or invalid social security numbers recorded in the calendar year 2000 employee master file. We noted that 17 out of 19 employee social security numbers were invalid or inaccurately recorded in the employee master file.

- We found that for five out of the 19 State employee social security numbers reviewed, the employee's social security number recorded in the employee master file was invalid. Further information on these five cases follows below.

A background check was performed for one employee with an invalid social security number. It was determined that this employee was not a U.S. Citizen. The employee retired as of August 1, 2002. We reported this matter to the Governor and other State Officials on July 31, 2002.

One employee who has an invalid social security number has not presented a valid social security card to her agency. The employee's agency is not certain of the action that should be taken to correct the situation. We reported this matter to the Governor and other State Officials on July 31, 2002.

Two employees obtained valid social security numbers and social security cards from SSA after it was brought to their agencies' attention by us that their social security numbers were invalid.

One employee left State service prior to the time we conducted our field testing.

- We found that 12 out of the 19 State employees' social security numbers reviewed were inaccurately recorded in the employee master file. The employees' payroll records supported valid social security numbers that were different from their social security numbers recorded in the employee master file.

Effect:

Invalid employee social security numbers could lead to unmatched annual W-2 wage reports that are sent to SSA which may lead to penalties, additional processing costs for the State, and uncredited earnings for State employees.

These conditions lessen the State of Connecticut's assurance that a State employee is legally eligible to work in the United States.

Cause:

There were no procedures in place to verify the validity of State employees' social security numbers.

There were no procedures in place for State agencies to follow when it was determined that a State employee was using an invalid social security number.

Recommendation:

The Office of the State Comptroller (OSC) should implement the procedures necessary to verify all existing and new State employees' social security numbers to Social Security Administration's records.

OSC should establish guidelines and procedures for State agencies to follow when a State employee is using an invalid social security number to ensure that a valid social security card and number are obtained. (See Recommendation 3.)

Agency Response:

Office of the State Comptroller:

“The Office of the State Comptroller on August 19, 2002, issued statewide Memorandum Number [2002]-29, Subject Employee Social Security Numbers. ... This statewide memorandum clearly states that it is the responsibility of each employing agency to obtain a valid social security number for each employee. Also, section two of the memorandum clearly spells out the monitoring policy of the Payroll Services Division, Office of the State Comptroller.”

Auditors' Concluding Comments:

The Office of the State Comptroller's Memorandum Number 2002-29 does not address procedures necessary to verify all existing and new State employees' social security numbers to Social Security Administration's records.

RECOMMENDATIONS

- 1. Agencies should comply with Section 5-208a of the General Statutes and State dual employment policies to appropriately monitor dual employment situations. Actual hours and days worked by employees should be documented and retained. DAS should provide agencies with reports on employees holding multiple positions to assist the agencies in tracking dual employment situations. DAS should implement the procedures necessary to adequately monitor State agencies' compliance with Section 5-208a of the General Statutes.**

Comment:

Section 5-208a of the General Statutes states that no State employee shall be compensated for services rendered to more than one State agency during a biweekly pay period unless the appointing authority of each agency or his designee certifies that the duties performed are outside the responsibility of the agency of principal employment, that the hours worked at each agency are documented and reviewed to preclude duplicate payment and that no conflicts of interest exist between services performed. Our review disclosed that these requirements are not being met.

- 2. Active State employees' master payroll records should be reviewed for duplicate employee numbers and corrections should be made to ensure that each State employee has only one employee number prior to the conversion to the PeopleSoft Human Resources Management System.**

Comment:

Our review identified 303 employees, with reportable earnings during calendar year 2000, that had more than one employee number.

- 3. The Office of the State Comptroller (OSC) should implement the procedures necessary to verify all existing and new State employees' social security numbers to Social Security Administration's records. OSC should establish guidelines and procedures for State agencies to follow when State employees are using an invalid social security number to ensure that a valid social security card and number are obtained.**

Comment:

Our review identified 17 invalid or inaccurate employee social security numbers recorded in the employee master file. In order to comply with Federal regulations State agencies must obtain correct social security numbers from new employees. Verifying State employees social security numbers to Social Security Administration records would identify inaccurate or invalid social security numbers being used by State employees.

CONCLUSION

In conclusion, we wish to express our appreciation for the cooperation and courtesies extended to our representatives by the officials and staff of the Office of the State Comptroller, Department of Administrative Services, and the individual State agencies involved with our review.

Jessica L. Parent
Associate Auditor

Approved:

Kevin P. Johnston
Auditor of Public Accounts

Robert G. Jaekle
Auditor of Public Accounts

APPENDIX 1

As noted in the “Results of Review” section of this report, under Item No. 1 where we made reference to dual employment situations of individual agencies, such agencies were afforded the opportunity to present comments and/or responses as well. The agency specific condition(s) and the agencies’ comments/responses are listed below:

Item No. 1 – Dual Employment:

Recommendation:

Agencies should implement adequate controls to ensure compliance with Section 5-208a of the General Statutes. Actual hours and days worked by employees should be documented and retained.

Condition	Agencies Involved	Agencies Comments and/or Response
<p>1. A Dual Employment Request (PER-DE-1) or equivalent documentation was not on file at either the employee’s primary or secondary agency for the following 12 dual employment situations:</p>		
<p>In one situation we documented that there were at least 26 days that an employee worked at two agencies during the same day. We found that on six out of the 26 days, there was an overlap of the hours that the employee worked at both agencies. We estimated that the employee was compensated for a total of 25 hours and 28 minutes that overlapped, which resulted in the State making an overpayment to the employee. There was one day out of the 26 days that the employee worked at both agencies but it wasn’t clear if there was an overlap of hours. There were 19 days when the employee worked at both agencies but the hours worked by the employee at DEP could not be determined. In addition, there was a bi-weekly period in which we were unable to determine if this employee worked at both agencies during the same day because a time sheet could not be located at Middlesex Community College.</p>	<p>1. Department of Environmental Protection (DEP) and Middlesex Community College</p>	<p>1. Department of Environmental Protection’s Comments/ Response: “The Department of Environmental Protection (DEP) maintains an accurate and sophisticated automated time and attendance system. This system requires that each employee’s time sheet is completed and signed by both the employee and a supervisor authorized to approve the payment for the hours indicated.</p> <p>If an employee does not submit a time sheet, the employee will not be paid for the hours worked during that pay period and would have to submit a supplemental time sheet signed by their supervisor which justifies the change in the original or reason for a missing timesheet.”</p> <p>Auditors’ Concluding Comment: We are not questioning the existence of an accurate and sophisticated automated time and attendance system. The time sheets on hand at DEP that we reviewed documented the number of hours the employee worked each day. They did not document the start and end times the employee worked. In addition, for 19 days that this employee worked at both agencies there was no work schedule on hand or another type of</p>

Condition	Agencies Involved	Agencies Comments and/or Response
		<p>record to document the time the employee started and ended work.</p> <p>1. Middlesex Community College's Comments/Response: "In the instance referred to review, the employee did not inform the College of a second position at another state agency. The College makes diligent efforts to advise new full-time and part-time employees that dual employment forms are required for those individuals holding positions at other state agencies. This is done in person by the Payroll Department for all new employees they see. New employees are counseled and asked to complete the ... New Employee Information Sheet, wherein we ask if the employee is currently a State of Connecticut employee at any other agency In the case of part time lecturers employed on a semester basis, the College provides them with the State Dual Employment form as part of their contract package. The College believes that it is doing everything possible to ensure compliance with the requirement for dual employment forms where an employee works for another state agency while employed here.</p> <p>It would be most helpful if the Department of Administrative Services were able to provide state agencies with a report listing employees who hold multiple state positions. This would give us a way to verify that we have the proper documentation on file for employees in dual employment situations."</p>
<p>In another situation we found that there was one day when the hours an employee worked at two agencies overlapped. We estimated that this employee was overpaid by the State for one hour and 52 minutes.</p>	<p>2. Department of Education and Southern Connecticut State University (SCSU)</p>	<p>2. Department of Education's Comments/Response: The Department of Education has no comment or response on this finding.</p> <p>2. Southern Connecticut State University's Comments/ Response: "The University agrees with the finding that it lacked a complete set of the PER-DE-1 for eight employees and that in one case the forms on hand had some form of deficiency.</p>

Condition	Agencies Involved	Agencies Comments and/or Response
		<p>Effective October 2002, with the exception of Lecturers (part time teaching faculty) all dual employment requests will be processed and filed in the Human Resources department. Dual employment requests for Lecturers will be processed by the Office of the Vice President of Academic Affairs and filed in Human Resources. ... The [SCSU appointment] forms specifically request information from the hiring department whether the prospective employee is on another CSU or state payroll. In addition all appointment letters either already have or as of October 2002 will have a statement asking employees to contact us in the event that they are on another state payroll upon accepting employment with SCSU. ...</p> <p>The Human Resources department will communicate annually to all employees[, as] a reminder[,] that employment with another state agency must be approved by SCSU Human Resources.</p> <p>Southern’s lack of access to the payroll systems of all state agencies makes local control impossible. The Office of the State Comptroller should track multiple payments to employees and provide agencies with a report. The CoreCT system, to be implemented October 2003, will provide the capability for checking employment in multiple state agencies. Until then, we will insure that all employees are made aware of their obligation to obtain approval of dual employment relationships from the appropriate employing agencies.”</p>
<p>In eight situations we were unable to determine the days and times the employee worked at one of the two agencies.</p>	<ol style="list-style-type: none"> 3. Department of Children and Families (DCF) and SCSU 4. DCF and SCSU 5. Manchester Community College and University of Connecticut (UConn) 6. Department of Correction (DOC) and UConn 7. DCF and SCSU 8. DCF and SCSU 9. DEP and UConn 	<ol style="list-style-type: none"> 3. <i>Department of Children and Families’ Comments/Response:</i> “All four of these employees were participating in the Graduate Education Stipend (GES) program during calendar year 2000. The GES program is an education assistance program to assist DCF employees in obtaining either an undergraduate or graduate degree in the field of Social Work or Child

Condition	Agencies Involved	Agencies Comments and/or Response
	<p>10. UConn and SCSU</p>	<p>Welfare. Employees are placed on a 32 hour workweek and are paid a stipend of either \$500 (undergraduate) or \$600 (graduate) per month by Southern Connecticut State University (SCSU). The other eight (8) hours they either attend class or work on their internship. Neither DCF nor SCSU was aware of the need to complete a Dual Employment Form for this program. As a result there are no Dual Employment Request forms (PER-DE-1) located in the Personnel files of the employees who were audited.</p> <p>We are now requiring our employees to complete a Dual Employment form as they enter the program. In addition, we will periodically remind all DCF employees of their obligation to notify the Agency if they are involved in a dual employment situation. For the past two years we have made this notification part of our New Employee Orientation program for all newly hired employees.”</p> <p>3. <i>Southern Connecticut State University’s Comments/Response:</i> Please refer above for SCSU’s comments/response.</p> <p>4. <i>Department of Children and Families’ Comments/Response:</i> Please refer above for DCF’s comments/response.</p> <p>4. <i>Southern Connecticut State University’s Comments/Response:</i> Please refer above for SCSU’s comments/response.</p> <p>5. <i>Manchester Community College’s Comments/Response:</i> “Manchester Community College does maintain adequate internal controls over dual employment situations. Internal procedures are maintained to handle dual employment requests.</p>

Condition	Agencies Involved	Agencies Comments and/or Response
		<p>The college did not receive a Dual Employment Request (PER-DE-1) form from the secondary agency covering the dual employment situation cited in the report. We were not aware of a dual employment situation for this employee during this period of time.</p> <p>Manchester Community College does agree that actual hours and days worked by employees should be documented and retained. We are currently implementing procedures to ensure compliance with this requirement for all employees of the college.”</p> <p>5. University of Connecticut’s Comments/ Response: “Dual employment is an issue that we struggle with: Our responsibility for dual employment is to insure that the employee is taxed correctly and that their retirement deduction is accurate. We depend on the hiring department to properly complete the form. We do review the form for completeness and return it to departments if there is a problem but we don’t remove anyone from the payroll while the form is being corrected.”</p> <p>6. Department of Correction’s Comments/Response: “When the employee was hired by DOC in December 1999 he identified no other state employment When we entered him in the APS [Automated Personnel System] system, his social security number did not prompt an error identifying him as having a previous employee number. This has always been a double check for us. We have since been advised by Retirement to use his UConn employee number. We have, therefore, sent a request to the [Department of Administrative Services] to change his employee number on APS”</p> <p>Auditors’ Concluding Comment: This employee was on the Special Payroll at UConn. Employees at UConn that are on Special Payroll</p>

Condition	Agencies Involved	Agencies Comments and/or Response
		<p>are not on the APS.</p> <p>6. University of Connecticut's Comments/ Response: Please refer above for UConn's comments/ response.</p> <p>7. Department of Children and Families' Comments/Response: Please refer above for DCF's comments/response.</p> <p>7. Southern Connecticut State University's Comments/Response: Please refer above for SCSU's comments/response.</p> <p>8. Department of Children and Families' Comments/Response: Please refer above for DCF's comments/response.</p> <p>8. Southern Connecticut State University's Comments/Response: Please refer above for SCSU's comments/response.</p> <p>9. Department of Environmental Protection's Comments/ Response: "The Department of Environmental Protection (DEP) maintains an accurate and sophisticated automated time and attendance system. This system requires that each employee's time sheet is completed and signed by both the employee and a supervisor authorized to approve the payment for the hours indicated.</p> <p>If an employee does not submit a time sheet, the employee will not be paid for the hours worked during that pay period and would have to submit a supplemental time sheet signed by their supervisor which justifies the change in the original or reason for a missing timesheet."</p> <p>Auditors' Concluding Comment: We are not questioning the existence of an accurate and sophisticated automated time and attendance system. The time sheets on hand at DEP that we reviewed documented the number of hours the employee worked each day. They did not</p>

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		<p>document the start and end times the employee worked. In addition, there was no work schedule on hand or another type of record to document the time the employee started and ended work.</p> <p>9. University of Connecticut's Comments/ Response: Please refer above for UConn's comments/ response.</p> <p>10. University of Connecticut's Comments/ Response: Please refer above for UConn's comments/ response.</p> <p>10. Southern Connecticut State University's Comments/Response: Please refer above for SCSU's comments/response.</p>
<p>In two situations we were able to determine the days and times the employee worked and it appears that there is not an overlap in hours worked by the employees.</p>	<p>11. UConn Health Center and Central Connecticut State University</p> <p>12. Naugatuck Valley Community College and Capital Community College</p>	<p>11. University of Connecticut Health Center's Comments/ Response: "At UConn Health Center, the employee was hired onto student payroll and did not indicate at the time of hire on March 6, 2000, that she was employed elsewhere within the state. The Department of Administrative Services provides agencies with an automated personnel report that captures individuals who are holding multiple positions within state agencies. We received a report on September 26, 2001 that listed this employee as a possible dual employment situation. Upon investigation, we determined that this employee had separated from UConn Health Center on August 24, 2001. All reports that are received are closely monitored and verified for accuracy. In the event we determine an employee is holding concurrent multiple positions, dual procedures are instituted and followed."</p> <p>11. Central Connecticut State University's Comments/ Response: "We believe there is no fault on the part of the University. The employee ... did not disclose to either CCSU or [the Health Center] their dual employment situation. In</p>

Condition	Agencies Involved	Agencies Comments and/or Response
		<p>order for CCSU to have taken any action, DAS would have had to have alerted the University, and they failed to do so.”</p> <p>12. <i>Naugatuck Valley Community College’s Comments/Response:</i> “Upon employment as a 24 [hours part-time worker] at NVCC, the employee indicated she was giving up her job at Capital Community College so ... a dual employment form was not requested; evidently, there was a short period of time when it appeared on paper that she was employed at two colleges at the same time.”</p> <p>12. <i>Capital Community College’s Comments/ Response:</i> “Capital Community College, in cases like this, must rely on the information provided by the adjunct faculty as to their dual employment. This information was not forthcoming from [this employee] and we were not aware she was also teaching at Naugatuck Valley Community College. Had that information been provided, we would have had [this employee] complete the Dual Employment Request Section [of the Notice of Appointment for Adjunct Faculty].”</p>
<p>2. We found that the PER-DE-1 or equivalent documentation was incomplete for four dual employment situations that we reviewed.</p>	<p>13. Department of Education and University of Connecticut Health Center</p> <p>14. Western Connecticut State University and Naugatuck Valley Community College</p>	<p>13. <i>Department of Education’s Comments/Response:</i> The Department of Education has no comment or response on this finding.</p> <p>13. <i>University of Connecticut Health Center’s Comments/ Response:</i> “Due to an oversight, UConn Health Center’s Personnel Officer, upon approving the dual employment request, neglected to check mark the FLSA non-exempt box. Refresher training to appropriate individuals will be scheduled immediately to ensure forms are completed properly and in compliance with section 5-208a of the General Statutes.”</p> <p>14. <i>Western Connecticut State University’s Comments/ Response:</i> “We agree with this finding. The university established procedures in</p>

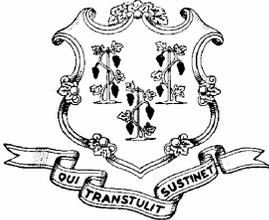
Condition	Agencies Involved	Agencies Comments and/or Response
		<p>the Human Resources Department to insure the Dual Employment Form is completed correctly and in its entirety in the future.”</p> <p>14. <i>Naugatuck Valley Community College’s Comments/Response:</i> “It was an oversight that the college did not notice that the dual employment form for an employee had not been signed by a representative from his/her primary employer, Western Connecticut State University. When an auditor called this to the attention of NVCC, a phone call was made to Western Connecticut State University and the college obtained verification that there was no conflict of interest in work schedule.”</p>
<p>In one out of the four situations the dual employment documentation was signed by an unauthorized signer.</p>	<p>15. Judicial Department and SCSU</p>	<p>15. <i>Judicial Department’s Comments/Response:</i> “It appears that the form in question was signed by an unauthorized person, ... a Lead Probation Officer. Only the Judicial Branch’s Administrative Services Division Human Resource Management (HRM) Unit has the authority to approve Dual Employment Request forms. The Judicial Branch’s Court Support Services Division, which includes Probation Officers, has been notified of their error in this specific case. In addition we will take steps to remind all Judicial Branch managers and supervisors of our longstanding policy that only the HRM Unit is authorized to approve dual employment requests.</p> <p>In the future, if the HRM unit receives copies of dual employment forms with unauthorized signatures, it will follow up with the state agency offering the additional employment to ensure that the procedures are followed correctly.”</p> <p>15. <i>Southern Connecticut State University’s Comments/Response:</i> Please refer above for SCSU’s comments/response.</p>

Condition	Agencies Involved	Agencies Comments and/or Response
<p>In one out of the four situations the employee’s primary agency did not sign the copy of the PER-DE-1 form that was on hand at the employee’s secondary agency.</p>	<p>16. Asnuntuck Community College and Central Connecticut State University.</p>	<p>16. <i>Asnuntuck Community College’s Comments/Response:</i> “The agency has no way to either verify or dispute this finding. The agency copy on file is a substantially completed PER-DE-1 form. However, the agency will review its procedures for dual employment to ensure compliance with Section 5-208a of the General Statutes.”</p> <p>16. <i>Central Connecticut State University’s Comments/ Response:</i> “We believe we met the required responsibilities. CCSU completed the dual employment form for the employee ... as the secondary agency. The condition of the FLSA designation as incomplete was a clerical oversight. The form was not completed by the primary agency, Asnuntuck CC. Our policies for Dual Employment Form Routing ... are detailed and do provide for calling the primary agency, which we do. Calls are repeated and processing requested, but sometimes without success. There are no enforcement sanctions between institutions.”</p>
<p>3. We found in one dual employment situation reviewed that dual employment documentation was on hand only at one of the agencies where the employee worked.</p>	<p>17. Southern Connecticut State University (SCSU) and Gateway Community College Note: Dual employment documentation was not on hand at SCSU.</p>	<p>17. <i>Southern Connecticut State University’s Comments/ Response:</i> Please refer above for the University’s comments/ response.</p>
<p>4. We found in two dual employment situations that the PER-DE-1 or equivalent documentation was on hand only at one of the agencies where the employee worked and the documentation was incomplete.</p>	<p>18. Western Connecticut State University and Southern Connecticut State University Note: The incomplete PER-DE-1 was on hand at WCSU.</p>	<p>18. <i>Western Connecticut State University’s Comments/ Response:</i> Please refer above for the University’s comments/ response.</p> <p>18. <i>Southern Connecticut State University’s Comments/ Response:</i> Please refer above for the University’s comments/ response.</p>
<p>In one out of the two situations the dual employment documentation on hand at the employee’s secondary agency was not signed by the primary agency.</p>	<p>19. Central Connecticut State University (CCSU) and Three Rivers Community College (TRCC) Note: The incomplete dual employment documentation was on hand at Three Rivers. It was not signed by a CCSU representative.</p>	<p>19. <i>Central Connecticut State University’s Comments/ Response:</i> “We believe there is no fault on the part of the University. The employee ... was hired as a full time faculty member for the Fall, 2000 for a one semester appointment. There is no evidence in her file that she was simultaneously employed by TRCC. Given that her full time position was with CCSU, the part-</p>

Condition	Agencies Involved	Agencies Comments and/or Response
		<p>time position at TRCC would be her secondary employment. As such TRCC had the obligation to initiate the dual employment form and did not do so. In order for CCSU to have taken any action, DAS would have had to have alerted the University, and they failed to do so.”</p> <p>19. <i>Three Rivers Community College’s Comments/Response:</i> “In general we concur with the findings regarding Three Rivers and with the findings overall. While we do not believe that any of our employees are intentionally trying to abuse the system, it is an unfortunate fact that many of our part-time employees, particularly adjunct faculty, have to take on several jobs throughout the State, to make ends meet. Since many of these jobs cannot be finalized until the very last minute, it is therefore extremely difficult to insure that all dual employment is fully documented and authorized before the fact even though the employment itself is perfectly legitimate. Our staffs work very hard at obtaining and maintaining this documentation, but as is apparent from your findings, many organizations are having difficulty with this process. Hopefully the new CORE-CT system will help make this task more manageable.”</p>
<p>5. One dual employment situation reviewed revealed that an employee worked at TRCC, Eastern Connecticut State University (ECSU) and UConn during the spring of 2000. Each of the three agencies had a PER-DE-1 on hand that was incomplete and indicated that the employee only worked at two agencies instead of three. This employee worked at Three Rivers and ECSU during the fall of 2000. Three Rivers had a PER-DE-1 on hand that was incomplete and not signed by either agency. ECSU had an incomplete PER-DE-1 on hand. We were unable to determine part of the employee’s work schedule.</p>	<p>20. Three Rivers Community College, Eastern Connecticut State University and University of Connecticut.</p>	<p>20. <i>Three Rivers Community College’s Comments/Response:</i> Please refer above for the College’s comments/response.</p> <p>20. <i>Eastern Connecticut State University’s Comments/ Response:</i> “The University agrees with the finding that it lacked a complete PER-DE-1 for an employee employed during calendar year 2000 at Eastern Connecticut State University (ECSU), Three Rivers Community College and the University of Connecticut. ... The [ECSU appointment] letter specifically highlights the employee obligation to fully report multiple state employment. The University emphasizes this obligation to both</p>

Condition	Agencies Involved	Agencies Comments and/or Response
		<p>the new employees and those employees responsible for hiring.</p> <p>Eastern’s lack of access to the payroll system of all state agencies makes local control difficult. A more efficient process would be for the State Comptroller to track multiple payments to employees providing quarterly reports to affected state agencies. This capability should be included in the CORE-CT system in order to permit each agency the ability to check for multiple state employment.”</p> <p>20. <i>University of Connecticut’s Comments/ Response:</i> Please refer above for the University’s comments/response.</p>

EXHIBIT A

DUAL EMPLOYMENT REQUEST PER-DE-1 Rev 7/99	STATE OF CONNECTICUT	
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Instructions for SECONDARY AGENCY: Complete this form when an employee provides services under 1) an authorized PER-301 for a second position; 2) a Personal Services Agreement (CO-802a); 3) a Purchase Order (CO-94, CO-94DP or CO-95). Keep a copy of the form in a suspense file and forward the original to the primary agency. When certification from both the primary and secondary agency is complete, process the employee according to the guidelines in General Letter 204.

Employee	Social Security Number	Today's Date
Employee Address	Present Position Title	FLSA <input type="checkbox"/> Exempt <input type="checkbox"/> Non-Exempt

Primary Agency

SECONDARY AGENCY - Agency where employee is being considered for a second job

Facility of Secondary Employment	Title of position sought
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Duties to be performed:

Dates duties will be performed: (A new dual employment form must be completed and placed in the employees' personnel file for each new period of employment.)

Start Date:	End Date:
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The work schedule will be as follows:

Day	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday
Time In:							
Time Out:							

SECONDARY AGENCY CERTIFICATION

I certify that the duties are being performed outside the responsibility of the agency of principal employment, the hours worked at this agency are documented and reviewed to preclude duplicate payment, and that no conflicts of interest exist between services performed.

SIGNED (Agency head or authorized designee)	TITLE	DATE
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Instructions for PRIMARY AGENCY –Complete and return to secondary agency for documentation. Retain a copy for your files.

Position Title:	POTENTIAL CONFLICT OF INTEREST? <input type="checkbox"/> YES <input type="checkbox"/> NO
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Duties Performed:

Current Work Schedule

Day	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday
Time In:							
Time Out:							

Primary Agency Certification

I certify that the duties are being performed outside the responsibility of the agency of principal employment, the hours worked at this agency are documented and reviewed to preclude duplicate payment, and that no conflicts of interest exist between services performed. If for any reason there should be a change in the hours and/or days of work as originally indicated, an amended request with the required justification will be submitted.

RECOMMEND <input type="checkbox"/> YES <input type="checkbox"/> NO	SIGNED (Agency head or authorized designee)	TITLE	DATE
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