

AUDIT TEAM

Jim Williamson, CPA, CIA, City Auditor
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PARKS AND RECREATION DEPARTMENT
GROUND MANAGEMENT DIVISION
AND
RECREATION, HEALTH AND WELLNESS
DIVISION
PAYROLL PROCESSING

OCTOBER 9, 2020

MAYOR AND CITY COUNCIL

<i>David Holt</i>	<i>Mayor</i>
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October 9, 2020

The Mayor and City Council:

The Office of the City Auditor has completed an audit to evaluate the adequacy and determine the effectiveness of controls established over Parks and Recreation Department – Grounds Management Division and Recreation, Health and Wellness Division payroll processing during the six months ended December 31, 2019.

Based upon the results of our audit, we believe that, during the audit period, controls were reasonably adequate and effective to ensure Grounds Management Division and Recreation, Health and Wellness Division payrolls were materially accurate, complete, and in compliance with applicable payroll-related regulations.

The content and emphasis of items included in this report have been discussed with appropriate management representatives to assure a complete understanding of the observations arising from our audit. Management responses are attached to this report in their entirety.

Handwritten signature of Jim Williamson in black ink.

Jim Williamson
City Auditor

Handwritten signature of Janet McWilliams in black ink.

Janet McWilliams
Audit Manager

**PARKS AND RECREATION DEPARTMENT
GOUNDS MANAGEMENT DIVISION AND RECREATION DIVISION PAYROLLS**

AUDIT OBJECTIVE, BACKGROUND, SCOPE AND METHODOLOGY

The objective of this audit was to evaluate the adequacy and determine the effectiveness of controls established to reasonably ensure the Parks and Recreation Department – Grounds Management Division and Recreation, Health and Wellness Division payrolls during the six months ended December 31, 2019, were accurate, complete and in compliance with applicable payroll-related regulations.

During fiscal year 2020 Parks and Recreation Department (Parks Department) payrolls totaled approximately \$9.2 million; the Grounds Management Division (Grounds Division) accounted for more than 40% of this amount and the Recreation, Health and Wellness Division (Recreation Division) 27%. Parks Department payroll processing duties are primarily performed by supervisors at various locations and payroll clerks in the Parks Department's Administrative Office. Payroll clerks and division supervisors are responsible for ensuring work and leave time is accurately and completely recorded in the City's Kronos timekeeping system (Kronos) and in compliance with the American Federation of State, County and Municipal Employee (AFSCME) collective bargaining agreement, the federal Fair Labor Standards Act (FLSA), and City and departmental policies and procedures.

Procedures performed during our audit included interviews of management personnel; reviews of the collective bargaining agreement, federal regulations, and City and departmental payroll policies; assessment of Grounds Division and Recreation Division payroll; and analysis of timecard and payroll check details.

We conducted our audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The following sections of this report include recommendations intended to provide constructive suggestions for improving Grounds Division and Recreation Division payroll processing. Each recommendation is immediately followed by management's response. Management's response is attached to this report in its entirety.

RESULTS OF WORK PERFORMED

Results of our audit indicate that, during our audit period, controls were reasonably adequate and effective to ensure Grounds Division and Recreation Division payrolls were materially accurate, complete, and in compliance with applicable payroll-related regulations.

Acting Assignment Procedures

The AFSCME collective bargaining agreement requires eligible bargaining unit members be provided an opportunity to express interest in serving in an acting capacity when an acting position is anticipated to exceed four weeks. These acting assignments are to be rotated every four weeks in order of seniority among interested employees who would be eligible to promote into the position. A Personnel Acting Pay Request form is used to authorize acting pay for bargaining unit employees.

Documentation substantiating eligible bargaining unit members were notified of acting assignments was not available for any of the 6 Grounds Division employees with anticipated acting assignments exceeding four weeks during the audit period. Grounds Division supervisors indicated notification for these acting assignments were made verbally.

Without adequate documentation that eligible bargaining unit members were notified of acting assignments anticipated to exceed four weeks, disagreements regarding compliance with terms of the AFSCME collective bargaining agreement could occur and result in position grievances, job audits or unfair advantages for permanent assignments.

Recommendation (1)

Grounds Management Division should document notifications to eligible bargaining unit members when an acting assignment is anticipated to exceed four weeks.

Parks Department Response (1)

Agree – On August 1, 2020, the Grounds Management Division began posting notice of acting assignments on staff bulletin boards, so all eligible bargaining unit members were aware of the assignments and could apply if they so choose.

Recommendation (2)

To remind supervisors of notification requirements for acting assignments, the Personnel Acting Pay Request form should be modified to require the preparer to attest that all eligible employees have been given the opportunity to express interest in the acting assignment if it is expected to exceed four weeks.

Human Resources Department Response (2)

Agree – On August 31, 2020, the Human Resources Department modified the Personnel Acting Pay Request form to require the preparer to attest that all eligible bargaining unit members have been provided written notification of acting assignments anticipated to exceed four (4) weeks and attach documentation of the notification when submitting the request.

Timecard Edits

The Grounds Division and Recreation Division utilize biometric time clocks, requiring an employee thumb or fingerprint, to clock in or out and approve their timecard. Once timecards have been approved by employees, supervisors, and payroll officers, an authorized person designated for each

division performs a sign-off of timecards to allow payroll to be processed. Supervisors and payroll officers can edit Kronos timecards after employees have applied their approval.

The City's Time and Attendance Policy specifies supervisors should include justification/comments in the Kronos time-keeping system for adjustments to employee time clock entries and, for those employees who use a time clock and are not able to visually inspect their timecards, a copy of the adjusted timecard should be provided to the employee.

Testing of three Grounds Division and Recreation Division pay periods identified 38 of 100 supervisor or payroll officer edits after an employee approved their timecard that did not include Kronos comments or other support that the employee was informed of such change.

Inconsistent documentation of employee timecard edits, posted by a supervisor after employee approval, could lead to inaccurate and/or disputed payrolls.

Recommendation (3)

The Grounds Division and Recreation Division supervisors and the Parks Department payroll officers should ensure Kronos comments are posted for timecard edits after employee approval. Additionally, employees should be provided a copy of their adjusted timecard if they are unable to view their timecards.

Parks Department Response (3)

Agree – On August 1, 2020, Parks staff ensured that comments were posted on all timecard edits and that employees were provided a copy of their adjust timecards if they were unable to view them in the Kronos timekeeping system.

Overtime and Compensatory Leave Pre-Authorization

The City's Time and Attendance Policy specifies non-exempt employees are not permitted to work prior to the start of their scheduled work shift or beyond their regularly scheduled workday, without the prior approval of their supervisor.

The Parks Department has implemented a Leave Request Form to control overtime, compensatory leave, and leave requests. This form, or supervisors adding comments to the Kronos timekeeping system, are used to evidence pre-authorization for overtime and compensatory leave earned.

None of the 11 Recreation Division timecards with overtime or compensatory leave earnings selected for testing had documented pre-authorization. 5 of 14 Grounds Division timecards tested with overtime or compensatory leave earnings did not have documented pre-authorization.

Recommendation (4)

The Grounds Division and Recreation Division should consistently use the Leave Request Form or add comments in Kronos to document pre-authorization for overtime and/or compensatory leave earned.

Parks Department Response (4)

Agree – On August 1, 2020, Parks staff began consistently applying comments in Kronos to document pre-authorization for overtime and/or compensatory leave.

Compensatory Leave Agreement

FLSA requires an agreement between employers and employees for non-exempt employees not covered by a collective bargaining agreement to accrue compensatory leave in lieu of overtime. Grounds Division and Recreation Division supervisors could not provide such agreements for any of the 21 Grounds Division and Recreation Division employees accruing compensatory leave during the audit period.

Recommendation (5)

Grounds Division and Recreation Division supervisors should maintain current agreements from non-exempt employees not covered by a collective bargaining agreement to accrue compensatory leave in lieu of overtime.

Parks Department Response (5)

Agree – On August 1, 2020, the Parks Department began including Compensatory Time Off Program agreements in new employee packets for employees to choose if they wanted to participate in the program. If employees choose to participate in the program their supervisors will keep copies of the signed agreements in the employee's personnel files.





MEMORANDUM

The City of
OKLAHOMA CITY



TO: Jim Williamson, City Auditor

THROUGH: Craig Freeman, City Manager 

FROM: Douglas R. Kupper, CPRP, Director
Parks and Recreation Department 

DATE: October 6, 2020

SUBJECT: Audit Response, Grounds Management and Recreation Division's Payroll Audit

Following are management's responses to recommendations outlined in the audit.

1. Agree with recommendation. On August 1, 2020, the Grounds Management Division began posting notice of acting assignments on staff bulletin boards, so all eligible bargaining unit members were aware of the assignments and could apply if they so chose.
2. Agree with recommendation. On August 1, 2020, Parks staff ensured that comments were posted on all timecard edits and that employees were provided a copy of their adjusted timecards if they were unable to view them in the Kronos timekeeping system.
3. Agree with recommendation. On August 1, 2020, Parks staff began consistently applying comments in Kronos to document pre-authorization for overtime and/or compensatory leave.
4. Agree with recommendation. On August 1, 2020, the Parks Department began including Compensatory Time Off Program agreements in new employee packets for employees to choose if they wanted to participate in the program. If employees choose to participate in the program their supervisors will keep copies of the signed agreements in the employee's personnel files.

If you have any questions, you may reach Douglas Kupper at 297-3807.



MEMORANDUM

The City of
OKLAHOMA CITY



TO: Jim Williamson, City Auditor

THROUGH: Craig Freeman, City Manager

FROM: Aimee Maddera, Chief HR Officer

DATE: October 7, 2020

SUBJECT: Parks and Recreation Department Grounds Management Division and Recreation Division Payroll Audit

Following are Human Resources Department's management response to recommendations outlined in the recent Parks and Recreation Department Grounds Management Division and Recreation Division Payroll Audit.

2. Agree with recommendation. On August 31, 2020, the Human Resources Department modified the Personnel Acting Pay Request form to require the preparer to attest that all eligible bargaining unit members have been provided written notification of acting assignments anticipated to exceed four (4) weeks and attach documentation of the notification when submitting the request.

Thank you for your professional review of this program.