



Metropolitan Detention Center – Timekeeping and Scheduling
Internal Audit

September 2014

Bernalillo County Internal Audit Metropolitan Detention Center – Timekeeping and Scheduling

Executive Summary

SUMMARY OF PROCEDURES

REDW performed an internal audit over selected timekeeping and scheduling processes and internal controls at the Bernalillo County Metropolitan Detention Center (MDC). We also determined the status of one prior internal audit observation that MDC had scheduled to resolve by November 2014.

We:

- Obtained an understanding of operational procedures through reading relevant County policies and procedures (P&Ps), reading applicable MDC P&Ps, reading applicable portions of collective bargaining agreements (CBAs) and interviewing various MDC personnel;
- Tested system access to determine if access granted was appropriate based on position or function and access was disabled upon transfer or termination of employment;
- Traced hours, rates, leave requests, and accruals to supporting documentation and determined if approvals were properly obtained to support accurate payments for time worked;
- Determined if leave without pay was properly supported, approved if required and time was coded accurately to TeleStaff;
- Determined if roster changes were appropriate, accurate and completed timely with supporting documentation when required and the employee that made the change had the authority to do so;
- For grievances related to timekeeping, determined if a complete Grievance Form was on file with supporting documentation maintained, and requirements identified in the employee's applicable collective bargaining agreement (CBAs) were completed as required;
- Gained an understanding of scheduling resource allocation and related processes; and,
- Followed up on an outstanding observation to determine if the MDC staffing analysis had been completed.

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

We found areas during the course of the audit where controls were functioning properly and established procedures were followed. Access to timekeeping and scheduling systems was appropriate and user accounts were disabled timely. All employees tested were properly accruing sick and vacation leave in accordance with requirements including accurate deductions for leave taken. Furthermore, employees that made changes to rosters were in supervisory positions and corrected timesheets were submitted when required to support roster changes made.

Significant high and moderate risk observations are presented below:

- ***Time Coding and Documentation***—Employee time was not consistently coded accurately and there was a lack of supporting documentation to verify time worked and that subsequent changes made were accurate. MDC should consider implementing biometric clock in / clock out procedures which will allow MDC to more accurately track employee time.
- ***Shift Exchanges and Payment for Time Worked***—The shift exchange process was not paying employees for their actual time worked. MDC should consider revising the policy to pay and provide benefits to each employee for actual time worked.
- ***Leave Coding and Notification Requirements***—Employees were not consistently notifying MDC timely, or at all, for a leave of absence. Additionally, there were multiple leave with pay coding errors. Sufficient notice should be given for all leave of absences to ensure MDC can properly fill vacancies. MDC should consider monitoring these absences and implementing consequences for employees who repeatedly violate the policy.
- ***Rosters Change Timeliness and Accuracy***—Roster changes were not completed accurately or timely. MDC should implement a process to monitor roster changes and continue to perform periodic audits of roster changes to ensure that changes made are appropriate or consider centralizing the process to strengthen controls.

Lower risk questions are included in the attached detailed report.

* * * * *

Further detail of our purpose, objectives, scope, procedures, observations, and recommendations are included in the internal audit report. In that report, management describes the corrective action taken or planned for each observation.

We received excellent cooperation and assistance from the various departments during the course of our interviews and testing. We sincerely appreciate the courtesy extended to our personnel.

REDW LLC

Albuquerque, New Mexico
March 13, 2015

Bernalillo County Internal Audit Metropolitan Detention Center – Timekeeping and Scheduling

Table of Contents

	<u>Page</u>
INTRODUCTION	1
PURPOSE AND OBJECTIVES	1
SCOPE AND PROCEDURES PERFORMED	2
OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES	4
FOLLOW-UP ON PRIOR-YEAR OBSERVATION	9

Bernalillo County Internal Audit Metropolitan Detention Center – Timekeeping and Scheduling Report

INTRODUCTION

We performed the internal audit services described below solely to assist Bernalillo County in evaluating and testing the internal controls over selected processes for timekeeping and scheduling relating to the Metropolitan Detention Center (MDC). Our services were conducted in accordance with the Consulting Standards issued by the American Institute of Certified Public Accountants, Generally Accepted Government Auditing Standards, and the terms of our contract agreement for internal audit services. Since our procedures were applied to samples of transactions and processes, it is possible that significant issues related to the areas tested may not have been identified.

An entrance conference was held on September 8, 2014, at which time most items needed for the audit were requested and had been received. Fieldwork began the week of September 8, 2014. An exit conference was held on December 15, 2014, and revised management responses were received on March 13, 2015.

Although we have included management's responses in our report, we do not take responsibility for the sufficiency of these responses or the effective implementation of any corrective action.

PURPOSE AND OBJECTIVES

Our internal audit focused on evaluating the timekeeping and scheduling process at the Bernalillo County Metropolitan Detention Center to determine if those processes were in compliance with policies and procedures (P/Ps), applicable portions of collective bargaining agreements (CBAs), and reflected best practices and sound internal controls. We also determined the status of one prior internal audit observation that MDC had scheduled to resolve by November 2014.

SCOPE AND PROCEDURES PERFORMED

In order to gain an understanding of the processes and operations surrounding MDC timekeeping and scheduling functions, we interviewed the following personnel:

- Brenda Archiveque, Fiscal Officer – Load Resource Management (LRM)
- Meaghan Ellsworth, Special Projects Coordinator – LRM
- Phyllis E. Cervantes, Fiscal Officer – LRM
- Virginia T. Chavez, Assistant Chief of Operations – MDC
- Captain Jonathan Thomas – MDC
- Lieutenant Consuelo Martinez, Shift Commander – MDC

In order to understand policies and procedures over MDC timekeeping and scheduling functions, we read relevant portions of:

- TeleStaff procedures July 2014 – Automated Payroll Process through TeleStaff;
- TeleStaff Frequently Asked Questions July 2014;
- Bernalillo County Metropolitan Detention Center Department of Corrections Personnel Policies effective July 15, 2013;
- Bernalillo County Administrative Instruction No. BD 05 – Timekeeping/Adjustments revised November 26, 2010;
- Collective Bargaining Agreements:
 - ◆ AFSCME Council 18, Local 2499, MDC Contract 2009-2010;
 - ◆ AFSCME Local 1461 Blue Collar Contract FY-2015; and
 - ◆ Labor Management Agreement between County of Bernalillo and Bernalillo County Clerical and Technical Employees Local 2260, White Collar.

We performed the following testwork:

System Access Levels: We obtained a listing of MDC employees and excluded all users identified with only “End User Access”. We compared the access levels granted for the remaining 86 employees to the TeleStaff timekeeping and scheduling system and determined if:

- Access granted was appropriate based on the employee’s position or function; and,
- Access was disabled upon transfer or termination of employment.

Time Recording and Accuracy of Pay: We obtained a listing of employees as of August 21, 2014, and selected a stratified statistical random sample of 22 employees which consisted of six employees from operations and 16 from corrections (based on 90% confidence level (CL) and 10% tolerable deviation (TD)). For each employee selected we tested the consecutive pay periods ended August 8, 2014 and August 22, 2014, for a total of 44 timesheets. We requested schedules, timesheets, corrected timesheets, paystubs, support for leave requests, and specialty pay support. We reviewed the documentation to determine if:

- Hours and rate codes on the pay statement agreed to the timesheet and schedule from the TeleStaff system;

- Documented approvals were obtained on the printed timesheet from TeleStaff or other documentation as required;
- Pay rate was supported by a personnel action form;
- Pay calculations were accurate to include all overtime, pay premiums, specialty pay and shift differentials;
- Employees were eligible for overtime paid;
- For any type of leave taken, supporting documentation was on file with required approvals;
- Employee was properly accruing sick and vacation leave in accordance with policies and CBA requirements. Additionally leave balances recalculated properly over two consecutive pay periods, with deductions for leave taken, if applicable; and,
- Shift exchanges were properly approved within TeleStaff and the employee was eligible to participate in the shift exchange program.

We also selected a judgmental sample of five MDC correction employees with overtime coded during the pay periods ended August 8, 2014 and August 22, 2014. We compared the employee's shift start and end times recorded in TeleStaff to camera footage to determine if entry and exit times agreed to what was listed in their time and pay.

Leave Without Pay: We obtained a listing of time coded as leave without pay for the pay periods ended August 8, 2014 and August 22, 2014, and selected a random sample of 22 employees (90% CL and 10% TD) to determine if:

- Leave requests were approved prior to leave being taken; and,
- Leave was correctly coded to the timesheet.

Roster Changes: We obtained a listing of all roster changes made in TeleStaff for the pay periods ending July 26, 2014 and August 8, 2014, and selected a judgmental sample of five changes to determine if:

- Changes made were appropriate and accurate;
- Changes made were timely;
- The employee making the change had the authority to do so; and,
- A corrected timesheet was submitted, if required.

Grievances Related to Scheduling and Pay: We obtained a listing of scheduling related grievances received in the months of July and August 2014 and selected a judgmental sample of five to determine if:

- A complete Grievance Form was on file and supporting documentation was maintained, if applicable;
- Grievance process requirements identified in the employees respective CBA was completed as required; and,
- Leave or pay granted was posted to the employee's leave balance properly.

Monitoring of Resource Allocation: Gained an understanding of scheduling resource allocation and related processes.

Follow-up Procedures: Procedures performed are outlined in the Follow-up section at the end of the report.

OBSERVATIONS, RECOMMENDATIONS AND MANAGEMENT RESPONSES

We found areas during the course of the audit where controls were functioning properly and established procedures were followed. Access to timekeeping and scheduling systems was appropriate and user accounts were disabled timely. All employees tested were properly accruing sick and vacation leave in accordance with requirements including accurate deductions for leave taken. Furthermore, employees that made changes to rosters were in supervisory positions and corrected timesheets were submitted when required to support roster changes made.

We identified the following weaknesses:

1) Time Coding and Documentation

MDC Personnel Policy Recording *Time Worked* states documentation and submission requirements including the employee's responsibility for accuracy of time worked and approval from their supervisor. We identified several issues related to recording time worked:

- a) Two of 44 timesheets tested included time that was not coded accurately. In one instance, a corrected timesheet was subsequently submitted changing the 80 sick hours to 80 regular hours. The 80 sick leave hours were credited back to the employees sick leave balance. We were unable to determine if the employee actually worked the 80 hours. Another instance resulted in an employee being paid overtime instead of regular pay.
- b) One of 44 timesheets tested did not have a timesheet available with documented approvals for the pay period. We were unable to verify if the employee and supervisor agreed to the accuracy of the time paid.
- c) Four of 44 timesheets tested were printed and submitted outside of the five day allowable period for submission to payroll. This could cause discrepancies between time reporting information and pay statements.
- d) One of 44 timesheets tested was not signed by the employee. We were unable to verify that the employee verified or agreed with the time that was paid.
- e) One of 44 timesheets tested did not match time recorded in TeleStaff or paystub and there was no corrected timesheet maintained. In this instance we determined the employee was incorrectly paid for two hours of overtime.

Additionally, for a sample of five employees tested that had recorded overtime in the facility, two could not be verified through security footage for the time(s) they entered or exited the facility to validate the overtime paid.

Potential Risk: High—Accurate timekeeping and recording of time is critical at MDC as wages paid accounted for \$30.6 million during fiscal year ended June 30, 2014. Without proper oversight and verification of time recorded, there is a risk that the County is paying employees for time not worked or not paying for the correct type of time worked or time off.

Recommendation

To ensure employees are paid accurately for the time worked MDC should consider implementing biometric clock in / clock out procedures. This will assist with proper tracking of actual time worked. An electronic clock in / out process could also provide a complete listing of all employees onsite at the jail facility in the event of an emergency.

A centralized process should be implemented to ensure that corrections to time are valid and substantiated prior to the change being made. MDC should consider fully implementing the Telestaff system to include electronic approval of time sheets and remove the requirement for printed timesheets from the policy. This will assist with documentation inconsistencies and make the process more efficient. This should save supervisors time to focus on validating and approving the accuracy of the employees' timecards.

To assist with monitoring the timekeeping process the LRM group should consider:

- Adding a process where overtime needs to be supported or documented as to why the overtime is needed.
- Provide training to MDC employees to explain their responsibility for accurate timekeeping. Employees should sign an acknowledgement form stating they understand the policy. Consequences should be implemented and acted upon if employees are identified who have falsified their time records.
- Create a process to monitor for the areas of frequent overtime abuse including CCP, hospital, one on one, and transports.

Management's Response

MDC will require employees provide the proper documentation for the overtime and the leave slips to include the appropriate signatures for all corrected timesheets effective immediately. If documentation isn't provided, the leave will be changed to LWOP until the documentation is provided. If the behavior is persistent, progressive disciplinary action will be implemented up to and including termination of employment. Expected completion by March 2015.

LRM roster analysts will monitor TeleStaff daily to ensure overtime being worked was required due to staffing shortages. LRM created a Timekeeper User Manual that outlines processes to be followed including a corrected time sheet process. This process requires supporting documentation (i.e. paper leave forms, overtime slips to include shift/unit/post worked which must include the employee's Captain's signature). LRM will provide Assistant Chiefs a weekly briefing report and will lead a weekly conference call to discuss the briefing report which identifies deviances in hours worked, not worked, and improper coding of time.

Consideration and/discussions are in process regarding the purchase of Kronos time and attendance. Once purchased, the implementation will take approximately seven to eight months to implement for Public Safety.

2) Shift Exchanges and Payment for Time Worked

In accordance with MDC Personnel Policy, all shift exchanges must be paid back within 30 days of the trade date. Based on the current process, the employee who was originally scheduled to work will receive the salary and will be responsible for exchanging a future shift with the employee who worked for them. This does not eliminate the County's liability to the employee who actually worked the shift. This practice also leads to inaccurate payments to employees and would cause issues with overtime wages, taxes, PERA, and payroll accruals. During our testing we found an employee that was not exchanged-back for a shift exchange. This resulted in an employee not paid for eight hours worked.

Additionally, the policy states each correction officer must notify their unit supervisor of their intent to exchange shifts twenty-four hours in advance. One of eight timesheets, with a shift exchange identified, was not approved in advance for the shift exchange. This could create issues with ensuring all posts are adequately staffed.

Potential Risk: High—The current policy does not pay the employee for actual time worked, and there is a risk that if the exchange is not paid back an employee could work without being paid and create potential liability for the County or fines as a result of the Fair Labor Standards Act. Employee benefits and pay is not accurate with the shift exchange process.

Recommendation

The process should be changed to ensure that all employees are paid for their actual time worked. All shift exchanges should be run through payroll to ensure proper tracking of wages and benefits. MDC should revise the policy to require that both employees participating in the shift exchange make the request and obtain approval at the same time.

Management's Response

MDC will modify the policy to insure that FLSA is being followed, and to limit shift exchanges to occur within the same 40 hour period, and only with supervisory approval by June 2015. Policy revisions will require TeleStaff to accurately reflect hours worked or not worked according to the approved shift exchange.

3) Leave Notification and Coding Requirements

MDC's employee attendance Personnel Policy requires employees to give adequate notice when requesting any leave. Some leave requires additional approval or supporting documentation. This notice is critical to ensure all posts are covered and overtime can be assigned accurately.

- We were unable to verify that the employee called in within the required timeframe for ten of 28 timesheets with leave identified.
- Employees did not request annual leave in advance for three of 28 timesheets with leave identified.
- Five of 22 employees tested did not have documentation on file to support approval or proper coding of leave without pay. We were unable to determine if approvals were obtained or time was coded correctly for leave without pay.
- Eight of 22 employees tested did not give notice that they would be late or not be able to work their shift. In all cases the employee was appropriately not paid for this time.

- Four of 22 timesheets tested did not have time coded to the appropriate leave without pay category; however, this did not result in inappropriate pay.

Additionally, bereavement leave requests should be submitted and approved within five days of returning to work. One employee did not submit a form for approval until 60 days after the employee returned to work.

Potential Risk: Moderate—If employees do not notify MDC of an absence on a timely basis staffing needs may not be adequate and additional time may need to be spent to find a replacement.

Recommendation

To ensure that sufficient notice is given and resources can be properly allocated, MDC should consider creating a process to monitor and implement consequences for employees that do not follow the policy. Consider removing the edit function for supervisors to ensure that changes to time coding goes through the proper approval process and is validated.

It appears that employees are not entering the leave into the system which is causing additional time for shift commanders and supervisors to ensure all leave is entered. Employees should enter their leave into TeleStaff in accordance with policy, with submission of supporting documentation when required. TeleStaff would show the vacancy for the shift commander / supervisor to fill when the employee entered the leave. In cases where the supervisor enters leave for employees, notes should be added to TeleStaff to indicate non-compliance with policies for proper monitoring and tracking of employees with repeat offenses. Additionally, policies should properly reflect when leave request forms and related support should be submitted, with guidelines for timely submission.

Additionally, to ensure sufficient coverage of posts, MDC should consider creating some floating positions to assist with daily shift needs. This process may not be able to be implemented until MDC is fully staffed; however, this may assist with reducing overtime.

Management's Response

LRM has removed "Deny Level One" override capabilities from everyone except Assistant Chiefs. This eliminates their ability to override dynamic issues established within TeleStaff pertaining to contracts and rules & regulations.

Removing edit function from supervisors will be completed once LRM is fully staffed with roster analysts who will then be able to monitor for compliance with the process. Progressive disciplinary action for non-compliance will be implemented up to and including termination of employment. Expected completion by June 2015.

4) *Roster Change Timeliness and Accuracy*

A roster change in TeleStaff should not occur after the pay period ends, as that schedule should have already been finalized. If a change is needed after the pay period ends, a corrected time sheet should be submitted instead of changing the roster. This will ensure that Empath corrections are made as well. Four of five roster changes tested were not made timely. Additionally, two of five roster changes tested were not completed accurately by the shift commander / supervisor who initiated the change.

Potential Risk: Moderate—For the pay period ended August 8, 2014, there were 88 roster changes made by shift commanders / supervisors. Rosters can be “unfinalized” by various personnel and changes made without an independent review for appropriateness or accuracy. The time spent on these changes is taking away from other duties, and there is a significant risk that erroneous or fraudulent changes could be made because there is no review process.

Recommendation

The system should be configured to restrict access and only allow roster changes to be made by the LRM group after the pay period ends. This will ensure that changes are appropriate and properly reviewed. Alternatively, all changes made after the pay period ends and a sample of changes made during the pay period by shift commanders / supervisors should be reviewed for accuracy by the LRM group.

Management’s Response

The LRM Briefing Report will alleviate some of the tasks the Shift Commanders are currently responsible for such as documenting absences and overtime counts. This will allow the Shift Commanders to review the TeleStaff roster for accuracy thereby reducing errors. Any changes requested after the TeleStaff roster has been finalized will require that proper documentation be provided to the LRM group who will then review, approve and/or deny. Once approved, LRM will make the corrections in TeleStaff. If the request is denied, notification will be sent to the requestor with explanation of the denial. Expected completion by March 2015.

LRM will analyze the TeleStaff Audit History monthly selecting a random sampling to ensure changes were made appropriately and properly reviewed. Expected completion by April 2015.

5) *Resource Allocation Monitoring Guidance*

MDC Personnel Policy *Workload Requirements* includes basic guidance for personnel assignments, facility staffing and workload requirements; however, it does not include enough details to provide guidance to shift commanders overseeing corrections officers to manage the day to day resource needs and changes that occur due to unscheduled absences.

Additionally, although the overall MDC Personnel Policy includes an effective date of July 15, 2013, the individual sections do not have dates to indicate approval, review, revision or effective dates.

Potential Risk: Low—There appears to be insufficient documented guidance to manage workload requirements; therefore, resources may not be managed efficiently or effectively.

Recommendation

Procedures should be created for shift commanders to guide them through the day to day allocation of staffing the jail facility. This should be a collaborative effort with the Load Resource Management group and MDC management. Guidance should include critical tasks the shift commander should do when coming on shift for ensuring coverage for all posts. Guidance should also include special situations where additional supervisory staff is needed. Currently shift commanders ensure staffing in the facility is adequate for the next shift; however, ensuring staff coverage with more advance notice would be advisable.

Management’s Response

MDC will work with LRM to develop procedures for staffing allocations. Expected to complete by June 2015.

FOLLOW-UP ON PRIOR-YEAR OBSERVATIONS

Follow-up was performed on observations from the Metropolitan Detention Center internal audit report from January 2010. The status of the observation below was determined through inquiry.

Prior Observation: Correction Officers’ overtime (MDC-2010 #1)—“ MDC correction officers work a significant amount of overtime to operate the Center. Annualized overtime for the calendar year 2009 was approximately 92,000 hours. Since the overtime rate is significantly higher than the rate for a new correction officer, the County could be saving approximately \$1,240,000 annually by replacing the excessive overtime worked with new correction officer’s time. Our calculation is an estimate, and we understand that some overtime is necessary for normal operations and not all overtime can be eliminated, nor can all overtime be replaced at new correction officer rates.”

Current Status: Unresolved:—MDC continues to actively fill vacancies as they become available. In addition, the County Manager created a Load Resources Management Team in the third quarter of FY2014 to review staffing, scheduling and overtime. The team is expected to have an updated staffing analysis by November 2014; however, an extension to this timing was requested.

Management’s Response

LRM has completed the corrections officers staffing analysis which has been provided to County Legal, DCM of Public Safety and legal representation. This will be an ongoing document that can change pending on need and population.

* * * * *

This report is intended for the information and use of Bernalillo County management, the audit committee, members of the Board of Commissioners of Bernalillo County and others within the organization. However, this report is a matter of public record, and once accepted, its distribution is not limited.

We discussed and resolved other minor observations with management and received excellent cooperation and assistance from the various departments during the course of our interviews and testing. We sincerely appreciate the courtesy extended to our personnel.

REDW LLC

Albuquerque, New Mexico
March 13, 2015