

**Performance Audit:
Timekeeping**

May 2015

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

File #14.05



CITY OF ATLANTA

City Auditor's Office
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Performance Audit:

Timekeeping

What We Found

Federal labor law establishes minimum wage, overtime pay, recordkeeping, and youth employment standards for employees in federal, state, and local governments as well as in the private sector. Specifically, the Fair Labor Standards Act (FLSA) establishes rules for overtime, compensation time for public sector employees, and record keeping requirements. The law specifies employees who are exempt from these standards based on job responsibilities and functions.

We found that city departments have implemented practices that appear to be inconsistent with FLSA. Our analysis of timekeeping records for the first 21 pay periods of 2014 identified nearly 200,000 hours for which non-exempt employees had clocked in beyond their established workweeks and for which they might need to be paid. The absence of a procedural framework and system controls has pushed responsibility for complying with FLSA to individual timekeepers who are ill-equipped to ensure compliance.

We also identified about 7,500 overtime hours over the 21 pay periods that departments, excluding police and corrections, paid at the regular hourly rate rather than the time-and-a-half rate required by FLSA. Most of these hours were in the Department of Watershed Management, the Department of Parks, Recreation & Cultural Affairs, and the Department of Aviation. Departments also recorded more than 20,000 hours of non-exempt non-sworn employees' compensatory accrual at straight time instead of the required time-and-a-half. While the error affected almost 900 employees in 14 departments, 36% of the hours were for employees of the Department of Watershed Management.

City staff corrects payroll records in the financial system without also correcting timesheet records, potentially increasing the city's liability for unpaid time. Departments requested about 6,900 adjustments to time and leave for the first 19 pay periods in 2014 on manual change sheets. Most of the adjustments timekeepers submitted to payroll originated in errors or omissions in timekeeping records. Delays in employees or supervisors accounting for missing time clock entries and for extra time contribute to the need for corrections after payroll closes.

Weak controls and enforcement increase the risk of theft of time. Lead timekeepers in nine departments expressed concern about theft of time alleging that employees have vandalized biometric clocks, unplugged time clocks, and punched the clock for other employees. We are currently investigating the allegations of vandalism.

Why We Did This Audit

We undertook this audit because the city's Integrity Line has received numerous complaints about abuse of time and violation of controls in the city's automated timekeeping system. We focused our review on policies and practices for capturing, recording, and tracking hours worked across city departments. We also assessed whether controls are in place in the timekeeping system to ensure that work hours recorded are accurate and the city complies with the federal Fair Labor Standards Act.

What We Recommended

The commissioners of human resources and law should:

- identify and compensate employees who have not been paid correctly for their hours worked

The commissioner of human resources and the chief information officer should:

- strengthen time and attendance controls in the city's timekeeping management software application
- develop an interface to update employee time records that does not require the use of manual forms
- install security cameras in areas where clock vandalism has occurred

The commissioner of human resources and the chief financial officer should:

- finalize and communicate policies and procedures on overtime and timekeeping policies

The commissioner of human resources should:

- provide training and guidance to departments on proper procedure and accountability for documenting employee time

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

Summary of Management Responses

Recommendation #1: The commissioner of human resources and the Department of Law should review records for the last two years to identify and compensate those who were not paid for all overtime hours.

Response & Proposed Action: HR, Law, and the relevant operating departments will review all available records for the past two years to determine if any instances occurred where employees were not paid for overtime hours, and compensate if necessary. **Agree**

Timeframe: September 2015

Recommendation #2: The commissioner of human resources and the Department of Law should review records for the last two years to identify and compensate those who were paid overtime at the incorrect rate.

Response & Proposed Action: HR, Law, and the relevant operating departments will review all available records for the past two years to determine if any instances occurred where employees were paid overtime at the wrong rate, and compensate as necessary. **Agree**

Timeframe: September 2015

Recommendation #3: The commissioner of human resources and the Department of Law should review records for the last two years to identify and compensate those whose compensatory time was recorded as straight time instead of time-and-a-half.

Response & Proposed Action: HR, Law, and the relevant operating departments will review all available records for the past two years to determine if any instances occurred where employees were paid compensatory time at the wrong rate, and compensate as necessary. **Agree**

Timeframe: September 2015

Recommendation #4: The commissioner of human resources and the Department of Law should review records for the last two years to identify and compensate those who should have been paid compensatory time balances upon separation.

Response & Proposed Action: HR, Law, and the relevant operating departments will review all available records for the past two years to determine if any employees were not paid compensatory time at their time of separation, and compensate as necessary. **Agree**

Timeframe: September 2015

Recommendation #5: The commissioner of human resources and the chief information officer should strengthen system controls in the timekeeping system upgrade.

Response & Proposed Action: HR will work with the CIO to ensure the time keeping system is updated to strengthen controls, and with operating departments to ensure appropriate time clocks are used based on type of work done. **Agree**

Timeframe: September 2015

Recommendation #6: The commissioner of human resources and the chief information officer should assess the feasibility of adding the capacity to insert changes in employee time records in the timekeeping system directly from the payroll system in the same pay period.

Response & Proposed Action: The CIO will conduct an assessment of what will be required to develop an interface between the time keeping system and the payroll system given the pending city-wide upgrade of Oracle and the enterprise technology plan. **Agree**

Timeframe: December 2015

Recommendation #7:	The commissioner of human resources and the chief information officer should install security cameras in areas where clock vandalism has occurred.	
Response & Proposed Action:	HR will work with IT and the operating departments to identify where cameras should be installed to ensure accurate reporting of time.	Agree
Timeframe:	June 2015	
Recommendation #8:	The commissioner of human resources and the chief financial officer should finalize and communicate new FLSA and city code compliant policies and procedures for timekeeping and payment of accrued compensatory time upon separation.	
Response & Proposed Action:	The policy is complete and will be distributed. Monitoring and paying out compensatory time is a Finance responsibility.	Agree
Timeframe:	April 2015	
Recommendation #9:	The commissioner of human resources should request changes to the city code to clarify compensatory time accrual limits for exempt and non-exempt employees.	
Response & Proposed Action:	A legislative remedy to the current code language will be presented to City Council for their consideration.	Agree
Timeframe:	July 2015	
Recommendation #10:	The commissioner of human resources should establish timekeeping training classes for employees with the responsibility for entering, modifying, or approving time codes.	
Response & Proposed Action:	Training classes on this topic already exist. Refresher training will take place with the pending upgrade to the time keeping system along with the updated policy roll out.	Agree
Timeframe:	July 2015	
Recommendation #11:	The commissioner of human resources should provide guidance to departments about employee and supervisor accountability for documenting and approving time.	
Response & Proposed Action:	HR currently provides guidance to all operating departments about employee and supervisor accountability. It is up to the departments to then in fact document and hold their employees accountable.	Agree
Timeframe:	In place currently	



CITY OF ATLANTA

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Daniel Ebersole

May 18, 2015

Honorable Mayor and Members of the City Council:

Our audit of city timekeeping focused on policies and practices for capturing, recording, and tracking hours worked across city departments. We assessed whether controls are in place in the timekeeping system to ensure that work hours recorded are accurate and the city complies with the federal Fair Labor Standards Act (FLSA). The city's Integrity Line has received complaints about employee abuse of time as well as allegations of the defacing and destruction of time clocks at various work sites.

City departments have implemented practices that appear inconsistent with the FLSA. Our analysis of timekeeping records for the first 21 pay periods of 2014 identified nearly 200,000 hours for which non-exempt employees had clocked in beyond their established work hours and for which they might need to be paid. We confirmed that some biometric time clocks in the Department of Watershed Management have been rendered unusable, and we continue to investigate this destruction of city property. The commissioner of human resources agreed with all of our recommendations and has begun to address them. During the audit, we communicated with human resources and information technology staff members who are working on an upgrade of the Kronos timekeeping system, which should strengthen controls and aid in improving FLSA compliance.

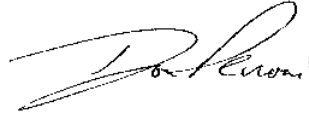
These audit findings are the latest of several indicating possible noncompliance with federal laws and regulations. Our most recent audit of employee expense reimbursements and reconciliations, for example, addressed apparent noncompliance with IRS payroll tax requirements. Other previous audits also have addressed payroll tax issues concerning take-home vehicles, mobile devices and moving expenses. While several of the specific issues have been corrected, the continuation of potential federal compliance issues suggests a weak control environment.

The Audit Committee has reviewed this report and is releasing it in accordance with Article 2, Chapter 6 of the City Charter. We appreciate the courtesy and cooperation of

city staff throughout the audit. The team for this project was Stephanie Jackson, Susannah Laramée Kidd and Diana Coomes Lynn.

A handwritten signature in cursive script, appearing to read "Leslie Ward".

Leslie Ward
City Auditor

A handwritten signature in cursive script, appearing to read "Don Penovi".

Don Penovi
Audit Committee Chair

Timekeeping

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Introduction

We undertook this audit because the city's Integrity Line has received numerous complaints about abuse of time and violation of controls in the city's automated timekeeping system. We focused our review on policies and practices for capturing, recording, and tracking hours worked across city departments. We also assessed whether controls are in place in the timekeeping system to ensure that work hours recorded are accurate and the city complies with the federal Fair Labor Standards Act.

Background

Federal labor law establishes minimum wage, overtime pay, recordkeeping, and youth employment standards for employees in the private sector and in federal, state, and local governments. The law specifies employees who are exempt from these standards based on job responsibilities and functions. A special provision allows local governments to provide compensatory time off instead of overtime pay. Additional standards apply to employees engaged in fire protection, law enforcement, and seasonal activities. The commissioner of the Department of Human Resources has the primary responsibility for ensuring compliance with applicable labor laws. Section 114-133 of the city code requires the city's chief financial officer to pay employees for overtime work in accordance with federal labor laws.

FLSA Requires City to Pay Employees for Overtime Hours Worked

The Fair Labor Standards Act of 1938 (FLSA) requires public employers to:

- pay at least one and one-half times the employees' regular rates of pay for all hours worked over 40 in the workweek
- under certain conditions, provide employees with compensatory time off at one and one-half hours for each hour worked, instead of paid overtime
- comply with recordkeeping requirements

The FLSA allows employees engaged in fire protection and law enforcement activities to have a work period ranging from 7 to 28 days, in which they are paid overtime after 212 (fire protection) or 171 (law enforcement) hours in each work period.

Under the FLSA, the city is required to maintain records for each non-exempt employee about hours worked and wages earned. The records should include hours worked each day, daily or weekly straight-time earnings, and overtime earnings for the workweek.

The law does not require employers to provide vacation, severance, sick pay, meal periods, or paid holidays. FLSA also does not require employers to provide employees with premium pay for weekend or holiday work.

77% of City Employees Are Non-Exempt Under FLSA

Using FLSA, the Department of Human Resources has designated the majority of city employees (77%) as “non-exempt” employees, as shown in Exhibit 1. The non-exempt status indicates that the FLSA employment standards apply to them. Professional, executive, and administrative employees are exempt from the law, and therefore, are not subject to the federal wage and hour requirements.

Exhibit 1 City Employees Covered Under FLSA

FLSA Status	Number of Employees
Non-exempt	6,249
Exempt	1,854
Total	8,103

Source: Kronos timekeeping system data, as of September 2014

City Uses Kronos Timekeeping System to Enter Time

City employees document hours worked by clocking in and out, or a designated timekeeper enters all hours worked and leave taken into Kronos, the city’s timekeeping system, on a daily basis. According to Section 114-413 the city code, department heads are responsible for maintaining timekeeping, attendance, and leave records for employees within their departments. Employees can clock in and out using the following methods:

- Swiping identification badge or entering identification number into wall mounted terminal
- Scanning finger in wall mounted terminal (biometric scan)
- Desktop computer time stamp entry
- Tele-Time phone time stamp

The most accurate method of entering time is by having an employee scan a finger into the wall-mounted terminal (shown in

Figure 1). Employers use the biometric finger scan to curb employee time theft, because the user cannot punch for another employee.

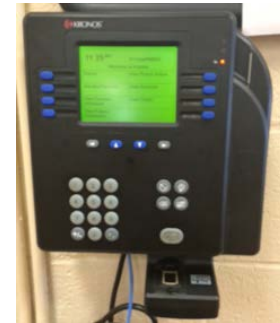


Figure 1 Photograph of Biometric Scanner

Departments, in conjunction with human resources, assign each employee in the city a method for entering time into Kronos. The majority of employees enter time into the system by using the swipe method - swiping identification badges into a wall-mounted time clock or typing an employee identification number into the clock (see Exhibit 2).

Exhibit 2 Methods of Entering Time in the City

Time Entry Method	Employee Count
Swipe	3,738
Biometric Scan	2,159
Desktop	2,064
Tele-time	142
Total	8,103

FLSA Status	Desktop	Swipe	Tele-Time	Biometric Scan	Total
Non-exempt	939	3,428	86	1,796	6,249
Exempt	1,125	310	56	363	1,854
Total	2,064	3,738	142	2,159	8,103

Source: Kronos timekeeping system data, as of September 2014

Most exempt employees who clock in use the desktop computer method. The majority of city employees who are exempt under the FLSA do not clock in and out, but for whom only absences and significant schedule changes are recorded in Kronos. The city has 335 employees who can make changes to timecards as timekeepers and 441 employees who are able to approve timecards as managers in the Kronos timekeeping system.

City Uses Oracle to Transfer Time from Kronos and Process Payroll

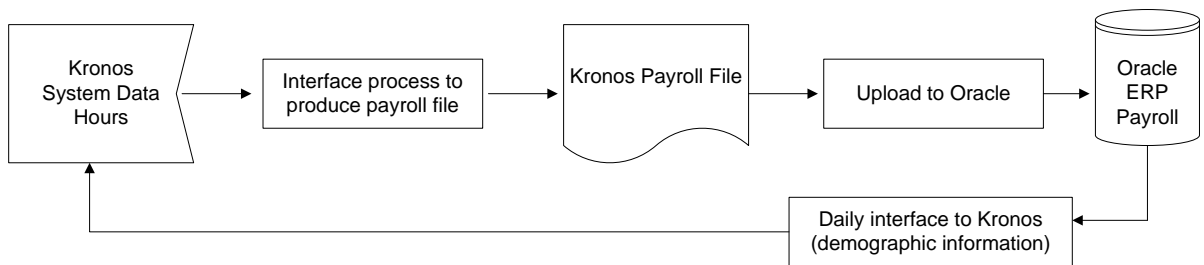
The city uses the Oracle Enterprise Resource Planning system to transfer time from the Kronos system and calculate pay and process

paychecks each pay period. Oracle is the city's system of record for payroll.

Human resources staff enters employee demographic information into Oracle, including name, status, position, pay location, and method of entering time. A system interface between Oracle and Kronos transfers this information back to Kronos on a daily basis, which updates the information (see Exhibit 3).

Timekeepers within each department enter work schedules, make corrections, and approve time in Kronos each pay period. Payroll staff approves the Kronos time, and another interface transfers employee hours and accruals from Kronos to Oracle. Payroll staff makes any corrections or adjustments to the information that is imported into Oracle and the system calculates payroll amounts. The adjustments that payroll employees make to employee hours in Oracle are not updated in Kronos.

Exhibit 3 Data Flow from Kronos to Oracle

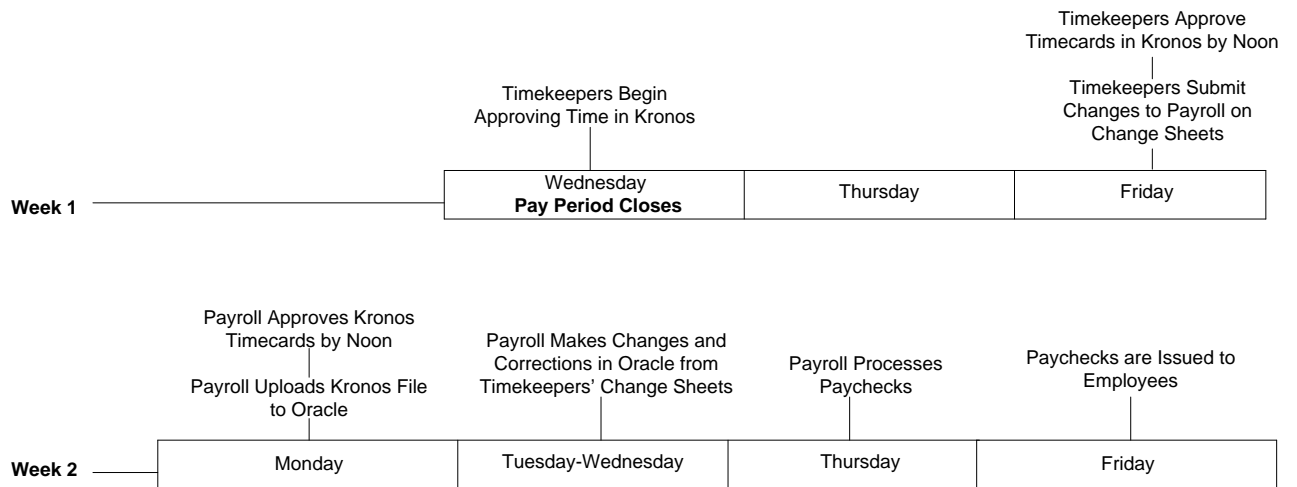


Source: *Review of the Oracle ERP First Payroll Run*, City Auditor's Office, April 2008

Departments Have Up to a Day and a Half to Send Timecards to Payroll for Processing After Pay Period Closes

Timekeepers within each department have up to a day and a half to submit approved timecards payroll after the close of the pay period, as shown in Exhibit 4. Before submitting timecards, they must work with employees and supervisors to resolve any issues with timecards, such as missed time punches, overtime earning and pay, and what type of leave should be charged. In addition, some timekeepers may be responsible for resolving time for a large number of employees.

Exhibit 4 Timeline for Time Capture and Payroll Processing



Source: Developed by city auditor's staff using information obtained from payroll and lead timekeeper interviews

The city's pay period begins on Thursday, and closes on Wednesday, two weeks later. Timekeepers must approve all timecards in Kronos no later than noon the Friday after the pay period closes, as shown in Exhibit 4. Payroll employees approve time in Kronos by noon on Monday and lock out the system; after system lockout, timekeepers can no longer make timecard changes in Kronos. If timekeepers have changes or adjustments to make after this time, they must submit the changes to payroll staff. Payroll employees will make any necessary adjustments to leave or hours in Oracle based on change forms submitted by timekeepers.

Audit Objectives

This report addresses the following objectives:

- Are the city's policies and practices for capturing, recording, and tracking hours worked sufficient to ensure the accuracy of work hours and compliance with the federal Fair Labor Standards Act?
- Are controls in place in the city's timekeeping system to ensure the accuracy of work hours and compliance with the Fair Labor Standards Act?

Scope and Methodology

We conducted this audit in accordance with generally accepted government auditing standards. We primarily focused on overtime and compensatory information for city employees from January through September 2014.

Our audit methods included:

- Reviewing federal labor laws to understand the provisions of the Fair Labor Standards Act, and interviewing staff from the law department to confirm our understanding of its meaning and applicability
- Reviewing city code and human resources policies and procedures to understand processes the city has in place to ensure compliance with the Fair Labor Standards Act
- Interviewing 19 lead timekeepers in 17 departments throughout the city between September 2014 and January 2015 to obtain information on time and attendance practices throughout the city
- Analyzing compensatory time accrual balances for all exempt and non-exempt employees as of October 21, 2014
- Analyzing overtime data for all employees from January 2, 2014, through September 24, 2014
- Collecting and analyzing change sheets submitted by all city departments for pay periods ending January 15, 2014, through September 24, 2014
- Researching best practices for time and attendance
- Interviewing staff from human resources, payroll, and information technology to understand the time and attendance processes and systems within which the process are executed

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

Timekeeping Practices Appear Noncompliant with FLSA

City departments have implemented practices that appear to violate FLSA. The absence of a procedural framework and system controls has pushed responsibility for complying with FLSA to individual timekeepers who are ill-equipped to ensure compliance. Our analysis of timekeeping records for the first 21 pay periods of 2014 identified nearly 200,000 hours for which non-exempt employees had clocked-in beyond their established workweeks and for which they might need to be paid. About 60 percent of the hours were for public safety employees and 20 percent of the hours were for employees in the Department of Watershed Management.

Some of these excess hours were likely the result of employees clocking in early or failing to clock out when on break or promptly at the end of their shifts. Nevertheless, the city is responsible for ensuring that time records are accurate and time on the clock represents time worked. FLSA requires public employers to pay non-exempt regular employees overtime for all hours worked over 40 in the workweek and to pay non-exempt public safety employees overtime for all hours worked over 171 hours (police and corrections) or 212 hours (fire rescue) in a 28-day cycle.

We also identified about 7,500 overtime hours over the 21 pay periods that departments paid at the regular hourly rate rather than the time-and-a-half rate required by FLSA. Most of these hours were in the Department of Watershed Management, the Department of Parks, Recreation & Cultural Affairs, and the Department of Aviation. Departments also recorded 20,227 hours of non-exempt non-sworn employees' compensatory accrual at straight time instead of the required time-and-a-half. While the error affected almost 900 employees in 14 departments, 36% of the hours were for employees of the Department of Watershed Management. We excluded police and corrections employees from the analysis because there are legitimate reasons that non-exempt sworn employees could receive compensatory time on an hour-for-hour basis.

The city allows employees to accrue more compensatory time than allowed under FLSA. We identified 13 non-exempt employees with balances above the legal limit of 240 for regular employees or 480

for employees engaging in public safety, emergency, and seasonal activities. Once employees reach the applicable limit, the city must pay the hours rather than allow them to accrue. We also identified over 100 non-exempt former employees with compensatory time balances that the city should have paid upon separation. Most of the balances were small, but 57 former employees had balances greater than 0.25 hours, totaling about 675 hours.

To ensure compliance with FLSA, the commissioner of human resources and the Department of Law should review records for at least the last two years to determine the current and former employees who are owed overtime and pay them the amounts due.

Going forward, the commissioner of human resources and the chief financial officer should finalize and communicate citywide time and attendance procedures to ensure consistent compliance with FLSA. The procedures should provide guidance to departments on addressing unapproved overtime through progressive discipline. The commissioner of human resources should ensure that department managers, supervisors, and timekeepers with responsibility for entering, modifying, or approving time codes in the timekeeping system understand FLSA requirements. The city should strengthen system controls as part of the timekeeping system upgrade that is underway, including discontinuing use of the unapproved extra time code. The commissioner of human resources should also monitor and enforce the compensatory time accrual limit set in city code.

City Might Owe Employees for Overtime Hours

The city may not be in compliance with FLSA requirements regarding overtime pay during the period that we reviewed. Lead timekeepers in most departments told us they move all hours greater than the standard workweek from the overtime pay code into an unapproved extra time code pending management approval of overtime. Unapproved hours remain in the timekeeping system but do not post to payroll. Departments accumulated 198,810 unapproved hours over the 21 pay periods we analyzed.

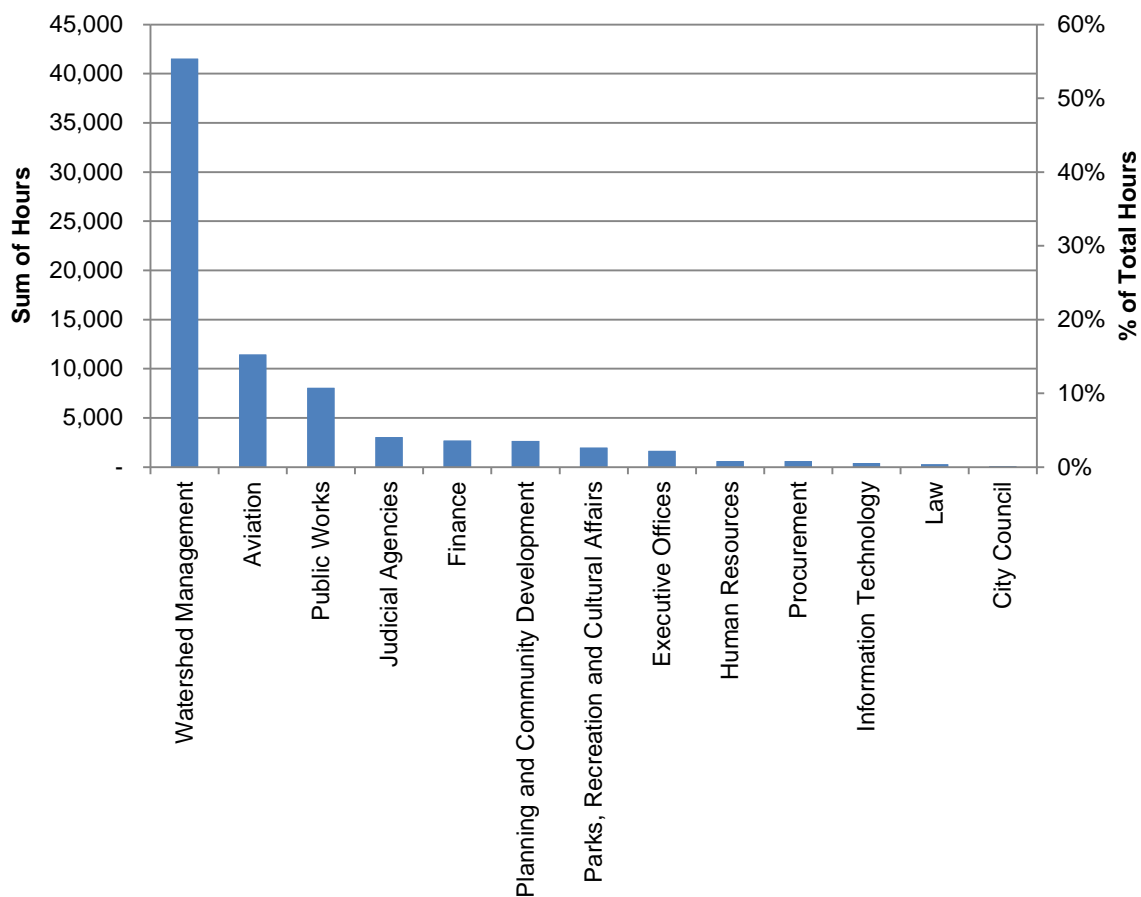
The FLSA requires employers to compensate non-exempt employees who work over 40 hours in a week at a rate of at least one and one-half times the employee's regular rate. The standard workweek for employees engaged in public safety activities is different, but overtime pay is still required.

Departments also paid employees for over 7,500 hours of overtime at the straight hourly rate, instead paying the hours at the time-

and-a-half premium rate required by FLSA for overtime. The Department of Labor recently investigated the city's Department of Parks, Recreation & Cultural Affairs for the same problem. The department has completed back payments to seasonal employees who should have received overtime premium pay.

The city may owe overtime for hours on the clock beyond the established workweek. We identified 75,030 unapproved hours across city departments for non-exempt regular employees accumulated in the first 21 pay periods of 2014. Employees in the Departments of Watershed Management, Aviation, and Public Works recorded the majority of the hours (see Exhibit 5).

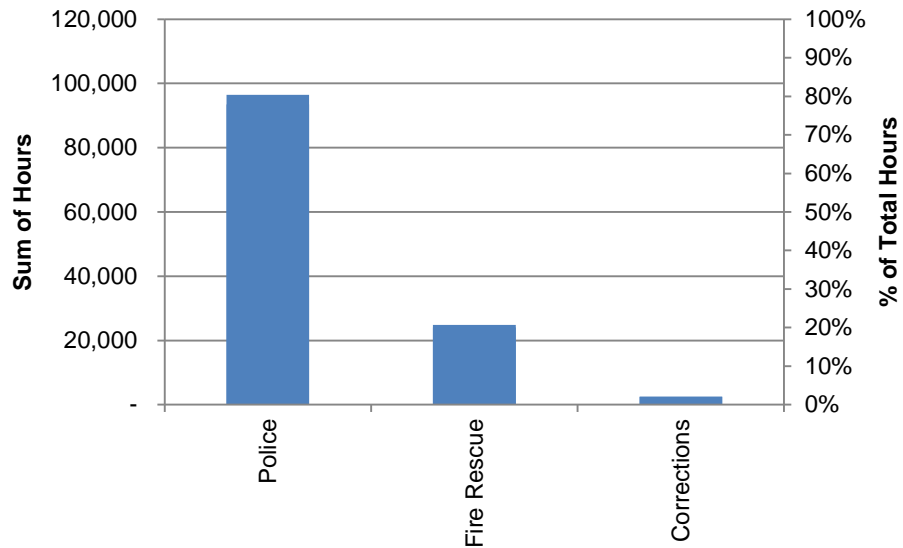
Exhibit 5 Unapproved Time Remaining by Department (Without Public Safety Employees) January 2, 2014 through October 22, 2014



Source: Kronos, January through October 2014

We also identified 123,780 unapproved hours in the police, fire rescue, and corrections departments over the same period (see Exhibit 6).

Exhibit 6 Unapproved Time Remaining by Department (Only Public Safety Employees) January 2, 2014 through October 22, 2014



Source: Kronos, January through October 2014

Lead timekeepers told us in 12 of our 19 interviews that they move all hours on the clock in excess of 40 during a workweek to a holding bucket in the timekeeping system. Timekeepers review these hours before they approve employees' time prior to payroll processing. If the timekeeper does not remove the hours from the holding bucket and code them as overtime or compensatory time, the hours do not post to the payroll system. As a result, these hours remain in the timekeeping system without resolution and the city may not pay the employee for excess time worked.

Lead timekeepers in public safety departments described a similar process. FLSA allows public employers to base eligibility for overtime for public safety employees on a 28-day period rather than a 40-hour workweek. Employees engaged in public safety activities in the Atlanta Police Department and the Department of Corrections should receive compensation at the overtime rate after working 171 hours over a 28-day period. Employees in the Fire Rescue Department who perform firefighting and rescue duties are due overtime after working 212 hours in a 28-day period. Lead timekeepers in these departments place hours worked in excess of 80 hours in the first 14 days into the timekeeping system holding bucket. The Department of Information Technology makes these hours available for coding in the timekeeping system during the second 14 days of the 28-day period. If the timekeeper does not code the hours as overtime or compensatory time at this time, these

hours also remain in the timekeeping system and the city may not pay the employee for the excess time worked.

Some lead timekeepers told us that department managers instructed them not to pay extra hours because the employees' supervisors had not approved the overtime before the employee worked it. Lead timekeepers also told us that employees could clock in one or two hours before the start of their shifts or could fail to clock out to disguise their actual time of departure.

The accumulated backlog of unapproved overtime hours must be assessed in accordance with FLSA. If employees consistently work extra hours without prior approval from their supervisors, the city may initiate disciplinary action against those employees. However, allowing employees to work unapproved overtime or to clock in early creates the risk that the extra hours must be compensated at a rate of time-and-a-half. Major discrepancies between clock records and actual hours worked cast doubt on the accuracy of the records of hours worked. To ensure compliance with FLSA, the commissioner of human resources and the Department of Law should review records for at least the last two years to determine the current and former employees who are owed overtime and pay them any amounts due.

City time and attendance policies do not ensure FLSA compliance. The Department of Human Resources drafted updated attendance and timekeeping procedures in August 2014 for "consistency, clarity and uniform application" throughout the city; however, the department had yet to finalize and communicate the procedures during our audit. The current and drafted procedures require clarification on compensatory time accrual limits for non-exempt employees to reflect that non-exempt employees may not accrue compensatory time over the limit at any time and must be paid at the overtime rate for any overtime hours worked after reaching the limit. The draft procedures provide progressive disciplinary steps for tardiness and for missed clock punches, but do not provide guidance for how to handle unapproved overtime.

One of the lead timekeepers we interviewed was using outdated versions of the city's written procedures for time and attendance. Ten departments have created their own timekeeping and attendance policies; however, eight of the ten departments still have practices that are inconsistent with FLSA requirements, such as not paying for overtime hours worked or accruing compensatory time incorrectly. Some lead timekeepers were unaware that any employees in their departments were classified as non-exempt

under FLSA. Best practices for mitigating risk of unpaid time encourage implementing and enforcing clear, written timekeeping policies.

We recommend the commissioner of human resources and the chief financial officer finalize and communicate citywide time and attendance procedures that ensure consistent compliance with FLSA. The procedures should provide guidance to departments on addressing unapproved overtime through progressive discipline. The commissioner of human resources should ensure that department managers, supervisors, and timekeepers with responsibility for entering, modifying, or approving time codes in the timekeeping system understand FLSA requirements so that the city pays all overtime earned.

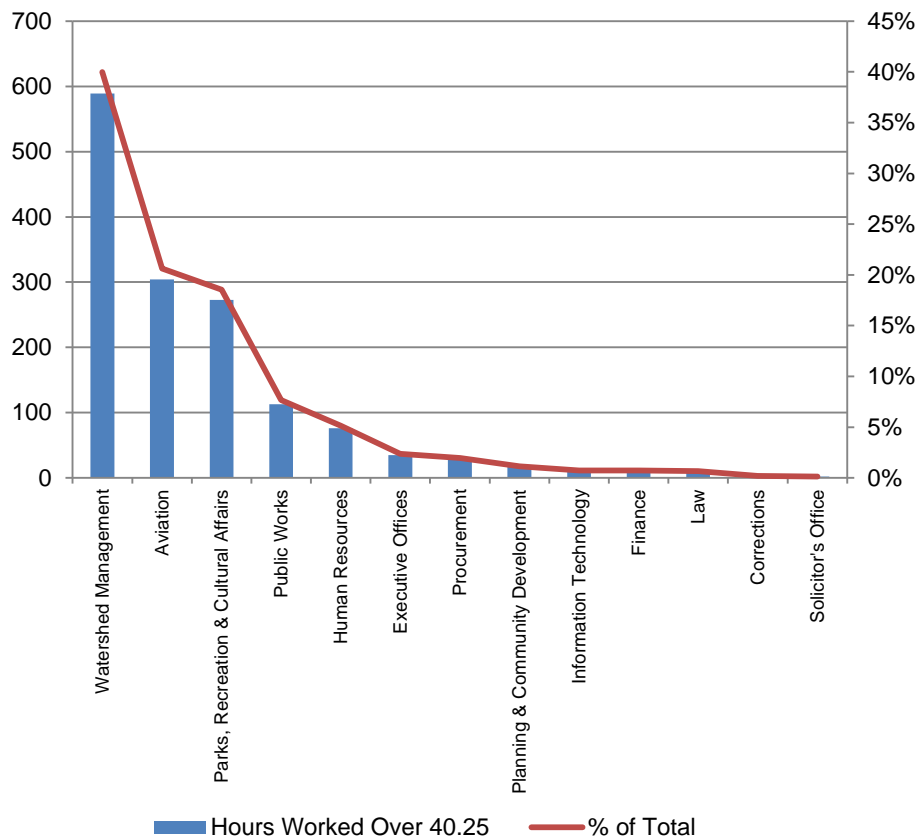
The Kronos upgrade team should strengthen timekeeping system controls, including discontinuing use of the unapproved extra time code in the timekeeping system. According to human resources and information technology, the proposed upgrades to the city's timekeeping system will remove the unapproved extra time code and will include lockouts that prevent timekeepers from applying incorrect pay codes to non-exempt employees.

The city did not consistently pay non-exempt employees time-and-a-half for overtime hours worked. We identified 1,473 instances in which the city may owe non-exempt regular employees time-and-a-half for overtime worked in the first 19 pay periods of 2014. These instances represent 7,504 overtime hours worked in excess of 40.25 hours in one workweek. We identified another 2,670 instances in which employees worked between 40 hours and 40.25 hours in one week. Most of the balances over 40 hours and less than 40.25 hours represent very small overages, such as .01 hours, but these amounts may still be due to employees under FLSA. All of these employees received compensation for the hours they worked over 40 at a straight rate instead of at the time-and-a-half overtime premium rate. The departments with the highest number of hours were watershed management, aviation, and parks and recreation (see Exhibit 7 below). We excluded public safety departments from this analysis because their overtime is calculated over a 28-day period, instead of over a 7-day workweek.

The US Department of Labor investigated payroll records from the Department of Parks, Recreation & Cultural Affairs for 2011, 2012, and 2013 after three seasonal employees alleged that the city had paid them overtime at a straight rate rather than at the required rate of time-and-a-half. Although the FLSA exempts some seasonal

positions, such as lifeguards, from the overtime requirement, the exemption did not apply to the three employees. Lead timekeepers from parks and recreation told us that the department had discontinued the practice of exempting all seasonal employees and that the department had completed back payments for 2012 and 2013 to non-exempt seasonal employees who should have received overtime compensation at time-and-a-half.

Exhibit 7 Hours Worked Over 40.25 without Overtime Premium Pay



Source: Oracle (January 2, 2014 through September 24, 2014)

The commissioner of human resources and the Department of Law should review records for at least the last two years to identify all of the current and former employees who were paid overtime at the incorrect rate and pay them the amounts due.

Compensatory Time Practices May Be Inconsistent with Federal Law

The city may not be in compliance with FLSA requirements regarding compensatory time accrual and pay during the period that we reviewed. Departments incorrectly accrued compensatory time at straight time rather than time-and-a-half for almost 900 employees

in the first 21 pay periods of 2014. Lead timekeepers in four departments told us that it was departmental practice to record compensatory time at straight time for all employees regardless of FLSA status. FLSA allows public employers to grant compensatory time in lieu of overtime at a rate not less than one and one-half hours for each hour worked.

In addition, more than 200 non-exempt employees who separated from the city between January 1 and September 24, 2014 had unused compensatory time; 57 of the separated employees had compensatory time balances of more than 0.25, totaling about 675 hours. FLSA requires unused compensatory time to be paid on separation. Lead timekeepers told us that they submit manual requests to payroll for payout of compensatory time and eligible leave balances.

We identified 13 employees who had compensatory time accrual balances above the applicable federal limits. The city should have paid these employees overtime at time-and-a-half for any hours worked over the limit once they reached the limit. Finance employees told us that they used to review accruals at the end of the year but no longer enforce accrual limits annually.

Departments incorrectly accrued compensatory time. We identified 891 non-exempt employees with 20,227 hours of compensatory time recorded as straight time instead of time-and-a-half during the first 21 pay periods of 2014. While employees in 14 departments were affected, 36% of the hours were for employees of the Department of Watershed Management (see Exhibit 8). The FLSA allows public employers to grant compensatory time in lieu of overtime pay at a rate not less than one and one-half hours for each hour worked. Lead timekeepers in four departments told us that all employees receive the compensatory time accrual at the straight rate, regardless of exemption status. We excluded police and corrections from this analysis because a human resources policy states that non-exempt sworn personnel shall be either paid or granted compensatory time, on an hour for hour basis, for each hour worked between 161 and 171 within a 28-day period. We were unable to determine from the data whether the hours were paid or employees were granted compensatory time.

Exhibit 8 Comparison of Total Compensatory Hours Calculated Erroneously by Department for Non-Exempt Employees

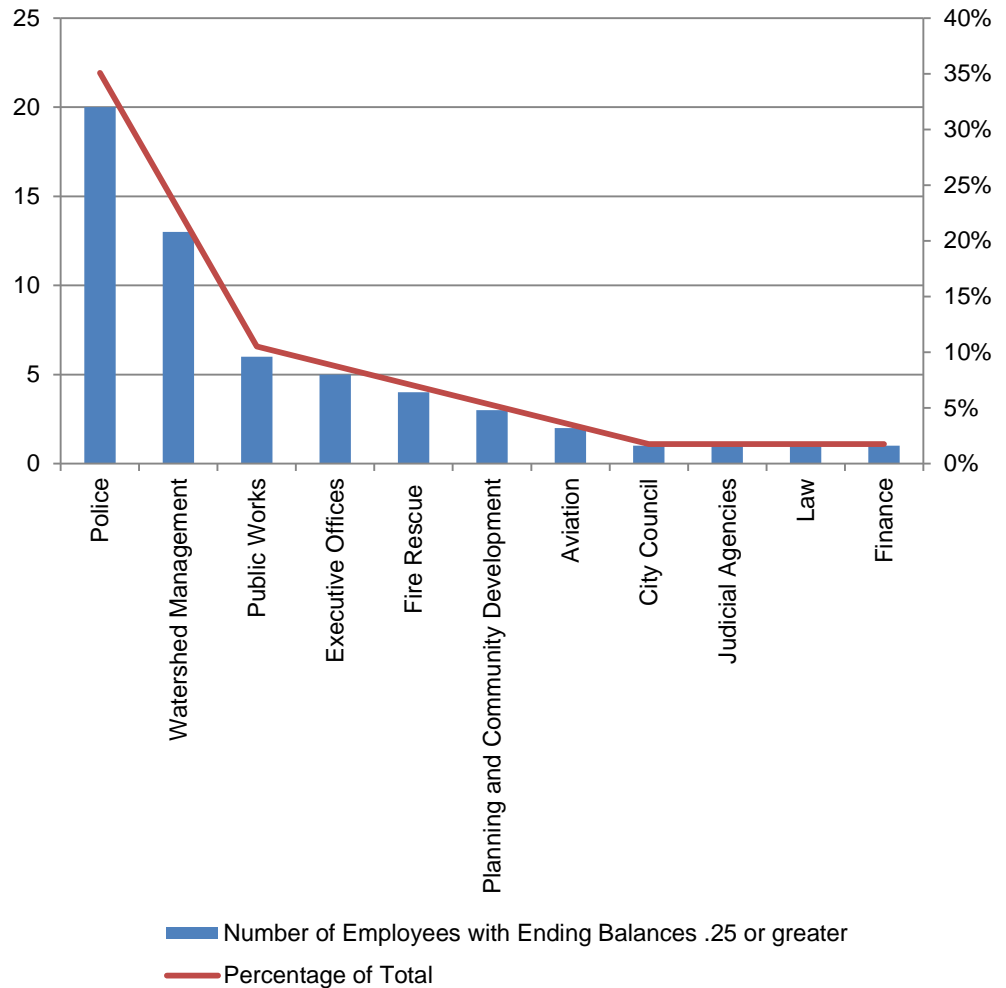
DEPARTMENTS	TOTAL HOURS	% OF TOTAL HOURS
Watershed Management	7,346.30	36%
Fire Services	5,448.04	27%
Aviation	2,018.31	10%
Public Works	1,665.17	8%
Executive Offices	990.12	5%
Parks, Rec & Cultural Affairs	646.82	3%
Judicial Agencies	634.88	3%
Finance	480.79	2%
Plan, Dev & Neigh Conv/Bldgs	362.72	2%
City Council	239.53	1%
Information Technology	221.74	1%
Human Resources	84.44	0.4%
Procurement	78.27	0.4%
Law	10.14	0.1%
TOTAL	20,227.27	100%

Source: Kronos system, January 2, 2014 through October 22, 2014

The commissioner of human resources and the Department of Law should review compensatory time accruals for at least the last two years to correct compensatory time balances for employees whose compensatory time was recorded at straight time instead of time-and-a-half. The city’s procedures should clarify FLSA requirements for compensatory time and system controls should prevent timekeepers from incorrectly coding compensatory time.

The city failed to compensate employees for unused compensatory time upon separation. We identified 106 non-exempt former city employees with unpaid compensatory time balances totaling about 677 hours. Many of these balances were small, but 57 non-exempt former city employees had compensatory balances of 0.25 hours or more, totaling about 675 unpaid hours (see Exhibit 9). Non-exempt employees who separate from the city must receive a payout of all hours remaining in their compensatory time balance. Lead timekeepers told us when an employee separates from the city they submit a manual request to payroll in order to have compensatory time and eligible leave balances paid out and/or they indicate to human resources what the employee is due in the comments field of the employee maintenance turnaround document.

Exhibit 9 Compensatory Time Balances of .25 or More upon Separation



Source: Oracle, Balances >.25 per Department as of October 2014

The commissioner of human resources and the Department of Law should review records for at least the last two years to determine the non-exempt former employees who should have been paid compensatory time balances upon separation and pay them the amounts due. The commissioner of human resources and the chief financial officer should create procedures to ensure that non-exempt separating employees receive any compensatory time they are due.

The city was noncompliant with FLSA compensatory accrual limits. As of October 21, 2014, 13 employees had compensatory time accrual balances above the legal limits set by the FLSA and city code. We identified 11 non-exempt regular employees who had compensatory time accrual balances above the limit of 240 hours, and 2 non-exempt employees engaged in public safety activities who had compensatory time accrual balances over the applicable federal

limit of 480 hours. FLSA allows public employers to grant compensatory time in lieu of overtime, but limits the amount of compensatory time that each employee can accrue, with a higher limit for public safety employees. Once the employee reaches the limit, the city must pay overtime for additional hours worked.

Consistent with FLSA, city code sets maximum compensatory time accrual at 160 hours for all employees. Law department staff confirmed that the intent of the city code limit is to equal the federal limit for regular non-exempt employees because 160 hours at time-and-a-half equals 240 (e.g., $160 + 80 = 240$). Under FLSA, an employer may set a more restrictive compensatory time accrual limit, and therefore public safety, emergency response, and seasonal activity employees may be limited to accruing 240 hours of compensatory time instead of the higher limits allowed by federal law. We identified 53 exempt employees who had accrued over 160 hours of compensatory time; FLSA does not require these hours to be paid, but they are above the accrual limits set by city code.

Lead timekeepers told us in seven of the 19 interviews that they or finance employees adjust accrual totals only on an annual basis or that they do not monitor compensatory time limits at all. Finance employees told us that, as of 2013, they no longer enforce accrual limits annually.

The commissioner of human resources should request changes to city code to clarify compensatory time accrual limits for exempt and non-exempt employees. The commissioner of human resources and the chief information officer should also monitor and enforce the compensatory time accrual limits set in city code.

Manual Processes Reduce Accuracy of Timekeeping Records and Increase Potential Liability

City staff corrects payroll records in the financial system without also correcting timesheet records, potentially increasing the city's liability for unpaid time. Departments requested about 6,900 adjustments to time and leave for the first 19 pay periods in 2014 on manual change sheets. About 27% of the adjustments related to an employee having earned overtime or compensatory time in the current or a previous pay period; some of these changes likely compensated employees for time that still shows in the timekeeping system as unpaid overtime. Another 26% of the requested

adjustments affected pay in the current pay period without enough description for us to determine the reason for the change.

Most of the adjustments timekeepers submitted to payroll originated in errors or omissions in timekeeping records. Delays in employees or supervisors accounting for missing time clock entries and for extra time contribute to the need for corrections after payroll closes. Planned upgrades to the timekeeping system will allow employees to input leave slips directly into the system, which should help to reduce the number of adjustment requests and improve data accuracy. The Department of Human Resources should also provide guidance to departments on holding employees and supervisors accountable for recording and approving time promptly and accurately. In addition, the commissioner of human resources and the chief information officer should assess the feasibility of adding to the Kronos and Oracle systems a method to insert changes to employees' time made directly in Oracle into Kronos in the pay period in which the correction applies.

Lead timekeepers in nine departments expressed concern about employee theft of time, telling us that employees have vandalized biometric clocks, unplugged time clocks, and punched the clock for other employees. Lead timekeepers told us their departments handle these violations on a case-by-case basis, primarily without input from human resources. Best practices for mitigating risk of employee theft of time include use of biometric time clocks, requiring staff to certify the accuracy of their time sheets and sanctions for fraudulent recording, requiring timekeepers or supervisors to be physically located within the office they serve, implementing a zero-tolerance theft of time policy, and educating employees about theft of time.

The Kronos upgrade team should assess the feasibility of replacing the time entry method with biometric clocks in all departments. Departments should also install security cameras in areas where employees have vandalized time clocks.

Hardcopy Records Limit Data Reliability

Manual corrections to payroll records in the city's financial system are not transferred to the timekeeping system, reducing the accuracy of individual timesheet records and potentially increasing the city's liability. Timekeepers submit hardcopy requests each pay period for finance employees to adjust payroll in the city's financial system prior to cutting paychecks. The interface from the payroll system to the timekeeping system updates demographic information

and employee leave balances, but does not correct individual timesheet entries. Departments submitted requests for more than 6,900 manual adjustments to payroll for the first 19 pay periods of 2014. About 27% of the changes related to an employee having earned overtime or compensatory time in the current or previous pay period; some of these changes likely compensated employees for time that still shows in the timekeeping system as unpaid.

Most of the corrections related to how timekeepers coded hours in the system. Lead timekeepers told us that their departments use manual forms to document authorization for leave, overtime, and compensatory time. Delays in employees or supervisors returning the forms to account for missing time clock entries and for extra time contribute to the need for corrections after payroll closes. About 26% of the changes requested affected pay in the current pay period without enough description for us to categorize the reason for the change, which could make it difficult to trace the change to individual timesheet entries to demonstrate compliance with FLSA.

Departments requested a median of 302 payroll adjustments each pay period from January through September 2014. Timekeepers submit hardcopy change sheets for finance staff to adjust payroll in the financial system prior to cutting paychecks. We analyzed change sheets submitted by all city departments for pay periods ending January 15, 2014, through September 24, 2014. Departments recorded 7,691 entries on manual change sheets over the period with 6,884 affecting an employee's pay or leave (see Exhibit 10). The median number of adjustments affecting pay or leave per pay period was 302, with a minimum of 224 and a maximum of 889.

Departments use slightly different change sheet forms and fill them out inconsistently. Generally, these forms include employee identification number, name, class title, activity code, activity/comment, and effective date, but do not provide standard categories describing the reason for the adjustment. We categorized the reasons for adjustments on the change sheets we reviewed. The largest single category was "Pay Hours Other," which we used to identify changes that affected an employee's pay during the current pay period. Based on our review, 64% of all entries within the "Pay Hours Other" category were changes without enough information to document a reason. Without more information about the reason for the correction, it is difficult to tell whether it affects FLSA compliance. The second largest subset in the pay hours other category (15%) related to second assignments, and summer interns accounted for almost 9% of the pay hours other category.

Exhibit 10 Change Sheet Entries Sent to Payroll by Departments, Pay Periods Ending January through September 2014

Changes to Leave or Pay	Number of Entries	Percent
Pay Hours Other (impacts pay)	1,786	23%
Correction to Leave Type for Prior Pay Period	1,133	15%
Earned Overtime Previous Period	670	9%
Earned Compensatory Time Current Period	534	7%
Pay Out at Separation	464	6%
Earned Overtime Current Period	413	5%
Correction to Compensation for Prior Pay Period	411	5%
Pay Hours New Hire	382	5%
Earned Compensatory Time Previous Period	233	3%
Charge Leave for Current Pay Period (vacation or sick)	229	3%
Pay Donated Leave, Pay Shared Leave, Pay Advanced Sick Leave	187	2%
Holiday Hours Misapplied in Previous Pay Period	164	2%
Early payroll close-out	151	2%
Charge Compensatory Time for Current Pay Period	40	> 1%
Pay Holiday Hours in Current Period	32	> 0.5%
Retroactive Pay for Rate Changes	17	> 0.5%
Adjust Donated Leave, Adjust Shared Leave, Advanced Sick Leave	16	> 0.5%
Military Leave Pay Hours	8	> 0.5%
Other	8	> 0.5%
Administrative Leave Pay Hours	6	> 0.5%
Total	6,884	90%

No Changes to Leave or Pay	Number of Entries	Percent
Notification	554	7%
No Changes	253	3%
Total	807	10%
Grand Total	7,691	100%

Source: Auditor's analysis of change sheets collected from payroll for pay periods ending 1/15/2014 through 9/24/2014.

Payroll corrections do not update individual timesheet records that are required for FLSA compliance. The interface from the payroll system to the timekeeping system updates demographic information and employee leave balances, but does not correct individual timesheet entries. FLSA requires employers to keep records including the hours worked each day and the total hours worked each workweek. The payroll system uploads from the timekeeping system the number of hours earned by day for each pay period, but manual adjustments may not be traceable to particular days or workweeks. Although the Oracle payroll system is the city's system of record, the timekeeping system records the transactions that are necessary to demonstrate FLSA compliance. Failing to correct timekeeping records increases the city's potential liability. More than 1,800 payroll adjustments over the period we reviewed

related to an employee having earned overtime or compensatory time in the current or a previous pay period. Some of these changes likely compensated employees for time that still shows in the timekeeping system as unpaid overtime. Without information about the days on which employees earned the overtime hours, which departments did not record on change sheets, it could be difficult for the city to demonstrate FLSA compliance.

We recommend that the commissioner of human resources and the chief information officer assess the feasibility of adding to the Kronos and Oracle systems a method to insert changes to employees' time made directly in Oracle into Kronos in the pay period in which the correction applies.

Types of payroll adjustments call into question the accuracy of timekeeping data. Our analysis of change sheet entries found that 85% related to timekeeping codes and could have been resolved in the timekeeping system. Timekeepers must ensure timecards are complete and accurate and all change sheets are submitted before finance staff begins processing payroll — usually two business days after the period closes. Lead timekeepers told us that their departments use manual forms to document authorization for leave, overtime, and compensatory time. Delays in employees submitting or supervisors returning the forms to account for missing time clock entries and for extra time contribute to the need for corrections after payroll closes. In addition, some timekeepers are responsible for reviewing and approving time cards for a large number of employees. For example, one timekeeper in public works is responsible for approving timecards for 160 employees at two field sites. The Department of Watershed Management has 35 timekeepers and three payroll specialists who are responsible for approving time cards for about 1,500 employees.

Planned upgrades to the timekeeping system will allow employees to input leave slips directly into the system, which should help to reduce the number of adjustment requests and improve data accuracy. The Department of Human Resources should also provide guidance to departments on holding employees and supervisors accountable for recording and approving time promptly and accurately.

Seven departments account for the majority of timesheet adjustments. Timekeepers from large departments account for 80% of all submitted change sheet entries from January through September 2014 (see Exhibit 11).

Exhibit 11 Change Sheet Entries by Department, Pay Periods Ending January through September 2014

Department	Number of Entries	Percent	Entries Per 100 Full-Time Employees
Police	1,210	16%	51.1
Fire Rescue	1,059	14%	102.6
Parks, Recreation and Cultural Affairs	992	13%	226.0
Public Works	763	10%	99.3
Watershed Management	755	10%	53.3
Executive Offices	707	9%	232.6
Corrections	634	8%	203.2
Aviation	316	4%	59.6
Human Resources	308	4%	248.4
Judicial Agencies	190	2%	101.6
Planning and Community Development	182	2%	102.8
Law	155	2%	206.7
Finance	146	2%	115.9
Information Technology	97	1%	105.4
Atlanta Citizens Review Board	72	1%	1,200.0
City Council	52	1%	54.7
Procurement	32	0%	88.9
City Auditor's Office	20	0%	153.8
Ethics Office	1	0%	33.3
Total	7,691	100%	

Source: Auditor's analysis of change sheets collected from payroll for pay periods ending 1/15/2014 through 9/24/2014. Number of Full-Time Employees represents Kronos users as of 9/9/2014.

Notifications that do not require payroll action accounted for 7% of the change sheet entries. In addition to adjustments to leave or pay, departments used change sheets to notify payroll staff of various employee statuses, such as new hires, resignations, suspensions, or when employees are on military or family medical leave. These notifications are related to human resources, and do not require payroll action. These entries add noise to a time-constrained process and appear to be an ineffective method of communication. The Department of Corrections had the highest number of notifications.

Seven departments manually calculate shift differentials each pay period. A shift differential is a premium rate paid to employees to work undesirable shifts, such as late night or early morning shifts. Corrections, police, watershed management, aviation, public works, information technology and the municipal courts use shift

differentials to encourage employees to work those shifts. Typically used by departments with operations that occur on a 24-hour basis, different pay rates apply to the various shifts. Timekeepers record hours worked within each pay rate and send this information to payroll on forms that are separate from the change sheets. Payroll employees enter the hours and rates into the city's financial system.

Although this manual recordkeeping does not violate federal or city code, it increases the workload of timekeeping and payroll staff and increases the potential for error. The proposed upgrades to the city's timekeeping system should calculate shift differentials for affected employees.

Weak Controls and Enforcement Increase Theft of Time Risk

Lead timekeepers in nine departments expressed concern about theft of time alleging that employees have vandalized biometric clocks, unplugged time clocks, and punched the clock for other employees (see Exhibit 12). Lead timekeepers told us that their departments handled the violations on a case-by-case basis. Controlling time entry through use of biometrics is a strong preventive control for ensuring the integrity of timekeeping data and mitigating risk of employee theft of time. Other best practices include requiring staff to certify the accuracy of their time sheets and sanctions for fraudulent recording, requiring timekeepers or supervisors to be physically located within the office they serve, and implementing a zero-tolerance theft policy and educating employees about theft of time. The Department of Human Resources' draft time and attendance policies describe the consequences of theft of time as disciplinary action up to and including dismissal.

The Department of Human Resources has recommended the implementation of biometric clocks. These time clocks require a finger scan along with the card swipe or number punch in order to record the time stamp, which reduces the likelihood of "buddy punching." As of September 2014, 29% of the city's non-exempt employees were required to clock-in using a biometric clock.

Some employees have allegedly vandalized timekeeping clocks. For example, according to lead timekeepers, the Department of Watershed Management experienced multiple instances of vandalism to a biometric time clock. The department repaired the initial vandalism, but management removed the biometric control of the time clock after the second defacing. Management's decision to disregard the biometric controls on the time clock weakened control and increased risk of inaccurate time reporting and theft of time.

Exhibit 12 Theft of Time Violations According to Department

ISSUE	DEPARTMENTS								
	Watershed Management	Public Works	Information Technology	Parks, Recreation and Cultural Affairs	Planning & Community Development	Fire Rescue	City Council	Procurement	Executive Offices
Buddy Punching	X	X		X					
Incomplete Shifts		X	X		X		X	X	
Time clock Vandalism/Unplugging	X			X					
Wrong Location Clocking	X	X							
Missing Timestamp Due To Tardiness	X		X						
Non-Exempt Exception Reporting						X			X
Total	4	3	2	2	1	1	1	1	1

Source: Timekeeping Interviews collected from September 2014 through January 2015.

The city should consider the feasibility of replacing the time entry method with biometric clocks in all departments. Departments should install security cameras in areas where employees have vandalized time clocks.

Recommendations

In order to ensure compliance with FLSA, the commissioner of human resources and the Department of Law should review records for at least the last two years to identify and compensate:

1. current and former non-exempt employees who were not paid all owed overtime hours
2. current and former non-exempt employees who were paid overtime at the incorrect rate
3. current and former non-exempt employees whose compensatory time was recorded at straight time instead of time-and-a-half
4. former non-exempt employees who should have been paid compensatory time balances upon separation

To strengthen time and attendance management controls in the city's timekeeping software application, the commissioner of human resources and the chief information officer should:

5. Strengthen system controls in the timekeeping upgrade by:
 - discontinuing the practice of coding hours on the clock as unapproved extra time
 - preventing coding compensatory time for non-exempt employees as straight time, except in cases where sworn police and corrections employees are granted compensatory time for hours worked between 161 and 171 in a 28-day period
 - flagging compensatory time accrual limits in the timekeeping system and the payroll system
 - converting the time entry method for non-exempt employees to biometric clocks within all departments
6. Assess the feasibility of adding to the Oracle-Kronos interface the capability to insert changes to employees' time made directly in Oracle into Kronos in the pay period in which the correction applies.
7. Install security cameras in areas where clock vandalism has occurred.

To ensure the city has consistent practices for time and attendance:

8. The commissioner of human resources and chief financial officer should finalize and communicate policies and procedures that:
 - Ensure compliance with FLSA and city code
 - Provide guidance to departments on addressing unapproved overtime through progressive discipline
 - Monitor and enforce the compensatory time accrual limit set within the city code
 - Ensure separating employees receive payment for all accrued compensatory hours
9. The commissioner of human resources should request changes to the city code to clarify compensatory time accrual limits for exempt and non-exempt employees.
10. The commissioner of human resources should establish training classes that address FLSA requirements for department managers, supervisors, and timekeepers with the responsibility for entering, modifying, or approving time codes in the timekeeping system.
11. The commissioner of human resources should provide guidance to departments about employee and supervisor accountability for documenting and approving time promptly and accurately.

Appendices

Management Response to Audit Recommendations

Report # 14.05	Report Title: Timekeeping	Date: 04/14/15
Recommendation Responses – Human Resources Commissioner		
Rec. #1	The commissioner of human resources and the Department of Law should review records for at least the last two years to identify and compensate current and former non-exempt employees who were not paid all owed overtime hours.	Agree
	<p><u>Proposed Action:</u> The commissioner of human resources will work with the Department of Law and the appropriate Operating departments to review all available records for the past two years to determine if in fact current and former non-exempt employees were paid earned overtime hours correctly and in the instance where current and former non-exempt employees were paid incorrectly then any owed compensation will be paid.</p> <p><u>Implementation Timeframe:</u> June 2015 – September 2015</p> <p><u>Responsible Person:</u> Commissioner Yvonne Yancy and Deputy City Attorney Karen Thomas</p>	
Rec. #2	The commissioner of human resources and the Department of Law should review records for at least the last two years to identify and compensate current and former non-exempt employees who were paid overtime at the incorrect rate.	Agree
	<p><u>Proposed Action:</u> The commissioner of human resources will work with the Department of Law and the appropriate Operating departments to review all available records for the past two years to determine if in fact current and former non-exempt employees were paid earned overtime at the correct rate and in the instance where current and former non-exempt employees were paid incorrectly then any owed compensation will be paid.</p> <p><u>Implementation Timeframe:</u> June 2015 – September 2015</p> <p><u>Responsible Person:</u> Commissioner Yvonne Yancy and Deputy City Attorney Karen Thomas</p>	
Rec. #3	The commissioner of human resources and the Department of Law should review records for at least the last two years to identify and compensate current and former non-exempt employees whose compensatory time was recorded at straight time instead of time-and-a-half.	Agree
	<p><u>Proposed Action:</u> The commissioner of human resources will work with the Department of Law and the appropriate Operating departments to review all available records for the past two years to determine if in fact current and former non-exempt employees were paid earned compensatory time at the correct rate and in the instance where current and former non-exempt employees were paid incorrectly then any owed compensation will be paid.</p> <p><u>Implementation Timeframe:</u> June 2015 – September 2015</p> <p><u>Responsible Person:</u> Commissioner Yvonne Yancy and Deputy City Attorney Karen Thomas</p>	

Rec. #4	The commissioner of human resources and the Department of Law should review records for at least the last two years to identify and compensate former non-exempt employees who should have been paid compensatory time balances upon separation.	Agree						
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<u>Implementation Timeframe:</u>	June 2015 – September 2015							
<u>Responsible Person:</u>	Commissioner Yvonne Yancy and Deputy City Attorney Karen Thomas							
Rec. #5	<p>The commissioner of human resources and the chief information officer should strengthen system controls in the timekeeping system upgrade by:</p> <ul style="list-style-type: none"> • discontinuing the practice of coding hours on the clock as unapproved extra time • preventing coding compensatory time for non-exempt employees as straight time, except in cases where sworn police and corrections employees are granted compensatory time for hours worked between 161 and 171 in a 28-day period • flagging compensatory time accrual limits in the timekeeping system and the payroll system • converting the time entry method for non-exempt employees to biometric clocks within all departments 	Agree						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"><u>Proposed Action:</u></td> <td>The commissioner of human resources will work with the CIO to ensure the time keeping system is updated to reflect all appropriate time keeping codes, prohibits entry of unapproved time, and includes the appropriate caps for all time categories. Additionally working with the Operating departments we make recommendations about the most appropriate time clocks based on then work performed by the employees across the various departments.</td> </tr> <tr> <td><u>Implementation Timeframe:</u></td> <td>April 2015 – September 2015</td> </tr> <tr> <td><u>Responsible Person:</u></td> <td>Commissioner Yvonne Yancy and CIO Samir Saini</td> </tr> </table>			<u>Proposed Action:</u>	The commissioner of human resources will work with the CIO to ensure the time keeping system is updated to reflect all appropriate time keeping codes, prohibits entry of unapproved time, and includes the appropriate caps for all time categories. Additionally working with the Operating departments we make recommendations about the most appropriate time clocks based on then work performed by the employees across the various departments.	<u>Implementation Timeframe:</u>	April 2015 – September 2015	<u>Responsible Person:</u>	Commissioner Yvonne Yancy and CIO Samir Saini
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<u>Implementation Timeframe:</u>	April 2015 – September 2015							
<u>Responsible Person:</u>	Commissioner Yvonne Yancy and CIO Samir Saini							
Rec. #6	The commissioner of human resources and the chief information officer should assess the feasibility of adding to the Oracle-Kronos interface the capability to insert changes to employees' time made directly in Oracle into Kronos in the pay period in which the correction applies.	Agree						
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Rec. #7	The commissioner of human resources and the chief information officer should identify locations where clock vandalism has occurred and install security cameras in those areas.	Agree						
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Rec. #8	<p>The commissioner of human resources and the chief financial officer should finalize and communicate policies and procedures that:</p> <ul style="list-style-type: none"> • Ensure compliance with FLSA and city code • Provide guidance to departments on addressing unapproved overtime through progressive discipline • Monitor and enforce the compensatory time accrual limit set within the city code • Ensure separating employees receive payment for all accrued compensatory hours 	Agree						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"><u>Proposed Action:</u></td> <td>The policy for the items listed above is complete and will be distributed with the launch of the time keeping upgrade in April 2015. The responsibility for monitoring compensatory time and all other time accruals resides within the Finance Department. Additionally payroll is a Finance responsibility, as such ensuring payment of earned compensatory time should be managed by the Finance Department.</td> </tr> <tr> <td><u>Implementation Timeframe:</u></td> <td>April 2015</td> </tr> <tr> <td><u>Responsible Person:</u></td> <td>Commissioner Yvonne Yancy (Policy Only) and CFO Jim Beard (Monitor Accruals and Payment)</td> </tr> </table>			<u>Proposed Action:</u>	The policy for the items listed above is complete and will be distributed with the launch of the time keeping upgrade in April 2015. The responsibility for monitoring compensatory time and all other time accruals resides within the Finance Department. Additionally payroll is a Finance responsibility, as such ensuring payment of earned compensatory time should be managed by the Finance Department.	<u>Implementation Timeframe:</u>	April 2015	<u>Responsible Person:</u>	Commissioner Yvonne Yancy (Policy Only) and CFO Jim Beard (Monitor Accruals and Payment)
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<u>Responsible Person:</u>	Commissioner Yvonne Yancy (Policy Only) and CFO Jim Beard (Monitor Accruals and Payment)							
Rec. #9	The commissioner of human resources should request changes to the city code to clarify compensatory time accrual limits for exempt and non-exempt employees.	Agree						
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;"><u>Proposed Action:</u></td> <td>A legislative remedy to the current code language will be presented to City Council for their consideration.</td> </tr> <tr> <td><u>Implementation Timeframe:</u></td> <td>July 2015</td> </tr> <tr> <td><u>Responsible Person:</u></td> <td>Commissioner Yvonne Yancy</td> </tr> </table>			<u>Proposed Action:</u>	A legislative remedy to the current code language will be presented to City Council for their consideration.	<u>Implementation Timeframe:</u>	July 2015	<u>Responsible Person:</u>	Commissioner Yvonne Yancy
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Rec. #10	The commissioner of human resources should establish training classes that address FLSA requirements for department managers, supervisors, and timekeepers with the responsibility for entering, modifying, or approving time codes in the timekeeping system.	Agree
<p><u>Proposed Action:</u></p> <p><u>Implementation Timeframe:</u></p> <p><u>Responsible Person:</u></p>	<p>Training classes on this topic already exist and training has been provided across multiple operating departments. Refresher training will take place with the pending upgrade to the time keeping system along with the updated policy roll out.</p> <p>In place currently – Refresher Training will take place April 2015 – July 2015</p> <p>Commissioner Yvonne Yancy</p>	
Rec. #11	The commissioner of human resources should provide guidance to departments about employee and supervisor accountability for documenting and approving time promptly and accurately.	Agree
<p><u>Proposed Action:</u></p> <p><u>Implementation Timeframe:</u></p> <p><u>Responsible Person:</u></p>	<p>The Department of Human Resources currently provides guidance to all Operating departments about employee and supervisor accountability for documenting and approving time promptly and accurately. It is up to the departments to then in fact document and hold their employees accountable.</p> <p>In place currently</p> <p>Commissioner Yvonne Yancy (Policy only)</p>	