



CITY OF ALBANY
Office of Audit and Control
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Leif Engstrom
Chief City Auditor

Follow-Up of the 2014 Landfill Audit

August, 2015

In the summer of 2015, the Office of Audit and Control (OAC) initiated an audit follow-up of its 2014 Landfill Audit Report which is available on the OAC website. The 2014 audit had a scope limitation caused by video footage being saved for only 90 days. As a result, OAC was only able to use the video to verify Scale House transactions that occurred after the audit had been announced. This follow-up was intended to explore that scope limitation by reviewing video from before the landfill staff became aware of the follow-up.

During the follow-up, OAC staff visited the Rapp Road Landfill and reviewed each finding as well as conducting an unannounced review of the Scale House transactions. We are pleased to note that there were no discrepancies from the video review and that all of the audit findings are either addressed, in the process of being addressed, or partially addressed.

This follow-up is a part of OAC's ongoing risk assessment process. It was not an audit and did not follow Government Auditing Standards.

2014 Audit Scope Limitation:

The scope of the 2014 audit included current practices at the landfill as they relate to Scale House operations and payroll. The period audited was January 1, 2012 to September 2013.

During the 2014 audit fieldwork OAC learned that video at the landfill is saved for only ninety days. As a result, the audit team was not able to test 2013 scale house transactions by observing video for that period. To compensate, the audit team selected a sample of transactions from the first quarter of 2014 and observed video to verify those transactions. However, landfill staff was aware of the OAC audit at the time of the 2014 transactions, which could have skewed the results of the audit.

To address this scope limitation, OAC staff selected a sample of recent transactions from 2015 for follow-up review. Landfill staff was not aware of the follow-up during the time of the 2015 transactions so OAC activity would not have influenced behavior during that time. Observation of the video pertaining to the 2015 sample transactions revealed no discrepancies.

Landfill Audit Follow-Up

Finding 1: The Duties of processing transactions, processing receivables and reporting transactions are not adequately segregated.

Voiding Transactions-

Partially Addressed

The supervisor informed OAC staff that the scale house operator still processes voids. He explained that the process is that the operator contacts the supervisor (Joe G) via phone, text or voicemail to let him know a void is necessary and the reason for the void. Also, the supervisor (Joe G) signs the daily batch closed report which shows all voids. He explained that he does not have enough staff/cover to separate duties adequately.

Hire someone to allow for duty segregation-

In process of being addressed:

The landfill supervisor informed OAC that a part-time clerk was hired and is currently in the process of scale house training. OAC staff met the new hire on the follow-up audit visit. The Supervisor also informed OAC staff that he is in the process of hiring an engineer, who in addition to engineering duties will be trained to review deposits daily. The Supervisor also told OAC staff that currently the he reviewing deposits and the daily activity before the deposits are sent to the Treasurer's Office.

Finding 2: The Scale house lacks physical safeguards to protect personnel, cash and equipment.

Addressed

OAC staff observed that the door was locked to the Scale house and a thick plexi-glass window has been installed between the operator and customer section of the scale house.

Finding 3: Checks are not secured properly.

Addressed

OAC staff observed that a drop box safe has been installed.

Finding 4: The time keeping system used by the Landfill is outdated and cumbersome and there is no video on the time clock at the landfill whereas there is video on other DGS time clocks.

Landfill Audit Follow-Up

Video Monitoring of the Time Clock-

Addressed

OAC staff observed that there is video on the punch time clock at the landfill administration office.

Outdated and Cumbbersome Timekeeping System-

In process of being addressed

OAC staff is aware that the City is currently in the process of upgrading time keeping City-wide.

Finding 5: There is a lack of a contingency/succession plan for Scale House Operator.

In process of being addressed

The landfill supervisor informed OAC staff that there are 6 positions are trained to operate the Scale house and that the new part time hire is currently being trained to operate the Scale house. The Supervisor explained that the new hire will be a back up but will not be the primary replacement as she is only part-time.

Finding 6: Some of the times on the time cards were written and were not punched in or out on the time clock.

In process of being addressed

The supervisor explained that the situation that was the cause of some times being written instead of punched has not changed. Landfill employees work at other sites in the City when needed. The new city-wide timekeeping should address this finding.

Finding 7: Customer credit checks not made on an annual basis

Addressed

Credit checks had been completed for the 5 customer files selected for review.

Finding 8: Proof of Insurance for the full year was missing from many of the files.

Addressed

Insurance certificates were current for 4 out of 5 items pulled for the sample.

The one customer with an expired certificate had already been contacted in writing by landfill staff before OAC review.



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DANIEL C. MIRABILE
COMMISSIONER

September 8, 2015

Hon. Leif Engstrom
Chief City Auditor
Office of Audit and Control
24 Eagle Street, Room 111
Albany NY 12207

RE: Landfill Audit Follow Up

Dear Leif:

The purpose of this correspondence is to provide an update regarding the status of compliance for the above.

Finding 1: "The duties of processing transaction, processing receivables and reporting transaction are not adequately segregated"

Update: The ability to segregate the above duties has hampered by lack of supervisory staff at the facility. At current, the four tasks defined above are divided among 3 staff members on a daily basis. A fourth employee will be hired by the end of the month; the position has been posted and a candidate selected. Once in place, the four tasks will be assigned as prescribed.

Finding 2: "The Scale house lacks physical safeguards to protect personnel, cash and equipment"

Update: All items addressed and in compliance

Finding 3: "Checks are not secured properly"

Update: All items addressed and in compliance

Finding 4: The time keeping system used by the landfill is outdated and cumbersome and there is no video on the time clock at the landfill whereas there is video on the other DGS time clocks

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Update: Issues associated with time keeping system are being addressed on a City-wide basis.
Video camera has been installed.

Finding 5: There is a lack of a contingency/succession plan for Scale House Operator

Update: Including the supervisor described in Finding 1, and the part time clerk, the facility will have a total of 8 employees trained in Scale House operations by the end of September.

Finding 6: Some of the times on the time cards were written and were not punched in or out on the time clock

Update: Issues with time keeping system is being address on a City-wide basis. Incompatibility with time clocks at various work locations necessitated supervisor to write in times.

Finding 7: Customer credit check not made on an annual basis

Update: All items addressed and in compliance

Finding 8: Proof of Insurance for the full year was missing from many of the files

Update: All items addressed and in compliance

If you have any other questions, please feel free to contact my office at 869-3651.

Sincerely,



Joseph Giebelhaus

Solid Waste Manager