



City of Phoenix

Mission Statement

To improve the quality of life in Phoenix through efficient delivery of outstanding public services.

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1240028

This report can be made available in alternate format upon request.

Parks and Recreation Department Payroll and Leave Processing

April 26, 2024

Report Highlights

Leave Processing and Management

We found that 16% of the tested special leave transactions did not align with City policies. In addition, almost half of the tested supervisors did not have a process to track employee leave.

Protected Leave Reporting and Reconciliation

The Department had improved its Family Medical Leave Act (FMLA) processes. However, we found that some reported FMLA leave was not entered timely, and a few were not entered into the City's Human Resources Information system.

Exception and Part-time Pay

Overall, exception pay and part-time employee merit increases were approved and processed according to City policies.

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Executive Summary

Purpose

Our purpose was to determine that the Parks and Recreation Department (Parks) internal controls ensured leave and exception pay transactions were accurate, authorized, and complied with City of Phoenix (City) policies. In addition, we verified that recommendations from a prior audit had been implemented.

Background

Parks Human Resources Section (Payroll) processes payroll on an exception basis. All regular pay is programmed into eCHRIS, the City's electronic Human Resource Information System, and is based on full or part-time status of each employee. When an employee takes leave, the leave request is routed through eCHRIS to the supervisor for approval. Upon supervisor approval, the leave is directed to Payroll where they process the leave ensuring that the appropriate leave banks are deducted during the corresponding pay period.

In addition, some employees can earn pay that is outside of their regular pay, which is referred to as exception pay (e.g., overtime, holiday, shift-differential, and standby pay). Exception pay forms are completed by the employee, approved by their supervisor, and then routed to Payroll. Payroll verifies that the forms are completed correctly and that the calculations are accurate. Payroll staff then manually enter the transactions into eCHRIS.

In 2021, the City Auditor Department completed a review of Parks Payroll processes (#1210020, Payroll Processing). In that audit, control deficiencies were identified which resulted in seven recommendations related to leave management and Family Medical Leave Act (FMLA) processing. In this audit, we verified that the prior recommendation action plans were implemented and confirmed that the newly established procedures reduced and/or resolved risks related to leave and exception pay transactions.

Results in Brief

We found that 16% of the tested special leave transactions did not align with City policies.

We tested 56 leave transactions to determine if special leave codes were used in compliance with City policies. In addition, certain work unit labor agreements have different requirements for special leave. The special leave codes that we reviewed were for Family Emergency, Family Non-Emergency, and Bereavement. In our testing, we found nine (16%) special leave transactions that did not align with City leave policies and/or Labor agreements.

Almost half of the tested supervisors did not have a process to track employee leave.

Parks policy requires supervisors to maintain a leave tracking process for their employees, other than eCHRIS or division call-in logs. This includes handwritten or electronic calendars, or other leave documentation specifically maintained by the supervisor. A supervisor leave tracking process is critical for documenting scheduled and unscheduled leave; thereby, ensuring that all leave transactions are entered into eCHRIS. We requested leave documentation from 28 supervisors for 30 different employees. We found that thirteen (43%) of the supervisors relied only on eCHRIS or division call-in logs to track their employees' leave.

Parks had improved its FMLA processes since the prior audit. However, we found that some reported FMLA leave was not entered timely, and a few were not entered into eCHRIS.

We reviewed one Late Leave report from FMLASource, the City's contracted FMLA coordinator, that reflected 29 instances of late leave. This is an improvement from the prior audit, which identified over 800 hours of late FMLA leave. We reviewed the employee's leave history in eCHRIS. Testing revealed four separate absences that were reported to FMLASource and not entered into eCHRIS. Testing also reflected that it took an average of 12 days for FMLA late leave slips to be entered into eCHRIS from the date of the absence. To ensure all transactions are recorded, payroll sections are required to run the FMLASource Late Leave report and work with the supervisor to manually process the leave requests.

Overall, exception pay and part-time employee merit increases were approved and processed according to City policies.

We reviewed 30 exception pay and gross wage adjustment transactions. We recalculated the amounts paid and verified the payments complied with City policies. We confirmed that each form was signed by the employee and included approval from the supervisor and division head. No exceptions were noted.

We reviewed 473 part-time employees on the Part-Time Hours Report. We found that five employees had accumulated hours greater than 2,080 and had not received their pay increase. Payroll staff indicated that four of the employees had since received their merit increase and one employee's hours were still under review.

Department Responses to Recommendations

<p>Rec. 1.1: Develop and document a process to ensure that Payroll staff are obtaining and reviewing leave audit reports at least three times per pay period.</p>	
<p>Response: The Parks and Recreation Department’s HR Division will draft written procedures that outline the Division’s process of obtaining and reviewing Leave Audit reports at least three times per pay period to identify leave discrepancies and make necessary adjustments after the review.</p>	<p><u>Target Date:</u> 7/12/2024</p>
<p>Rec. 1.2: Coordinate with Human Resources Transactions, Records and Leave Section to implement a training program for all supervisors on the following:</p> <ul style="list-style-type: none"> a. Proper use of leave codes: BN, BO, and PF. b. Acceptable methods of documenting employee leave. c. Regular eCHRIS and supervisor leave log reconciliations. 	
<p>Response: The Parks and Recreation Department’s HR Division will partner with Central HR staff to develop and implement a training program for all supervisors in the Parks Department to include information and instructions on the proper use of leave codes: BN, BO, and PF; acceptable methods of documenting employee leave; and regular eCHRIS and supervisor log reconciliations.</p>	<p><u>Target Date:</u> 10/14/2024</p>
<p>Explanation, Target Date > 90 Days: Due to Parks HR staffing levels, additional time is needed to complete this recommendation to ensure that delivery of HR support services to the Department is not impacted.</p>	
<p>Rec. 1.3: Parks HR and Parks management identify supervisors that are not processing leave in compliance with policy. In addition, evaluate the need to add to those supervisors’ Performance Management Guide (PMG) a duty that they process employee leave in compliance with City and Department policies.</p>	
<p>Response: Managers and/or second level supervisors will review logs with supervisors at least monthly to ensure that supervisors are processing leave in compliance with policy. When reviewing Leave Audit reports, the Parks and Recreation Department’s HR Division will notify Parks management when it’s discovered that leave is not processed in compliance with policy.</p>	<p><u>Target Date:</u> 7/12/2024</p>

Rec. 1.4: Payroll and Parks management work with supervisors to take appropriate action on the following leave discrepancies found in our supervisor leave calendar testing:

1. One employee was charged twice for 24 hours of leave.
2. Two employees had a combined 48 hours of leave that was not entered in eCHRIS.

Response: The Parks and Recreation Department's HR Division identified and corrected the leave discrepancies identified above. On 3/13/2024, leave accruals for the employee whose leave was charged twice were credited back to the employee. On 3/13/2024, leave accruals were charged for the two employees that took 48 hours of leave that was not entered into eCHRIS.

Target Date:
3/13/2024

Rec. 2.1: Coordinate with Human Resources to have a Departmentwide FMLA review completed and establish a tailored FMLA training program based on the identified areas of concern.

Response: The Parks and Recreation Department's HR Division will partner with Central HR staff to develop and implement a training program for all supervisors in the Parks Department to include topics identified in recommendation #1.2 above as well as information on supervisors' responsibilities for tracking leave including FMLA leave; acceptable methods of documenting leave including FMLA leave; and regular eCHRIS and supervisor log reconciliations for leave including FMLA leave.

Target Date:
10/14/2024

Explanation, Target Date > 90 Days: Due to Parks HR staffing levels, additional time is needed to complete this recommendation to ensure that delivery of HR support services to the Department is not impacted.

Rec. 2.2: Coordinate with Human Resources to revise the Supervisor Call-In Procedures to align with AR 2.143: Family and Medical Leave.

Response: Parks management will work with HR to revise the Supervisor Call-In Procedures to align with A.R. 2.143.

Target Date:
07/12/2024

1 – Leave Processing and Management

Background

Payroll staff should run the eCHRIS leave audit reports during and prior to the end of a pay period. The report identifies all approved and unapproved leave; unapproved leave will not be processed. The eCHRIS training guide, states that the leave audit reports ideally should be ran daily; however, City Human Resources (HR) recommends at least three times per pay period. Payroll uses the leave audit reports to identify any leave discrepancies and collaborates with supervisors to adjust leave as necessary. Failure to run the reports as recommended could result in overpayment to employees.

Policies regarding leave are established in the Administrative Regulations (AR), Personnel Rules, the Memorandum of Understanding (MOU) and Memorandum of Agreement (MOA) of each employee union group that is represented in their department. Parks has employees that are represented by the following three unions:

- Unit 1: Laborers' International Union of North America (LIUNA)
- Unit 3: American Federation of State, County and Municipal Employees (AFSCME 2960)
- Unit 7: Administrative, Supervisory Professional & Technical Employees Association (ASPTEA)

AR 2.30(A), City Leave Policy, outlines the use of Sick leave for family members. The MOU/MOAs have varying parameters in which employees can use sick leave for events such as Family Emergency leave (BN), Family Non-Emergency leave (BO), and Bereavement leave (PF). In addition, AR 2.30(B), Attendance Policy, states that supervisors are required to manage or minimize unscheduled employee absences. Procedures to accomplish this include:

- Maintaining leave documentation for each employee supervised.
- When unscheduled absences occur, submitting leave entries for employees or ensuring that employees enter their leave in a timely manner upon returning to work.
- Completely and accurately approving and submitting all leave request each pay period to ensure that employee leave banks are appropriately charged.

The prior audit had three recommendations that focused on developing procedures and a process to reconcile unrecorded leave. As part of this review, we confirmed that the controls implemented were functioning. We conducted staff interviews, evaluated the updated procedures for Payroll staff and Parks supervisors, and tested leave transactions to ensure leave was processed in accordance with policies. In addition, we examined reversed leave entries to verify that they were valid, and we reviewed a sample of Park Ranger Logs to confirm they matched leave entries in eCHRIS.

Results

Parks implemented a new Call-In procedure and an acknowledgment form for supervisors and employees; however, Payroll staff did not track receipt of the forms.

The prior audit recommended that Parks develop a process for supervisors to follow when an employee calls out for their shift. On April 29, 2022, Parks implemented its Call-In Procedures for employees and supervisors. Parks required that all employees and supervisors acknowledge receipt and understanding of the new policy on the Call-In Procedure Acknowledgment form. The form included the City policy on attendance and the expectations when submitting and approving leave. Payroll staff explained that the acknowledgment forms were included with new hire paperwork and employees are required to submit a new form annually. All employees were required to sign and return the forms to Payroll by March 2023.

We randomly selected 30 Parks employees and supervisors for testing. We requested the signed copy of the acknowledgment form for each employee and supervisor of the sample. Payroll did not have a signed form on file for three employees (10%); subsequently, Payroll contacted the employees and obtained the signed forms. Payroll reported that they had initially created a log to track the receipt of the forms. Payroll staff explained that they were not able to maintain the logs due to staffing shortages and the section's focused efforts on the Citywide Class and Compensation study. Staff reported that they are using the log to track this year's acknowledgment forms.

Payroll staff did not complete the recommended number of reviews of the leave audit report.

The leave audit report reflects approved and unapproved leave for the current pay period. Unapproved leave is leave that has not been approved by the supervisor and cannot be processed by Payroll. HR staff stated that the leave audit reports should be ran at least three times per pay period.

We obtained the leave audit report history for January 1, 2023 through July 9, 2023. During this time, Parks had staff turnover in the Payroll Section and hired three new clerks. We determined that the current Payroll staff ran the leave audit reports on an average of twice per pay period in the 13 pay periods we reviewed. Unprocessed leave results in incorrect leave balances and the possibility that employees can take unearned leave. Payroll staff reported that since our testing they have trained staff on the appropriate frequency of running of the leave audit reports.

Supervisors did not ensure that employee leave was entered timely.

We obtained a department-wide copy of the leave audit report and reviewed over 3,000 leave transactions in an approved and unapproved status for April 3, 2023 through June 25, 2023. We found that 466 of the transactions were for leave taken in prior pay periods, and 370 of those entries averaged 15 to 28 days since the date of leave.

Unprocessed Leave



Most of the unprocessed leave ranged from 15 to 28 days since the date of absence.

Further examination of the leave report indicated that 2% of the transactions were in an unapproved status. Those leave transactions averaged 19 days since the date of the absence. Again, when leave is not processed within the corresponding pay period employee leave banks are inaccurate and could result in the employee taking leave that they have not earned or an overpayment to the employee if they separate from the City.

Payroll staff indicated that in general most of the late leave reporting is for employees assigned to the Maintenance Division. The Maintenance Division supervisors stated that computer access for employees is limited, and as a result, the supervisors enter the leave on their employees' behalf, but it is often entered late. Payroll staff advised that they consistently email the supervisors with reminders about leave policy and they have provided training, but they have not seen an improvement in the supervisor's due diligence.

Supervisors approved leave entries that did not align with City policies.

To determine if employees, supervisors, and Payroll followed the guidelines of the MOU/MOAs and City policies, we reviewed 56 BN (family emergency), BO (family non-emergency), and PF (bereavement) leave transactions. The number of times an employee can use BN and BO leave varies by MOU/MOA, but each require that the employee include the relationship of the immediate family member and a brief description of the situation, i.e., spouse having surgery or child sick at school. For bereavement leave the relationship of the deceased must be included in the comments of the submitted leave slip. The definition for immediate family varies by each leave code.

Our testing revealed nine leave occurrences (16%) that did not meet the criteria of the MOU/MOA or Personnel Rule 15h. Three employees exceeded the number of hours allowed by their MOU for BN/BO leave, one employee used BN for a non-immediate family member, and five employees did not provide the relationship and/or explanation of the emergency. Payroll investigated the exceptions and corrected the leave to align with City policies.

Almost half of the tested supervisors did not track employee leave outside of eCHRIS; thus, they did not have a process to ensure that employee leave was accurately reported.

Although City policies do not require supervisors to maintain leave calendars, Parks' Call-In procedures do require supervisors to maintain some form of leave tracking on all employees outside of eCHRIS. Methods used to document employee leave included: Outlook calendar, desk top notes, absentee/leave calendars, or attendance logs. A separate leave tracking system allows supervisors to quickly document unscheduled leave and ensure that all leave is entered into eCHRIS. In addition, a leave tracking process enables supervisors to reconcile reported leave to eCHRIS on a regular basis and potentially catch any unrecorded leave.

We requested leave calendars for 30 employees. We received 15 supervisors' leave tracking documentation. Two employees in our sample were recently hired and did not have any leave to verify to a supervisor calendar. Ten supervisors stated that they only relied on eCHRIS. Three supervisors explained that they reviewed the Call-In log for their respective work location and used eCHRIS to track employee leave. Call-in logs are specific to a division or section and are used to document when employees call-in reporting that they will be late or not coming to work that day. While these logs are a resource to verify leave accuracy, they are not maintained by the individual supervisor and may be incomplete if employees do not follow the Call-in procedure. These logs also do not capture scheduled leave like vacations.

In addition, we compared the supervisor leave calendars to the leave recorded in eCHRIS during Fiscal Year 2023. Of the 30 employees we reviewed, we determined that one employee was charged twice for 24 hours of leave and two employees had a combined 48 hours of leave that was not entered in eCHRIS. It appears that the supervisors in these situations had not completed a leave reconciliation from their calendars to eCHRIS. Payroll was provided the information for further investigation; however, supervisors have not made the corrections in eCHRIS.

In our testing of leave reversals, we found 84 hours of duplicated leave.

Employees are encouraged to enter their scheduled leave in advance into eCHRIS to ensure leave is deducted from the leave banks during the appropriate pay period. In some circumstances, employees change their minds or adjust the scheduled leave after their supervisor and Payroll had approved the leave. In these cases, Payroll must process a reversal of the leave.

To confirm that the reversals were processed accurately, we contacted the supervisor of each employee who had a leave reversal on record between November 1, 2022 and

May 1, 2023. We verified that the employee did not take the leave and that the reversal was appropriate. We tested 29 leave reversals and found that all appeared to be valid based on the information provided by the supervisors. However, during our review of the leave history, we discovered three employees who had a combined 84 hours of duplicated entries; therefore, their leave banks were charged for leave that they did not take.

Payroll was provided the information for further investigation. After reviewing the employee leave banks, Payroll restored leave hours for two of the employees and they are still in the process of conducting a thorough analysis for the remaining employee who resigned after the discovery. Payroll attributed the errors to newly hired Payroll staff and they advised that they have reviewed leave processing guidelines with them.

In general, the tested Park Rangers consistently completed and uploaded their daily logs; however, we did identify one instance of unrecorded leave.

Park Rangers (Rangers) must complete a log for each shift they work, which details the sites they visit and the work they perform. Historically, these paper logs were maintained at the individual Ranger Stations. However, in April 2023, Parks implemented a new process that required the Rangers to upload their daily logs to a central repository on the Parks SharePoint site. This process improved the supervisors' ability to track and monitor the Ranger logs. On April 25, 2023, Rangers began uploading their daily logs into SharePoint.

To verify that the Rangers were completing and uploading daily logs, we tested five Rangers for the months of April and June 2023. We reviewed the logs based on the Ranger's normal work schedule less any leave recorded in eCHRIS. Overall, we determined that the tested Rangers were consistently completing and uploading their logs. We could not locate eight logs based on a total of 167 logs that should have been uploaded. Additional, investigation determined that one of the missing logs was for an employee that was off work, and a leave slip was not entered into eCHRIS. This information was provided to Payroll and the employee's supervisor for the leave slip to be entered. Confirmation was received that the appropriate leave slip was entered into eCHRIS.

We discussed the other seven missing logs with Ranger supervisors, and they indicated that since the SharePoint process was still new, it was likely that the Rangers simply forgot to upload their logs. The supervisors continue to train and remind staff to upload their Ranger logs daily.

In addition, we found two logs (same employee) for days that the employee was not normally scheduled to work; although, no overtime was recorded in eCHRIS. We followed up with the supervisor and it was determined that the employee had worked overtime. Again, we provided this information to Payroll, and they are working with the supervisor to make appropriate adjustments.

Recommendations

- 1.1 Develop and document a process to ensure that Payroll staff are obtaining and reviewing leave audit reports at least three times per pay period.
- 1.2 Coordinate with Human Resources Transactions, Records and Leave Section to implement a training program for all supervisors on the following:
 - a. Proper use of leave codes: BN, BO, and PF.
 - b. Acceptable methods of documenting employee leave.
 - c. Regular eCHRIS and supervisor leave log reconciliations.
- 1.3 Parks HR and Parks management identify supervisors that are not processing employee leave in compliance with policy. In addition, evaluate the need to add to those supervisors' Performance Management Guide (PMG) a duty that they process employee leave in compliance with City and Department policies.
- 1.4 Payroll and Parks management work with supervisors to take appropriate action on the following leave discrepancies found in our supervisor leave calendar testing:
 1. One employee was charged twice for 24 hours of leave.
 2. Two employees had a combined 48 hours of leave that was not entered in eCHRIS.

2 – FMLA Late Leave Reconciliation

Background

The City requires employees on FMLA leave to use their sick and vacation leave accruals concurrently with FMLA leave. The City has contracted with FMLASource to provide FMLA administrative services for the City. This includes receiving and tracking leave requests, as well as maintaining the City's official FMLA records. It is important that these records agree with FMLA hours in eCHRIS so that sick and vacation leave balances are reduced correctly and leave without pay occurs when leave balances have been exhausted.

For continuous FMLA leave (leave that is not broken up by a period of work), the leave time is recorded in the FMLASource system based on information obtained from the employee's medical provider. The leave records interface with eCHRIS daily. For intermittent FMLA leave (leave that is broken down into increments rather than continuous), the employee needs to notify FMLASource prior to the start of the work shift. FMLASource will then automatically notify the employee's supervisor by email. The leave data will interface with eCHRIS, creating a leave slip the following business day. The supervisor must then approve the leave in eCHRIS.

The daily interface between FMLASource and eCHRIS is limited. Only leave requests reported to FMLASource on, or prior to, the day of absence interface with eCHRIS. If the employee reports leave after the start of their shift, the entry must be manually processed. To ensure all transactions are recorded, payroll sections are required to run the FMLASource Late Leave report and work with the supervisor to manually process the leave requests.

The prior audit identified over 800 hours of unrecorded FMLA leave. As a result, four recommendations focused on developing FMLA leave procedures and reconciliation of FMLA late leave not entered. To complete our review, we conducted staff interviews and evaluated the updated FMLA leave procedures. We obtained FMLA Late Leave reports from FMLASource and an eCHRIS download of the leave processed from May 1, 2023 through July 24, 2023. We reconciled the data between the two systems to determine if late leave was entered into eCHRIS.

Results

FMLA late leave report reconciliation has improved since the prior audit. However, 10% of the late leave hours reported to FMLASource were not entered into eCHRIS.

We reviewed 29 reported absences for a total of 201 hours on the Late Leave report from FMLASource and compared it to the employee's leave history in eCHRIS. Testing revealed four separate absences totaling 20 hours of leave reported to FMLASource that were not entered into eCHRIS. FMLA leave not entered in eCHRIS results in inaccurate leave banks which could result in overpayment to employees upon

separation from the City. Payroll was provided the test results for further investigation. Payroll staff verified and corrected two of the leave transactions. The remaining two transactions (11 hours) resulted in an overpayment upon termination of employment in September 2023.

Testing revealed that it took an average of 12 days for late FMLA leave to be entered into eCHRIS from the date of the absence.

The Call-In procedure forms state that employees are required to call FMLASource prior to the start of their shift and failure to do so could result in the denial of the FMLA leave. Due to the limitations of FMLASource's interface with eCHRIS, supervisors are encouraged to immediately enter a vacation or sick leave entry into eCHRIS on behalf of the employee. When the FMLA entry appears in eCHRIS, the supervisor would delete the vacation or sick entry and then approve the FMLA entry to avoid duplicated entries. However, when the FMLA leave does not populate in eCHRIS because of late reporting, supervisors are required to contact Payroll for further assistance to correct the entries. We reviewed the Call-In procedures with HR management, and they indicated that this process is not consistent with Citywide FMLA processing and AR 2.143 Family and Medical Leave. In addition, HR staff explained that entering a vacation or sick leave slip as a place holder for FMLA into eCHRIS could increase the risk of duplicate entries.

In our review of the 29 late FMLA occurrences, we calculated that it took an average of 12 days from the date of absence before a leave slip was entered. Testing also revealed that one employee had three absences that took more than 30 days before the leave was entered into eCHRIS. After further examination, we determined that Unit 1 employees assigned to the Maintenance Division accounted for 76% of the late FMLA leave as well as the four absences that remain unprocessed.

Payroll stated that they do not have the authority to enter FMLA on behalf of an employee. Requests for FMLA hour adjustments are made by emailing City HR at the general FMLA admin mailbox.

Recommendations

- 2.1 Coordinate with Human Resources to have a Departmentwide FMLA review completed and establish a tailored FMLA training program based on the identified areas of concern.
- 2.2 Coordinate with Human Resources to revise the Supervisor Call-In procedures to align with Citywide processes and AR 2.143: Family and Medical Leave.

3 – Exception and Part-time Pay

Background

Payroll staff processes payroll on an exception basis. Exception pay is any pay that adjusts of an employee's regular base pay. The employee completes an exception pay form that their supervisor must approve to ensure that the employee is entitled to the pay documented, and that the time reported was worked. The signed forms are sent to the Payroll staff for processing. Payroll staff inputs those exceptions into eCHRIS to adjust the employee's regular base pay for that pay period.

Payroll staff processes all exception forms on the Monday before payday Friday. The staff reviews the forms to ensure they are complete, mathematically accurate, and comply with City policies. Payroll staff code all the hours noted on the hard copy forms with the appropriate pay codes. Once they have coded all the hard copy forms, they input each form into eCHRIS.

Gross wage adjustments are used to increase or decrease an employee's pay where a manual calculation is necessary and another more descriptive earn code is not available. The most common reason for a gross wage adjustment is to give an employee back pay because of a late merit increase from a performance review. Payroll staff review the Late Employee Review Ratings report to: (1) identify late performance reviews, (2) determine the rates of pay and the applicable date to perform the manual calculation, and (3) enter the information into eCHRIS.

Part-time employees are not entitled to a pay rate increase every year like full-time employees. The Part-Timer Accumulated Hours Report tracks the hours worked for each part-time employee. Pay Ordinance S-49802 states that part-time employees are entitled to a merit increase once they have worked a total of 2,080 hours. Once that 2,080-hour threshold is reached, Payroll staff will contact the assigned supervisor to verify they have met their job duties and have earned a pay (merit) increase.

We obtained a master payroll download from eCHRIS for all Parks employees. This included regular pay and exception pay. Our testing included overtime, holiday, call-out, standby, shift-differential, and gross wage adjustment exception pay transactions for full and part-time employees. We selected a sample of exception pay and gross wage adjustment transactions from November 1, 2022 through April 30, 2023. We also obtained a Part-Timer Accumulated Hours report to determine if part-time employees were due a merit based on the accumulated hours worked since their last merit.

Results

Tested exception pay transactions were approved and processed in accordance with City policies.

We reviewed 30 exceptions pay and gross wage adjustment transactions. We recalculated the amounts paid and verified the payments complied with City policies. We confirmed that each form was signed by the employee and included approval from the supervisor and Division management. No exceptions were noted.

Most of the tested part-time employees had received their merit pay increases timely; however, a few were delayed due to the Citywide Class and Compensation study.

We reviewed 473 part-time employees on the Part-Time Hours Report. We found that five employees had accumulated hours greater than 2,080 and had not received their pay increase. Payroll staff indicated that four of the employees had a merit increase in process and one employee's hours were under review. Payroll staff reported that the delay in the part-time merit increases was due to the implementation of the Citywide Class and Compensation study, which required that the new pay steps were correct based on the hours worked. Research conducted by HR resulted in an adjustment to the hours for one employee and the remaining four employees received their pay increase based on the calculation in eCHRIS.

Recommendation

None

Scope, Methods, and Standards

Scope

We evaluated Parks payroll processes from July 1, 2022 through June 30, 2023.

The internal control components and underlying principles that are significant to the audit objectives are:

- Control Activities
 - Management should design control activities to achieve objectives and respond to risks.
 - Management should implement control activities through policies.
- Monitoring Activities
 - Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

Methods

We used the following methods to complete this audit:

- We interviewed HR and Parks Payroll staff and supervisors.
- We reviewed attendance tracking measures.
- We reviewed FMLA reconciliation procedures.
- We selected a sample of leave, exception pay, and part-time employee hours to test for compliance with City policies.

Unless otherwise stated in the report, all sampling in this audit was conducted using a judgmental methodology to maximize efficiency based on auditor knowledge of the population being tested. As such, sample results cannot be extrapolated to the entire population and are limited to a discussion of only those items reviewed.

Data Reliability

We assessed the reliability of e-CHRIS data by (1) performing electronic testing, (2) reviewing existing information about the data and the system that produced them, and (3) interviewing agency officials knowledgeable about the data. We determined that the data was sufficiently reliable for the purposes of this audit.

Standards

We conducted this performance 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. Any deficiencies in internal controls deemed to be insignificant to the audit objectives but that warranted the attention of those charged with governance were delivered in a separate memo. We are independent per the generally accepted government auditing requirements for internal auditors.