



Date: 11/21/2017

Scope: The County Auditor's office reviewed payroll for all employees at the Emergency Management Office for the payroll dates of January 1st, 2016 through September 7th 2017 at the request of the County Administrator's office following the receipt of a compliant from an external organization, that a County employee was doing work for them while also on County payroll.

Objectives: The objective of this audit was to review internal controls of the Emergency Management Office and to ensure compliance with policies and procedures. This audit addressed the following related questions:

- Are proper controls in place over payroll reporting?
- Are time sheets approved?
- Are time sheets accurate?
- Are the hours worked by each employee substantiated by documentation or other means of verification?

Report:

The Emergency Management Office records hours worked by an employee using the standard Wayne County Time and Attendance Record. This paper attendance record is produced by the employee and then certified with the employee's signature. It is then reviewed by the employee's supervisor for accuracy and signed by the supervisor.

An employee must carry their individual county issued ID badge to enter the workplace, and other various areas within the Wayne County Public Safety building. This badge records each swipe in a database that can be accessed by the IT department. We asked IT to provide us with records regarding each of the employee's ID badge swipes on days that they recorded hours worked. While this practice gave us a general idea of the time of arrival for an employee, ID badge swipes are not required of an employee leaving the office for the evening. Therefore this practice does not give us an exact amount of hours worked by each employee to compare to their Time and Attendance Record, but it gave us a general idea of whether the employee can be proven to be in office on a day that hours were recorded. This audit practice does not account for instances such as an employee entering the office with another employee therefore not using their own badge, trainings attended that would not produce a swipe, etc.

The IT department provided records of ID badge swipes for each employee for the scope of the audit. We reviewed the Time and Attendance Record for each employee and compared it to the ID badge swipes to see if there is a swipe for each day the employee stated they were present for work. Below is a table that shows the number of days that employees at the Emergency Management Office stated that they worked, but there were no swipes for that employee's ID badge on those days.

	Number of days that hours were claimed to be worked, but the employee no ID badge swipes		
	2016	2017	Total
Employee A	28	23	51
Employee B	39	27	66
Employee C	3	4	7
Employee D	8	3	11
Employee E	21	14	35

There are on average 260 working days in a calendar year.

We discussed with IT the possibility of verifying hours worked by each employee by using computer log on information. IT stated that this information is not currently easily reported through their system; therefore we could not obtain this information to use as another form of verification for the department's attendance. During our audit we learned that two hourly employees of this department do have remote access privileges, which allow them to log in and use their County computer from anywhere. Currently there is not a county policy in place regarding which employees can be granted remote access. The absence of a county policy could allow for hourly employees to have remote access therefore allowing them to work from home and earn overtime without approval.

As another alternative method of verifying days worked by each employee the County Auditor's office reviewed mileage reports of each employee, for days when an employee may have been out of the office traveling for a meeting or conference. During the review of mileage reports it was observed that on 5/10/2016, 5/13/2016, and 8/31/16, one employee requested mileage reimbursements totaling \$12.96. For those days the employees time sheet reflects that they sick, leave, or comp time for the whole day, and no card swipes into the building were recorded. The supervisor and the employee signed off on both the time and attendance records and the request for mileage reimbursement stating they were true and accurate. Some concerns about inconsistencies with the same employees 2017 mileage report where noted and discussed with management.

During our review of time sheets we did notice that an employee was allowed earn 10.50 hours of comp time while working on a holiday. Our review of the CSEA General Unit Employee's contract found that this practice was inconsistent with the terms of the contract regarding working on holidays, after consulting with the County HR Director and County Attorney for interpretation of the contract language. Department heads are not authorized to create exceptions to contract terms that benefit the employee or the county.

After reviewing all documentation we were not able to substantiate the original claim made by the external organization.

Recommendations:

- 1.) The County Attorney and County Administrator should review the incident involving an employee requesting reimbursement for mileage on a day that they used sick, leave, or comp time and were not present in the office.
- 2.) The Emergency Management Office should review and develop procedures and policies that ensure Time and Attendance records and expense reports accurately reflect hour's worked and actual expenditures of each employee.
- 3.) The Board of Supervisors and County Administrator should create and implement a policy regarding which employees may have remote access allowing them to work out of the office.
- 4.) The County Administrator should ensure that the Director of Emergency Management fully understand the terms and conditions of Union Contracts that govern employees of his department.
- 5.) The Board of Supervisors and County Administrator should consider reviewing where time clocks could be implemented in the County to reduce the use of paper timesheets.

Management Response:

In an email from Director of Disaster Preparedness Bastedo on 12/15/17 he stated the following:

I have the following responses to the payroll audit draft:

1. Based on your verbal presentation of this document on December 6, 2018, I concur with your observation made at that meeting that the number of missing ID badge swipes was not unreasonable based on the fact that employees are not required to swipe in.
2. I have investigated the incident regarding mileage reimbursements and have determined that these purchases were actually made by another employee who did not put in a claim mileage. The employee that mistakenly claimed mileage will reimburse the county on 12/18/2017 and will have a letter placed in their personnel file regarding this error and the importance of submitting accurate reimbursement requests.
3. The Emergency Management Office is in the process of updating procedures and policies to ensure Time and Attendance records and expense reports accurately reflect hour's worked and actual expenditures of each employee.
4. The to-be-created remote access policy should include provisions for emergency response personnel, such as employees of the Emergency Management Office to have remote access allowing them to work out of the office when required.
5. I have reviewed the Union Contracts that govern this department and now understand the terms and conditions as they apply to holiday pay.
6. Because employees of Emergency Management often teach in the field, outside of normal working hours, the logistics involving the use of a time clock could prove challenging to this department.
7. I was confident that the original claim made by an external organization would be found without merit and am pleased that your findings concur.

Thank you for the opportunity to respond to your report.

Patrick Schmitt, CFE
County Auditor