

**Performance Audit:
Extra Help**

June 2022

**City Auditor's Office
City of Atlanta**

File #22.04



CITY OF ATLANTA
City Auditor's Office
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June 2022

Performance Audit:

Why We Did This Audit

We undertook this audit due to concerns about the length of time employees remained in extra help positions and the associated budgetary impact. This audit assesses whether controls are in place to manage extra help expenses across all funds.

What We Recommended

In order to increase transparency in extra help use and prevent personnel budget shortfalls, the Human Resources commissioner should:

- monitor the length of extra help positions and alert departments to expire or reclassify extra help positions
- work with departments to ensure extra help positions are classified correctly in Oracle
- expand the city's extra help policy to reflect current procedures
- freeze the corresponding vacant authorized position(s) when departments fund extra help positions with salary savings

To prevent personnel budget shortfalls, the Budget & Fiscal Policy chief should:

- work with departments ensure all associated position cost estimates are documented

For more information regarding this report, please use the "contact" link on our website at www.atlaudit.org

Extra Help

What We Found

The city has no mechanism to easily track extra help use and alert leadership when extra help positions are approaching the policy time limit to move employees into permanent positions, extend the position, or expire the position, which can impact personnel budgets. Extra help positions are created administratively and are subject to less oversight than the city's formal pay and classification system.

Although Human Resources' policy limits employees from remaining in extra help positions beyond a year, our review found:

- about 17% of extra help employees had been in their positions beyond one year, and one employee has held her extra help role since July 2013
- only 13% of filled extra help positions indicate whether they are temporary or to be reclassified and entered into a personnel paper

The existing extra help policy was last revised in 2007, before the creation of the Vacancy Review Board and the implementation of updated position creation and approval processes in 2019. The policy does not define which extra help positions are eligible to receive benefits. Cost estimates for extra help positions do not include the associated benefits costs for new extra help position requests, which may have contributed to personnel budget shortfalls. Analysis of benefits data showed that about 52% of the extra help employees listed have elected some or full health coverage.

Between fiscal years 2019 through 2021, of the city's 25 departments, 16 to 18 departments incurred an extra help budget deficit in at least one fiscal year. Many departments maintained other available personnel funds that could cover the extra help deficit, but between five and ten departments also incurred personnel deficits, indicating that the extra help deficit may have contributed to personnel budget overrun.

Management Responses to Audit Recommendations

Summary of Management Responses		
Recommendation #1: We recommend that the Human Resources Commissioner create and implement processes to monitor the length of extra help positions and alert departments and human resources business partners to expire extra help positions per the policy or to reclassify extra help positions in personnel papers per the request to fill process.		
Response: Agree	Status: Started	Estimated Completion Date (M/Y): July 2022
Recommendation #2: We recommend that the Human Resources Commissioner ensure departments indicate whether requested extra help positions are to be temporary or to be entered into a personnel paper on the request to fill form.		
Response: Agree	Status: Started	Estimated Completion Date (M/Y): July 2022
Recommendation #3: We recommend that the Human Resources Commissioner request indicators from departments with existing extra help positions that do not have indicators in Oracle.		
Response: Agree	Status: Not Started	Estimated Completion Date (M/Y): September 2022
Recommendation #4: We recommend that the Human Resources Commissioner expand the city's extra help policy to reflect current procedures and make departments aware of the updated policy in key areas: <ul style="list-style-type: none"> Define specific circumstances in which position numbers can be reused Define when an extra help employee is eligible to receive benefits Define the length of time of transitional periods 		
Response: Agree	Status: Started	Estimated Completion Date (M/Y): July 2022
Recommendation #5: We recommend that the Human Resources Commissioner freeze the corresponding vacant authorized position(s) when departments fund extra help positions with salary savings.		
Response: Disagree	Status: Not Started	Estimated Completion Date (M/Y): N/A

Recommendation #6:

We recommend that the Human Resources Commissioner establish criteria for approving positions when the Budget Office forecasted a deficit in personnel spending.

Response:

Agree

Status:

Implemented

Estimated Completion Date (M/Y):

N/A

Recommendation #7:

We recommend that the Budget and Fiscal Policy Chief prepare more complete cost estimates that include associated benefits costs on the request to fill form.

Response:

Agree

Status:

Not Started

Estimated Completion Date (M/Y):

July 2022



CITY OF ATLANTA

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June 2, 2022

Honorable Mayor and Members of the City Council:

We undertook this audit due to concerns about the length of time employees remained in extra help positions and the associated budgetary impact. The scope of the audit focused on extra help spending from the city's operating funds across fiscal years 2019, 2020, and 2021.

Extra help positions provide departments with flexibility in staffing for short-term business needs. Human Resources staff distribute monthly position reports for departmental review, but the city has no mechanism to easily track extra help use and alert leadership when extra help positions are approaching the policy time limit to move employees into permanent positions, extend the position, or expire the position, which can impact personnel budgets. Our recommendations focus on updating the city's extra help policy to provide transparency in extra help use and to reduce personnel budget shortfalls.

The Audit Committee has reviewed this report and is releasing it in accordance with Article 2, Chapter 6 of the City Charter. We sent a draft report to management on March 23, 2022, and received their response on May 20, 2022. We appreciate the courtesy and cooperation of city staff throughout the audit. The team for this project was Ijegayehu Jones, Nia Young, and Myra Hagley.

Amanda Noble
City Auditor

Danielle Hampton
Chair, Audit Committee

Extra Help

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Introduction

The Department of Human Resources manages the creation and use of extra help positions. Extra help positions are short-term positions created administratively to meet departmental needs, such as staffing special projects or filling a temporary or seasonal vacancy, within a required time frame.

We undertook this audit due to concerns about the length of time employees remained in extra help positions and the associated budgetary impact. As of September 2021, the budget office identified a \$5.7 million deficit in extra help budgets for the general fund and asked us to evaluate controls over departments' use of extra help positions. Our audit assesses whether controls are in place to manage extra help expenses across all funds.

Background

The Department of Human Resources works with city departments to meet their staffing needs. City code Section 114-1(a) states that a record of all appointments and personnel actions shall be maintained by the Human Resources commissioner and must include current information regarding the employee's name, address, social security number, date of employment, classification, starting salary and advancements, date of separation, and other information deemed necessary by Human Resources. The city uses Oracle HCM (Oracle Human Capital Management) and its interface, Taleo, to manage the city's personnel data and talent acquisition needs.

City code also stipulates that the city shall maintain a formal system for classifying positions and compensating employees, known as the pay and classification plan. Formal pay and classification plans are intended to provide equal pay for substantially equal work and include both human resources and budgetary controls to ensure fair administration and fiscal sustainability. The city's classification plan includes various classifications based on the training, competencies, and experience needed for the role, a title, applicable special pay rules, and written specifications describing the nature of a class's work. The pay plan works in conjunction with the classification plan to provide a salary structure with pay grades for each classification reflecting the duties of the positions and remaining consistent with the city's fiscal integrity. Any amendment to the pay and classification plan, including

reclassification, creation, abolishment, or salary adjustment of a position or positions must be approved by ordinance. Extra help positions are created administratively, rather than by ordinance, to meet short-term needs.

The Department of Human Resources monitors all filled and vacant positions using a monthly position report from Oracle that identifies each position by unique position number and includes the position name, employee identification number and employee name if filled, department, position type (active or extra help), and assignment categories (full-time regular, full-time temporary, part-time regular, and part-time temporary). See Exhibit 1 for a description of these categories. As of November 8, 2021, the city had 8,214 employees filling 8,405 positions; 438 (5.2%) of the filled positions were extra help. The city had more filled positions than employees because 173 employees had one or more secondary assignments. Extra help positions may be designated as full-time regular, full-time temporary, part-time regular, or part-time temporary.

Exhibit 1: Human Resources Assigns Different Categories to Each Position

Position Categories	Description
Full-time Regular	<ul style="list-style-type: none"> Scheduled to work the normal period for the position 40 or 53-hr workweek Adopted by ordinance
Part-Time Regular	<ul style="list-style-type: none"> Scheduled to work less than the normal period for the position or for part of a workweek Adopted by ordinance
Full-Time Temporary	<ul style="list-style-type: none"> Scheduled to work the normal period for the position 40 or 53-hr workweek Assigned to special projects or jobs of a transitional nature
Part-Time Temporary	<ul style="list-style-type: none"> Scheduled to work less than the normal period for the position or for part of a workweek Assigned to special projects or jobs of a transitional nature
Seasonal	<ul style="list-style-type: none"> Assigned for a period, for example January to June, then frozen once it is vacated Can be full-time temporary or part-time temporary positions

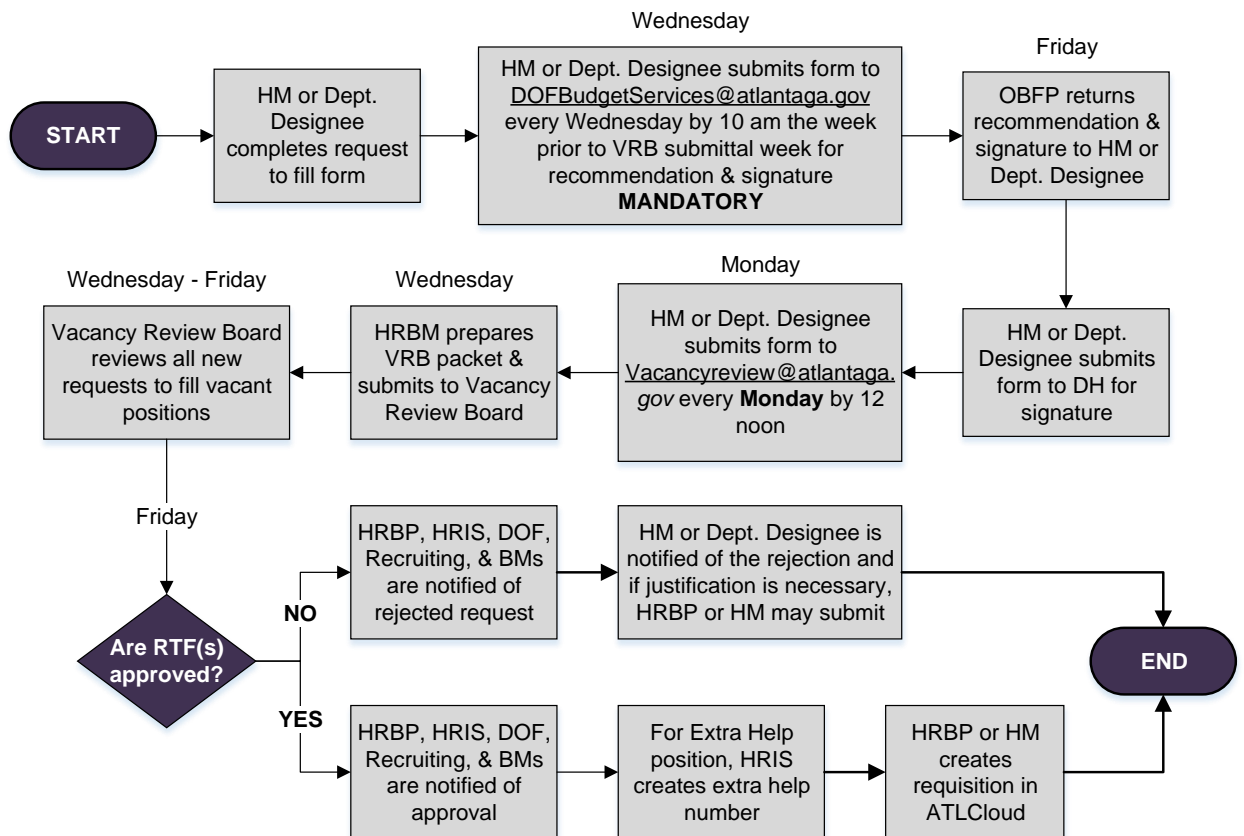
Source: Prepared by auditor based on interviews with Human Resources staff

Vacancy Review Board Reviews Position Requests

In December 2019, Human Resources implemented a streamlined recruiting process. Departments must request positions by submitting a request to fill form with appropriate budget review and approvals for referral to the Vacancy Review Board. The Board consists of the chief operating officer, chief financial officer, deputy chief operating officers, chief of staff, Human Resources commissioner, and the

Innovation and Performance team. The form requires user departments to document: whether the position is mission critical, position information, how the position will be funded, justification for the request, and signature approvals by the heads of the user department and Finance Budget Office. For extra help position requests, user departments should note if the position is a “T” for temporary or a “P” if the position will be reclassified to a vacant authorized position in an upcoming personnel paper. Human Resources documented the position request and approval process in Exhibit 2.

Exhibit 2: Vacancy Review Board Process Was Intended to Streamline Hiring



Legend:

Abbreviation	Description	Abbreviation	Description
ATLCLOUD	Oracle employee database	BM	Business Manager
DH	Department Head	DOF	Department of Finance
HRBP	Human Resources Business Partner	HM	Hiring Manager
HRIS	Human Resources Information Systems	RTF	Request to Fill form
OBFP	Office of Budget Fiscal Policy	VRB	Vacancy Review Board

Source: Human Resources Administration

Departments Use Extra Help Positions to Meet Resource Demands

Extra help positions provide departments with flexibility in staffing for short-term business needs. These positions are not included in departments' budgeted and authorized position count. As shown in the next to last step of Exhibit 2 above, Human Resources creates a new position number for extra help positions. Some departments use seasonal extra help positions, then freeze position numbers to be re-used year after year.

The Human Resources' policy defines extra help as a position created for use in emergencies, busy times or other transitional periods. Extra help employees are not required to pass an examination or compete for an extra help position, but they must meet minimum requirements for the position. These positions can be used for temporary assignments or projects, or to fill a temporary or seasonal vacancy. Exhibit 3 lists the three scenarios where extra help positions can be used as described in the extra help policy.

Exhibit 3: Extra Help Positions Fill Staffing Gaps

Temporary Assignment	<ul style="list-style-type: none">• Provides for filling a temporary need: special project, employee on extended leave, or temporary or seasonal vacancy
Employee Transition	<ul style="list-style-type: none">• Allows for overlap period between separating employee and new hire replacement
Temporary Compensation	<ul style="list-style-type: none">• Allows the department to temporarily pay an employee higher than the position's entry point

Source: Prepared by auditor based on Human Resources' extra help policy

City code Section 114-415 gives separating employees the option to take remaining annual leave as a lump sum payout, or remain on payroll until the leave is exhausted, which also leaves benefits intact. During that transitional period, the department cannot fill the position until the vacation time has run out because the separating employee still occupies the position. Instead, the department can create an extra help position with benefits and hire a new employee in the extra help position until the authorized position is available. The department would then move the new hire into the authorized position once the separating employee's vacation time is exhausted and request that the extra help position be closed. The Employee Separation and Clearance Form lists the payout options (see Exhibit 4).

Exhibit 4: Separating Employees Have Several Options for Annual Leave and Compensatory Time Disbursement

Payout Options

<u>Annual Leave Disbursement Options</u>		
<input type="checkbox"/> Lump Sum Payout	<input type="checkbox"/> Leave remain on payroll until exhausted	<input type="checkbox"/> No Annual Leave Due
<u>Compensatory Time Disbursement Options For Non-Exempt Employee</u>		
<input type="checkbox"/> Lump Sum Payout	<input type="checkbox"/> Comp time remain on payroll until exhausted	<input type="checkbox"/> No Compensatory Time Due

Source: Employee Separation and Clearance Form provided by Human Resources staff

Human Resources' extra help policy requires that user departments have available funds within the budget, either from the adopted extra help budget, from salary savings accrued from not filling existing budgeted positions, or from the transfer of funds from another departmental account. User departments may temporarily pay extra help employees at a salary higher than entry point for a maximum of 60 days. City code section 114-125 states that every person appointed or elected to any regular or part-time employment shall start at the minimum salary/wage for the position classification, and funding for the position must be within the department's existing budget allocations or otherwise approved by ordinance. The section provides exceptions for positions at pay grades 22 and above, for which department heads can approve salaries up to the midpoint, or above the midpoint with approval by the Commissioner of Human Resources, and the mayor is authorized to hire executive officers, department heads, and other equivalent roles up to the maximum of any paygrade.

The city's extra help policy also states that extra help employees must pass a drug screen and a criminal background check if job-related, and the department should ensure that an extra help employee meets the position's minimum requirements, but extra help employees are not required to pass an examination or otherwise compete for the position. The policy is in line with city code, which requires a background check and drug test prior to selecting an applicant for hire with the city, and states that all persons hired into the civil service must meet the minimum qualification requirements stated in the position classification.

Human Resources' extra help policy describes time-related limitations: an extra-help position cannot be created for more than one year; the position must expire during the current budget year; and an extra-help position cannot be continued into the next budget year. The policy allows user departments to request that extra help positions be

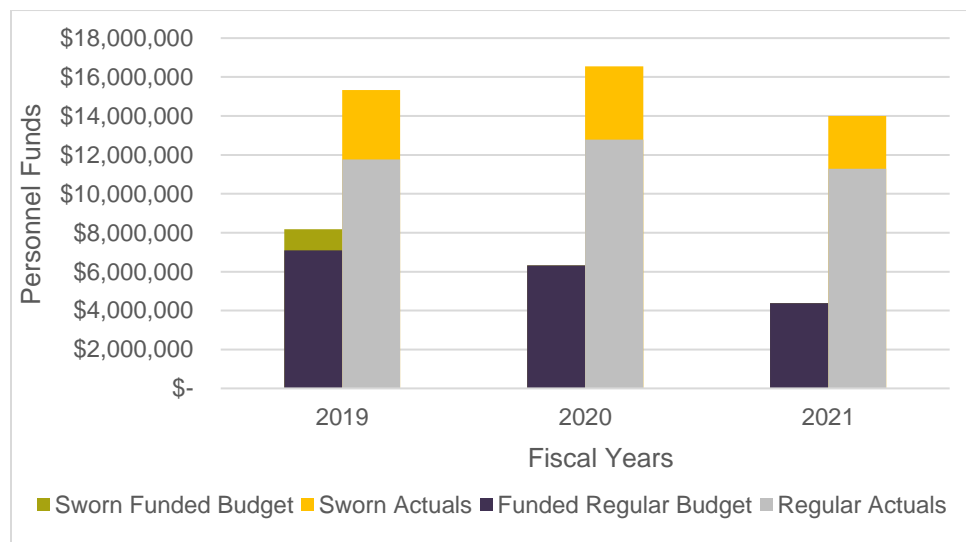
extended, but departments must still follow funding and time-limit requirements.

Extra help employees may also be eligible for benefits under the Affordable Care Act. The Affordable Care Act includes an employer shared responsibility provision that generally requires that large employers, with 50 or more full-time employees who work at least 30 hours per week or their equivalent, offer insurance to at least 95% of their full-time employees or pay a fine. Human Resources’ extra help policy states that extra help positions generally do not receive benefits, but some positions may be created with benefits.

Extra Help Expenses Exceeded Budgeted Amounts in the Last Three Fiscal Years

We reviewed extra help spending for all departments in fiscal years 2019 through 2021. Extra help expenses for both regular and sworn extra help positions exceeded the funded budget amounts in each fiscal year by \$6.6 to \$10.2 million. Of the city’s 25 departments, eleven departments exceeded their budgeted extra help funds in all three fiscal years, and four departments exceeded their budgeted extra help funds in two of the three fiscal years. Because budgetary controls are applied at the major account level, a deficit in a department’s extra help budget does not always represent a deficit in personnel funding. Exhibit 5 shows total budgeted and actual extra help expenses across the three most recent fiscal years.

Exhibit 5: Extra Help Expenses Exceeded Budgeted Amounts Over Three Fiscal Years



Source: Auditor analysis of Oracle expenditure data received from the Office of Budget and Fiscal Policy

Audit Objectives

This report addresses the following objective:

- Are controls in place to prevent the city's extra help expenses from creating personnel budget overruns?

Scope and Methodology

We conducted this audit in accordance with generally accepted government auditing standards. We reviewed citywide extra help spending from the city's operating funds across fiscal years 2019, 2020, and 2021. We also reviewed existing city positions as of November 2021.

Our audit methods included:

- reviewing city code and policies for guidance regarding the creation, use, and approval of extra help positions
- interviewing Department of Human Resources staff to gain an understanding of current practice regarding the creation, use, and approval of extra help positions
- analyzing expenditure data from Oracle Cloud recorded in all department personnel funds from fiscal years 2019 through 2021
- analyzing employee position and benefits data as of November 2021
- reviewing best practices in implementing extra help policies

Generally accepted government auditing 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.

Findings and Analysis

Increased Transparency Could Prevent Personnel Budget Shortfalls

As of November 8, 2021, the city had 438 filled extra help positions across 20 departments. Human Resources staff distribute monthly position reports for departmental review, but the city has no mechanism to easily track extra help use and alert leadership when extra help positions are approaching the policy time limit to move employees into permanent positions, extend the position, or expire the position, which can impact personnel budgets. Although Human Resources' policy limits employees from remaining in extra help positions beyond a year, our review of 438 positions found that 17% of extra help employees had been in their positions beyond one year, and one employee has held her extra help role since July 2013.

The city's current extra help policy has not been updated to include the Vacancy Review Board process and does not define practices that have budgetary impact, such as transitional periods when two employees occupy the same position, deadlines if extra help positions will be reclassified in a personnel paper, and which positions are eligible for health coverage and pension benefits. We recommend that the Human Resources Commissioner update the extra help policy to reflect current procedures and ensure that employees are treated equitably.

Between fiscal years 2019 through 2021, of the city's 25 departments, 16 to 18 departments incurred an extra help budget deficit in at least one fiscal year. Many departments maintained other available personnel funds that could cover the extra help deficit, but between five and ten departments also incurred personnel deficits, indicating that the extra help deficit may have contributed to personnel overrun. Between July 2020 to December 2021, departments submitted requests for 732 extra help positions. The Vacancy Review Board approved about 96% (704 of 732) of extra help positions requested. Human Resources does not automatically freeze authorized vacant positions that are replaced by extra help positions. As a result, departments may overspend any salary savings from vacancies in their personnel budgets.

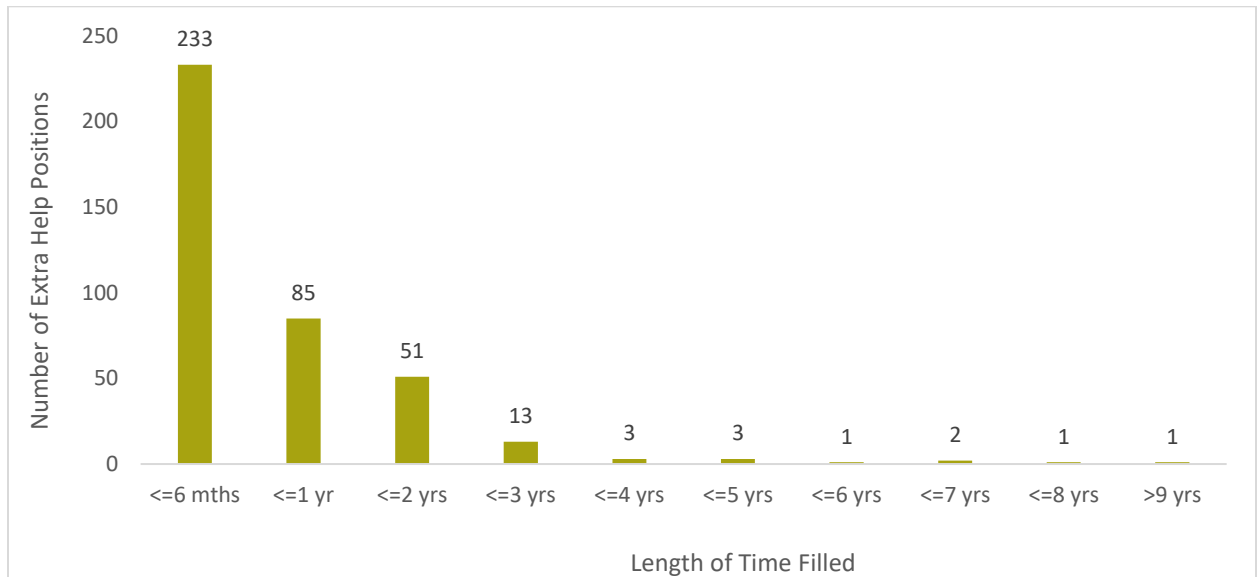
Current Process Does Not Allow City to Easily Track Extra Help Use

The majority of extra help positions we reviewed had been filled for less than one year, in compliance with policy, but 75 of the positions had been filled for more than one year and we were unable to

determine the length of assignment for 45 extra help positions. Due to Oracle report limitations, extra help tracking requires manual research into Oracle employee records. In addition, user departments may not provide required information on the request to fill form, such as designating if extra help positions will be temporary or reclassified in a personnel paper.

The city does not have a reliable method of tracking how long an employee has been in an extra help position. As of November 8, 2021, Human Resources' monthly position report listed 438 filled extra help positions but did not include employees' assignment dates. We were able to calculate the length of extra help position assignments for 90% (393 of 438) of the extra help positions by reconciling the position report to a separate employee data report. About 19% (75 of 393) of these extra help positions had been filled by the incumbent for more than one year; one position had been filled by the incumbent since July 2013. The majority (73% of 393) of extra help positions had been filled for 12 months or less (see Exhibit 6).

Exhibit 6: The Majority of Extra Help Positions Did Not Exceed One Year as of November 8, 2021



Source: Based on auditor analysis of position data

Within the Department of Human Resources, the Human Resources Information Systems and Records Management Division manages the accurate presentation of employee and position data in the city's human resources information system, including maintaining employee records and producing reports. Human Resources staff told us, however, that the Human Resources Information Systems Division does not maintain any processes to audit or monitor extra help positions in

Oracle. Human Resources staff distributes monthly position reports to departments for review, and HR department business partners meet periodically with departments to discuss positions that may no longer be needed, but these meetings are not conducted with set regularity. Human Resources and/or departments should have an alert mechanism to prevent extra help employees from remaining in their positions for longer than one year. Improved position monitoring would reduce the risk of extra help employees remaining in these roles beyond one year. We recommend that the Human Resources Commissioner create and implement processes to monitor the length of extra help positions and alert departments and human resources business partners to expire extra help positions per the policy, or to reclassify extra help positions in personnel papers using the request to fill process.

The city is making efforts to better track personnel and budget through monthly department meetings. Budget office staff provided an example of the monthly departmental financial and operational performance review. While the discussion of positions notes the number of filled extra help positions, it appears to be focused on turnover, attrition, and staffing goals. The document does not discuss the length of time that extra help positions have been filled or whether those employees will be transitioned into regular positions.

Only 13% of filled extra help positions indicate whether they are temporary or to be entered into a personnel paper. The current request to fill form requires departments to indicate whether the requested extra help position is a temporary position (“T” designation) or will be used to reclassify an existing vacancy to create an authorized position in an upcoming personnel paper (“P” designation). In our review of existing extra help positions as of November 2021, only 13% (56 of 438) of positions included the required designation in the position report. We recommend that Human Resources business partners ensure departments indicate whether requested extra help positions are to be temporary or to be entered into a personnel paper on the request to fill form. Additionally, we recommend that Human Resources business partners request indicators from departments with existing extra help positions that do not have indicators in Oracle.

Policies Lack Detailed Guidance, Resulting in Inconsistent Practices

The Department of Human Resources’ extra help policy is out of date and does not reflect current processes. The existing extra help policy was last revised in 2007, before the creation of the Vacancy Review Board and the implementation of updated position creation and approval processes in 2019. Human Resources staff developed a process map illustrating the steps to create a position using the new request to

fill form and Vacancy Review Board approval process but has not updated the written extra help policy to include these new procedures. Additionally, the existing extra help policy states that extra help employees generally are not eligible for benefits but does not define the circumstances in which an extra help employee qualifies for health benefits or the city pension program. A lack of current, detailed policies can lead to inconsistent practices and improper management of extra help positions and creates a risk of inequitable treatment of employees.

Procedures do not include critical aspects of the process to create and approve extra help positions. The current city policy for extra help positions was created in 2003 and last revised in 2007, and we found that the policy does not reflect current practice. The process to create and approve extra help positions now requires departments to submit a request to fill form requesting the creation of an extra help position that will then be reviewed by the Vacancy Review Board, which was created in late 2019. The Department of Human Resources developed a process map to illustrate the request to fill submittal and Vacancy Review Board approval process to create city positions, including extra help positions, but these procedures are not documented in the city's extra help policy.

Additionally, the extra help policy allows for use in transitional periods, such as the overlap between a separating employee that chooses to remain on payroll to exhaust their leave and benefits and the new employee that will enter the authorized position once vacated. The cost of maintaining two employees on payroll for one position has a higher budgetary impact, yet the policy does not define how long extra help positions can be used for this practice. To manage the duration and cost of transitional extra help positions, we recommend that the Department of Human Resources update the city's extra help policy to define the length of time for transitional periods.

According to Human Resources staff, some position numbers for extra help positions are reused for different employees if the position is seasonal. The extra help policy does not describe this practice. When position numbers are reused across multiple employees, it is more difficult to monitor the duration of an extra help position or length of time an employee has held the position. Human Resources staff told us that this practice of re-using seasonal vacant extra help positions allows them to fill seasonal needs without creating new position numbers, which may vary from 80 to 500 positions, and to avoid skewing vacancy numbers in the position report. We recommend that the Department of Human Resources update the city's extra help policy to define specific circumstances in which position numbers can be reused. To ensure

consistency in the creation and use of extra help positions, we recommend the Department of Human Resources expand the city's extra help policy to reflect current procedures and make departments aware of the updated policy.

Policy is unclear as to when extra help employees are eligible for benefits, which may cause inequitable treatment. The Department of Human Resources' extra help policy states that employees in extra help positions generally will not receive benefits regardless of hours worked; however, some positions are created with benefits. Human Resources staff told us that some temporary extra help positions may qualify for benefits under the Affordable Care Act. The Affordable Care Act's shared responsibility provision "generally requires" large employers – those with fifty or more full-time employees working at least thirty hours per week or an equivalent sum of part-time hours – to offer insurance to at least 95% of full-time employees or pay a penalty. We found that 303 extra help employees were eligible to receive health coverage benefits, and about 52% of these employees have elected some or full health coverage.

The pension administrator told us that part-time regular and full-time regular employees should contribute to the city pension plan, which would include employees in 142 extra-help positions categorized as part-time regular and full-time regular in the November 8, 2021, position report; however, the existing extra help policy does not define the circumstances under which an employee in an extra help position is eligible to receive health or pension benefits. A lack of clear guidance regarding which employees are eligible to participate in benefits programs could lead to inequitable treatment of employees. Additionally, the costs of health insurance and pension benefits for extra help employees creates a financial impact to personnel budgets. To ensure the city meets city code and federal requirements and provides equitable treatment of extra help employees, we recommend that Human Resources update the extra help policy to clearly define when an extra help employee is eligible to receive benefits.

Extra Help Use Appears to Contribute to Personnel Cost Overruns

Because departments are allowed to fund extra help positions with salary savings and the funds are typically not transferred from the surplus account to the extra help account, extra help budget deficits may not indicate personnel budget overruns. Between five and ten departments incurred both an extra help deficit and a personnel budget deficit in each of the fiscal years we reviewed. We identified several controls that could be improved to ensure that extra help costs are controlled and do not contribute to personnel budget deficits.

The current extra help policy states that departments must have funds available within their budgets to create an extra help position and that these funds may come from the department's budgeted extra help funds, as well as other sources, such as salary savings due to vacant budgeted positions or from other departmental accounts. However, budget staff told us that when a department uses salary savings or other personnel funds, the Budget Office does not usually move funding from another account line, such as the Salaries, Regular line, into the extra help salaries line item because it could appear as if that funding is not needed for regular positions and skew future budgeting efforts. Instead, the extra help position is paid for from the extra help account, creating a deficit, while other personnel accounts show a surplus.

Between five and 10 departments incurred an extra help deficit and a personnel budget deficit in each of the fiscal years we reviewed, indicating that the extra help deficit could not be absorbed by other personnel funds and contributed to an overall personnel deficit. The Executive Offices, Atlanta Information Management, Fire, and Solicitor overran both their extra help and overall personnel budgets in all three fiscal years. Exhibit 7 shows each department's combined regular and sworn extra help funds balance and overall personnel funds balance across fiscal years 2019 through 2021.

Exhibit 7: Many Departments Overran Their Available Extra Help Funds Between 2019 and 2021

Department	Total Extra Help Funds Balance			Total Personnel Fund Balance		
	FY2019	FY2020	FY2021	FY2019	FY2020	FY2021
City Council	(\$205,890)	(\$308,827)	\$11,309	\$604,779	\$506,637	\$386,317
Executive Offices	(\$2,225,759)	(\$2,244,666)	(\$2,366,416)	(\$1,588,818)	(\$4,145,309)	(\$1,580,123)
Atlanta Information Management	(\$192,464)	(\$306,785)	(\$274,222)	(\$1,635,197)	(\$435,886)	(\$784,002)
Law	\$14,305	(\$580,120)	(\$940,155)	\$457,889	\$97,662	\$495,900
Corrections	\$18,787	(\$477,296)	\$36,022	\$3,301,174	\$451,398	(\$700,181)
Finance	(\$126,686)	\$83,856	\$3,009	\$978,704	\$1,589,072	(\$487,105)
Procurement	\$12,744	(\$55,729)	(\$114,269)	\$741,829	\$1,618,432	\$710,906
Public Works	(\$49,551)	\$101,147	\$2,017	\$714,790	\$1,013,187	\$2,192,365
Parks	(\$215,901)	(\$1,063,241)	(\$228,512)	\$675,541	(\$369,891)	(\$1,584,328)
Watershed Management	(\$483,962)	(\$239,072)	(\$178,288)	(\$3,349,864)	\$305,904	(\$7,412,348)
Aviation	\$163,805	\$605,659	\$219,298	\$1,408,533	\$9,089,738	(\$6,679,215)
Judicial Agencies	(\$78,473)	(\$207,388)	(\$277,612)	\$278,950	\$191,708	\$152,701
Human Resources	(\$291,557)	(\$197,866)	(\$414,369)	(\$1,312,877)	\$2,003,510	(\$141,845)
Fire	(\$1,070,781)	(\$550,336)	(\$522,656)	(\$5,949,314)	(\$1,200,995)	(\$3,789,509)
Police	(\$1,992,807)	(\$4,586,962)	(\$4,011,551)	\$5,030,023	\$8,493,212	(\$2,152,443)
City Planning	\$375,033	\$56,651	(\$76,575)	\$1,731,145	\$156,716	(\$713,764)
City Solicitor	(\$31,595)	(\$40,424)	(\$37,725)	(\$1,059,218)	(\$1,172,665)	(\$1,400,730)
Office of the Inspector General	\$82,037	\$39,049	\$4,971	\$244,084	\$699,787	\$500,108
Atlanta Citizens Review Board	\$0	\$0	\$91,462	\$39,769	(\$34,837)	\$81,488
Audit	(\$61,844)	(\$7,788)	(\$7,292)	(\$49,328)	\$360,076	\$49,184
Public Defender	(\$98,179)	\$3,922	\$3,922	\$121,724	\$256,582	(\$218,421)
Enterprise Asset Management	\$35,530	\$128,968	\$83,304	(\$615,835)	\$1,182,096	\$131,520
Customer Service	(\$185,763)	(\$238,380)	(\$300,696)	\$222,367	\$260,231	\$295,959
Department of Transportation	\$0	(\$136,958)	(\$324,460)	\$0	\$573,075	(\$807,168)
Grants and Community Development	\$0	\$0	(\$5,871)	\$0	\$0	\$354,539
Total	(\$7,156,071)	(\$10,222,585)	(\$9,621,920)	\$990,849	\$21,489,440	(\$23,100,197)

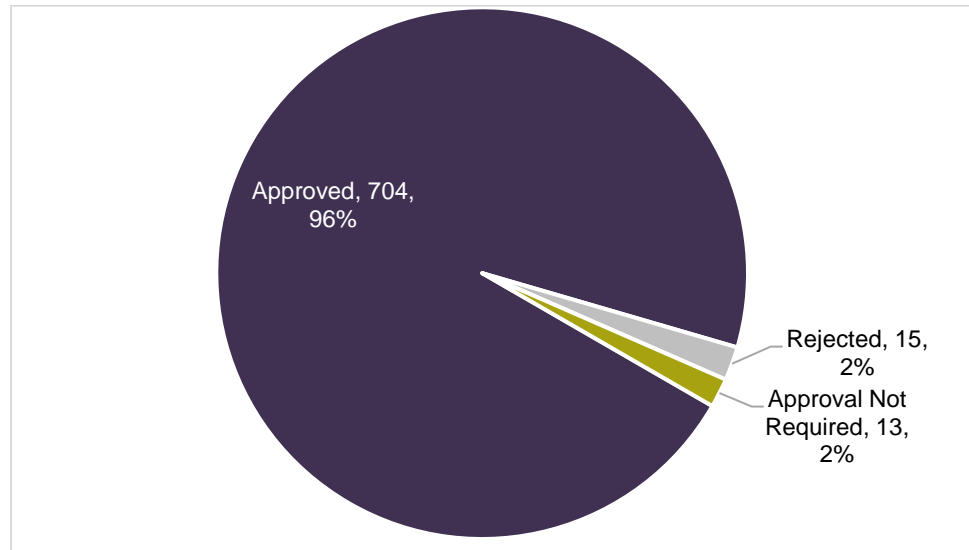
Source: Based on auditor analysis of Oracle data

The city's extra help budgets are split across seven of the city's operating funds: the general, water and wastewater, aviation, solid waste, fleet services, group insurance, and emergency telephone system (911) funds. All of the personnel deficits fell within the general and watershed funds.

Approval Criteria for Extra Help Positions Are Unclear

Between July 2020 to December 2021, departments submitted requests for 732 extra help positions. The Vacancy Review Board approved about 96% (704 of 732) of extra help positions requested (see Exhibit 8). Only about 2% (15 of 732) of extra help requests were rejected. Almost 2% (13 of 732) of extra help requests did not list approval or rejection. Human Resources staff told us that those positions did not require the Chief Operating Officer's approval to fill positions. In our review, we also noted a position request for Executive Offices that the Office of Budget Fiscal Policy did not recommend due to a negative run rate calculation—how much of the personnel budget a department has spent—of over \$550,000. The Vacancy Review Board approved the request because they projected that funds would be available through other attrition and savings. We recommend that the Human Resources Commissioner establish criteria for approving positions when the Budget Office forecasted a deficit in personnel spending.

Exhibit 8: Vacancy Review Board Approved 96% of Requested Extra Help Positions (July 2020 to December 2021)

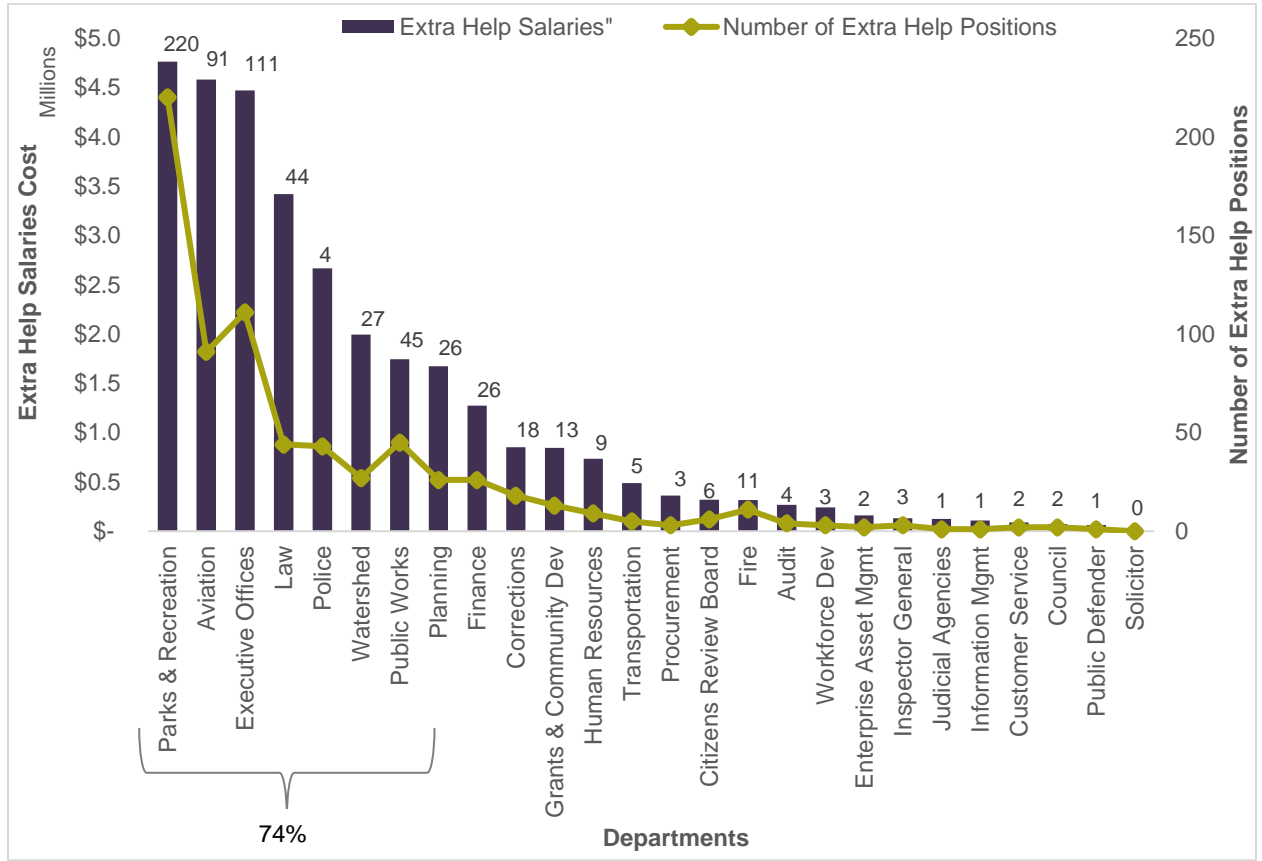


Source: Based on auditor analysis of request to fill information

Over \$23 million of \$31 million of approved extra help salaries (74%) come from seven departments: Parks & Recreation, Executive Offices, Aviation, Public Works, Law, Police, and Watershed Management. As

shown in Exhibit 9, the Executive Offices and Aviation requested almost as much in extra help salaries as Parks & Recreation for less than half the number of extra help positions.

Exhibit 9: Seven Departments Accounted for About 74% of Salaries for Approved Extra Help Position Requests (July 2020 to December 2021)



Source: Based on auditor analysis of request to fill information

The cost estimates required as part of the request to fill package are insufficient to anticipate budget overruns. The request to fill form requires departments to state only the associated salary or wage cost of the requested position. Over half of extra help employees, however, elected to receive all three or some combination of medical, dental and vision health coverage. According to Budget staff, their expense run rate calculation considers positions that have already been approved and does not include the benefits costs for new extra help positions. Health coverage creates an added budget impact. Benefits for extra help employees are paid from a department’s personnel funds, increasing the risk that extra help expenses may cause a department to overrun its personnel budget. It is possible that the cost of benefits for extra help positions contributes to overruns of departmental personnel budgets but is not documented for consideration during the request to

fill approval process. After speaking with Human Resources staff about what costs are included on the request-to-fill form, Human Resources staff revised the form as of January 2022 to require departments to indicate whether a requested position will receive benefits.

Additionally, when a department intends to fund an extra help position using salary savings from a vacant regular position, Human Resources does not freeze the vacant position to ensure that it is not filled. This could allow the department to fill the vacant position and use the funds that were needed to fund the extra help position and result in a personnel deficit.

To ensure all associated costs are considered when determining whether a department has sufficient funding for a requested extra help position, we recommend that Budget and Fiscal Policy prepare more complete cost estimates that include associated benefits costs on the request to fill form. As an additional control when the user department intends to fund an extra help position with salary savings, we recommend that the Human Resources Commissioner freeze the corresponding vacant authorized position(s).

Recommendations

In order to increase transparency in extra help use and prevent personnel budget shortfalls, we recommend the Human Resources Commissioner:

1. create and implement processes to monitor the length of extra help positions and alert departments and human resources business partners to expire extra help positions per the policy or to reclassify extra help positions in personnel papers per the request to fill process
2. ensure departments indicate whether requested extra help positions are to be temporary or to be entered into a personnel paper on the request to fill form
3. request indicators from departments with existing extra help positions that do not have indicators in Oracle
4. expand the city's extra help policy to reflect current procedures and make departments aware of the updated policy in key areas:
 - a. define specific circumstances in which position numbers can be reused
 - b. define when an extra help employee is eligible to receive benefits
 - c. define the length of time of transitional periods

In order to ensure costs are appropriately reviewed and managed prior to approving requested extra help positions, we recommend the Human Resources Commissioner:

5. freeze the corresponding vacant authorized position(s) when departments fund extra help positions with salary savings
6. establish criteria for approving positions when the Budget Office forecasted a deficit in personnel spending

In order to ensure departments sufficient funding is available for requested extra help positions, we recommend the Budget and Fiscal Policy Chief:

7. prepare more complete cost estimates that include associated benefits costs on the request to fill form

Appendices

Appendix A: Management Review and Response to Audit Recommendations

Report # 22.04	Report Title: Extra Help	Date: June 2022
Recommendation 1:		
<p>We recommend that the Human Resources Commissioner create and implement processes to monitor the length of extra help positions and alert departments and human resources business partners to expire extra help positions per the policy or to reclassify extra help positions in personnel papers per the request to fill process.</p>	<p>Risk Category: HR Management</p>	<p>Response: Agree</p>
Related Findings:		
<p>The city does not have a reliable method of tracking how long an employee has been in an extra help position. As of November 8, 2021, we found 75 extra help positions had been filled by the incumbent for more than one year; one position had been filled by the incumbent since July 2013.</p>		
Proposed Action:		Current Status:
<p>This recommendation is currently underway; DHR is developing a monthly process to monitor the lifecycle of Extra Help positions, in accordance with the Policy, and alert Departments when the position will expire or to reclassify the position in the subsequent Personnel Paper.</p>		<p>Started</p>
Business Owner:		Estimated Implementation Date (M/Y):
<p>DHR Deputy Commissioner, Danielle Nichols</p>		<p>July 2022</p>
Additional Comments:		

Recommendation 2:	Risk Category:	Response:
<p>We recommend that the Human Resources Commissioner ensure departments indicate whether requested extra help positions are to be temporary or to be entered into a personnel paper on the request to fill form.</p>	<p>Process Improvement</p>	<p>Agree</p>
Related Findings:		
<p>The request to fill form requires departments to indicate whether the requested extra help position is a temporary position ("T" designation) or will be used to reclassify an existing vacancy to create an authorized position in an upcoming personnel paper ("P" designation). As of November 8, 2021, only 13% (56 of 438) of positions included the required designation in the position report.</p>		
Proposed Action:		Current Status:
<p>The Vacancy Review Board will modify the submission validation for all RTF's (request to fill) to ensure that departments indicate whether requested extra help positions are to be temporary or to be entered into a personnel paper on the request to fill form.</p>		<p>Started</p>
Business Owner:		Estimated Implementation Date (M/Y):
<p>Director of Budget and Administration, April Weekes</p>		<p>July 2022</p>
Additional Comments:		

Recommendation 3: We recommend that the Human Resources Commissioner request indicators from departments with existing extra help positions that do not have indicators in Oracle.	Risk Category: Process Improvement	Response: Agree
Related Findings: The request to fill form requires departments to indicate whether the requested extra help position is a temporary position (“T” designation) or will be used to reclassify an existing vacancy to create an authorized position in an upcoming personnel paper (“P” designation). As of November 8, 2021, only 13% (56 of 438) of positions included the required designation in the position report.		
Proposed Action: The existing positions without the designations will be reviewed and we will work with the requesting department as appropriate to obtain the designation and update the position accordingly	Current Status: Not Started	
Business Owner: Director HRIS, Elaine Douglas	Estimated Implementation Date (M/Y): September 2022	
Additional Comments:		

Recommendation 4: We recommend that the Human Resources Commissioner expand the city’s extra help policy to reflect current procedures and make departments aware of the updated policy in key areas: <ul style="list-style-type: none"> • Define specific circumstances in which position numbers can be reused • Define when an extra help employee is eligible to receive benefits • Define the length of time of transitional periods 	Risk Category: HR Management	Response: Agree
Related Findings: The extra help policy, revised in 2007, does not include current extra help staffing practices, such as the Vacancy Review Board process, reusing extra help position numbers for seasonal and non-seasonal work, providing benefits to extra help employees, and defining the duration of transitional periods when departments maintain the cost of two employees for one position.		
Proposed Action: The extra help policy is in the process of being finalized to include the key areas outlined in the performance audit report conducted by the Auditor’s Office. Once the policy has been finalized, it will be rolled out to the Human Resources Business Partners (HRBPs) to inform and educate their client groups of the updated extra help policy.	Current Status: Started	
Business Owner: Human Resources Policy Director, Taci Perkins	Estimated Implementation Date (M/Y): July 2022	
Additional Comments:		

Recommendation 5: We recommend that the Human Resources Commissioner freeze the corresponding vacant authorized position(s) when departments fund extra help positions with salary savings.	Risk Category: Cost Control	Response: Disagree
Related Findings: Human Resources does not automatically freeze authorized vacant positions that are replaced by extra help positions. As a result, departments may overspend any salary savings from vacancies in their personnel budgets.		
Proposed Action: The Vacancy Review Board process is designed to inform the Executive Branch of the current fiscal spend for personnel within the respective operating departments in concert with approving their identified staffing needs. While DHR does not currently support freezing authorized positions in the City's current staffing framework, department heads have the responsibility to maintain spending within their authorized budgets and the VRB oversight and tracking functionality for extra help positions implemented as part of above referenced responses will mitigate these concerns.		Current Status: Not Started
Business Owner: N/A		Estimated Implementation Date (M/Y): N/A
Additional Comments:		

Recommendation 6: We recommend that the Human Resources Commissioner establish criteria for approving positions when the Budget Office forecasted a deficit in personnel spending.	Risk Category: Cost Control	Response: Agree
Related Findings: Between July 2020 to December 2021, the Vacancy Review Board rejected about 2% (15 of 732) of extra help requests. We noted a position request that was approved even though the Office of Budget Fiscal Policy did not recommend due to a negative run rate calculation.		
Proposed Action: The Vacancy Review Board maintains appropriate oversight of hiring, with recommendations on current budget spending trends identified by OBFP as one of the primary factors. VRB further evaluates department justifications and operational needs to ensure that mission critical staffing needs are provided in a timely fashion in conjunction with required spending remediation plans.		Current Status: Implemented
Business Owner: n/a		Estimated Implementation Date (M/Y): n/a
Additional Comments:		

Recommendation 7: We recommend that the Budget and Fiscal Policy Chief prepare more complete cost estimates that include associated benefits costs on the request to fill form.	Risk Category: Planning and Budgeting	Response: Agree
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Related Findings:
 We found about 52% of 303 extra help employees eligible to receive health coverage benefits had elected some or full health coverage. The cost estimates, required as part of the request to fill package, state only the associated salary or wage cost of the requested position and are insufficient to anticipate budget overruns.

Proposed Action: Currently, "Extra Help" requests are processed through the City's Request to Fill/ Vacancy Review Board process. We (Budget & Fiscal Policy) have met with Ms. April Weekes and Rosie Woods of Human Resources. Ms. Woods is a Pension Manager in HR and shared with us actual data as it relates to costs associated with employee benefits. We will utilize said rates as highlighted by Human Resources when calculating the personnel affordability levels of a requesting department.	Current Status: Not Started
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Business Owner: Finance Department (Budget & Fiscal Policy)/ Human Resources effective 7/1/22.	Estimated Implementation Date (M/Y): July 2022
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Additional Comments: Currently HR has supplied the table below and will soon provide the data for Fire and Police in the city's DB plan.

Retirement Plan	Employee Contribution	Employer Contribution
Hybrid (DB/DC) (AFR & APD) Hired from Sept. 2011-Present	DB-8% & DC-3.75%	DB-17.33% & DC-3.75%
Hybrid (DB/DC) 18 & Below	DB-8% & DC-3.75%	DB-17.33% & DC-3.75%
Define Contribution 19 & Above	6%	6%
General Pension	W/O Beneficiary-12% W Beneficiary-13%	27.89%
DB AFR		
DB APD		