

**BOARD OF SUPERVISORS RESPONSE TO
CONTRA COSTA COUNTY GRAND JURY REPORT 1511:**

County Timekeeping Practices

FINDINGS

- F1. County employees record their time on timesheets or timecards.

Response: The respondent agrees with the finding. County employee timesheets may be paper or electronic.

- F2. County employees and their supervisor or manager are not required to attest to the accuracy of their timesheets or time cards.

Response: The respondent partially disagrees with the finding. County employees and their supervisor or manager are required to sign their timesheets or time cards attesting to the accuracy of their submittals. Additionally, there are processes in place to verify many of the items recorded on an employee's timesheet or timecard, such as accrual usage that exceed an employee's balance and posting overtime, holiday, flexible pay, and compensatory time off if the employee's classification is ineligible to receive those pays. Presently, the Office of the Auditor-Controller and Department of Information Technology are working to expand the validation of timekeeping records prior to importing those records into the Payroll System so that ineligible pay items are rejected and reported for further review by departmental and central payroll staff.

- F3. The County has not implemented a method to verify the accuracy of timesheets and timecards.

Response: The respondent disagrees with the finding. County Auditor-Controller payroll staff spend a significant number of hours each pay period to verify many of the items recorded on an employee's timesheet or timecard, such as accrual usage that exceed an employee's balance and posting overtime, holiday, flexible pay, and compensatory time off if the employee's classification is ineligible to receive those pays. Presently, the Office of the Auditor-Controller and Department of Information Technology are working to expand the validation of timekeeping records prior to importing those records into the Payroll System so that ineligible pay items are rejected and reported for further review by departmental and central payroll staff.

- F4. Pay clerks sometimes enter inaccurate pay codes due to misunderstandings, lack of training, and lack of department-specific codified procedures.

Response: The respondent agrees with the finding.

- F5. In March of 2014, County departments were directed to maintain employees' schedules in the County-developed Time Schedule Collection Website.

Response: The respondent agrees with the finding.

F6. Currently, only 4,723 (56.7%) of the 8,326 employees have schedules in the Time Schedule Collection Website.

Response: The respondent agrees with the finding, as of May 2015.

F7. The County encounters difficulty in tracking and recording appropriate time and pay codes due to the complexity of its timekeeping structure.

Response: The respondent agrees with the finding.

F8. The County does not have its own whistleblower policy or procedures in place for employees to report suspected timekeeping fraud.

Response: The respondent partially disagrees with the finding. Although the County does not have a formal whistleblower policy in place, procedures exist for employees to report suspected timekeeping fraud.

F9. Deficiencies in timekeeping practices are not systematically identified and corrected because operational audits do not include timekeeping practices and payroll queries are not sufficiently comprehensive to identify all deficiencies.

Response: The respondent partially disagrees with the finding. See response to Finding F3.

F10. The County has a semi-monthly pay cycle for hourly employees and has created what amounts to a semi-monthly pay cycle for salaried employees by allowing these employees the option to take up to a one-third advance.

Response: The respondent partially disagrees with the finding. The advance that salaried employees receive is very different from a semi-monthly pay cycle. These employees are still salaried and may opt to take up-to one-third of their base salary as an advance on future pay.

RECOMMENDATIONS

R1. The County should require timesheets or the system of time reporting to include a signed attestation of accuracy from the reporting employee and employees' supervisor or manager.

Response: The recommendation has been implemented. Although the County does require timesheets to include a signed attestation of accuracy from the employee and employees' supervisor or manager, corrections/edits that are made to timesheets by departmental and Auditor-Controller payroll staff are not returned to the employee/supervisor/manager to attest the accuracy of the changes made.

R2. The County should require department supervisors or managers to periodically review attendance and time records to ensure both accuracy and completeness.

Response: The recommendation has been partially implemented. The County continues to pursue technological improvements that will make review of attendance and time records easier.

- R3. The Auditor-Controller's Office should consider codifying timekeeping and pay code procedures for each department, and identifying funds to do so.

Response: The recommendation will not be implemented because it is not warranted. The County has timekeeping and pay code procedures on a Countywide basis that are codified in the County's Memoranda of Understandings and various Board adopted Resolutions. Each department has assigned payroll personnel and funding to implement those timekeeping and pay code procedures.

- R4. The County should make timekeeping and pay code procedures promulgated by the Auditor-Controller's Office, along with associated training, available to all payroll clerks and included in the new employee orientation.

Response: The recommendation will not be implemented as it is not warranted. The Auditor-Controller's Office provides payroll training to departments on an as needed basis. Employees attending the new employee orientation are represented by many different bargaining groups, receive very different pays, and will work in different departments currently utilize different time capture methods. It would be very difficult and confusing to employees to include timekeeping training in such a setting.

- R5. The County should direct all departments to place salaried employees' schedules in the Time Schedule Collection Website as required in the March 6, 2014 bulletin from the office of the Auditor-Controller.

Response: The recommendation has been implemented.

- R6. The Auditor-Controller's Office should explore possible ways to reduce the number of pay codes to a more manageable level.

Response: The recommendation has been implemented. The Auditor-Controller's Office has consistently explored ways to reduce the number of pay codes. As part of normal County operations, the Auditor-Controller's Office is required to provide input on the establishment and necessity of all new, proposed pay codes.

- R7. The County should consider developing whistleblower procedures for employees reporting suspected timekeeping fraud, posting these procedures on the County's intranet, and identifying funds to carry out these activities.

Response: The recommendation will not be implemented because it is not warranted. Employees have a wide-range of opportunities to report suspected timekeeping fraud including reporting their suspicions to the Grand Jury.

- R8. The Auditor-Controller's Office should consider including timekeeping practices in operational audits and recommending corrective action for all timekeeping deficiencies identified and identifying funds to carry out these activities.

Response: The recommendation will not be implemented. The Auditor-Controller's Office conducts legally required audits based on government code. Departmental financial examinations are conducted on a preferred cycle attached to them based on their perceived amount of inherent risk. The Office of the Auditor-Controller does not perform operational audits; however, special audit projects have been conducted upon request by the County Board of Supervisors, County Administrator, and elected and appointed Department Heads.

- R9. The County should adopt a semi-monthly pay cycle for all employees which will eliminate the need for an option to take a monthly advance.

Response: The recommendation will not be implemented. Semi-monthly pay cycles would require the agreement of all of the County's bargaining units. To date, agreement has not been achieved. The County will continue to pursue this option in future bargaining.