



POLICE KRONOS IMPLEMENTATION FOLLOW-UP (A2022-02F)

ISSUED OCTOBER 2024

Office of Internal Audit

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ORIGINAL REPORT HIGHLIGHTS

Police Kronos Implementation (A2022-02)

Original Report Issued:
January 2024

Objective: To determine if payroll processes and associated internal controls were adequate to ensure Police Department personnel were paid accurately.

Scope:

- Included Police Department payroll records for six regular pay periods and three Fair Labor Standards Act (FLSA) processing periods occurring from January to July 2023;
- Included a mix of 55 exempt, non-exempt, sworn, and non-sworn staff members; and
- Included a review of the total leave types and hours worked but did not include manual calculation to verify amounts paid to employees.

Background

- Kronos, an electronic timekeeping system, was implemented for the Police Department in 2020.
- Prior to the Police Department Kronos implementation, employees' hours worked and leave taken were entered manually into JD Edwards, the City's financial system, from paper timecards.

Highlights:

- The implementation of Kronos brought about significant change in the payroll process including moving from a cumbersome paper timekeeping process to an electronic process requiring less manual manipulation.
- Written payroll procedures which reflected current processes were not in place.
- The City of Fayetteville Employee Relations Policy/Procedure Manual and the Human Resource Development Benefits Manual required employees to use accrued discretionary time off in a designated cascade order.

Figure 1: Required Time Off Cascade Order



- Supervisors were not using the 'Time Off' pay code when entering or updating time off on behalf of employees. This caused the cascade order for use of leave time to be circumvented.

CONCLUSION

Based on the audit work performed, the Office of Internal Audit concluded employees were paid the correct number of hours worked. However, an opportunity exists within the Police Department for the establishment of standard operating policies and procedures regarding the processing of payroll.

WHY THIS MATTERS

Without written payroll policies, institutional knowledge could be lost over time and the risk of payroll inconsistencies and errors increases.

Police Kronos Implementation Follow-Up (A2022-02F)



The Office of Internal Audit has completed follow-up on the Police Kronos Implementation Performance Audit approved by the Audit Committee on January 25, 2024.

Objective and Scope

Determine whether management implemented corrective actions to the audit recommendations reported by the Office of Internal Audit.

The scope of the follow-up audit was limited to the findings and accepted recommendations in the original audit of Police Kronos Implementation. This included a review of departmental policies and procedures.

Background

The original audit report, dated January 25, 2024, had two agreed upon recommendations. The audit provided management with recommendations to establish written operating procedures to include:

1. Procedures for the Personnel Technician position to include specific direction on the processing of payroll within the Kronos system. The procedures were to contain detailed instructions to enable an alternate employee to perform the payroll processes.
2. The proper way for supervisors to enter and update leave in the Kronos system on behalf of the employees to allow the system to apply the correct cascade order.

Summary Results

2 recommendations were agreed upon in January of 2024

Testing included an evaluation of the agreed upon recommendations to determine if corrective actions were implemented as reported. The Department implemented two recommendations by:

- Establishing written policies and procedures for the Personnel Technician position; and
- Providing direction on the proper way for supervisors to enter and update leave in the Kronos system.

The Office of Internal Audit has concluded the Police Kronos Implementation Follow-up Audit and expresses appreciation for the assistance provided by Department staff.



**FULLY
IMPLEMENTED**

2



**PARTIALLY
IMPLEMENTED**

0



**NOT
IMPLEMENTED**

0

Finding 1 –Discretionary time off did not always follow the cascade order required by City policy.

Recommendation 1.1	The Police Department management should establish written operating procedures for the Personnel Technician position to include specific directions on the processing of payroll within the Kronos system. The procedures should contain detailed instructions to enable an alternate employee to perform payroll processes.
CURRENT OBSERVATION	The Department established a manual for the Personnel Technician position which included specific direction for the processing of payroll within the Kronos system.
DETERMINED STATUS	IMPLEMENTED
Recommendation 1.2	The Police Department management should establish written operating procedures to detail the proper way for supervisors to enter and update leave in the Kronos system on behalf of the employees to allow the system to apply the correct cascade order.
CURRENT OBSERVATION	The Department provided a PowerPoint which contained detailed instructions surrounding operations in the Kronos system. One slide specifically addressed the proper way for supervisors to enter and update leave in the Kronos system on behalf of employees.
DETERMINED STATUS	IMPLEMENTED