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## **AUDIT SERVICES**

CITY OF DURHAM

**Date:** August 26, 2019  
**To:** Audit Services Oversight Committee  
**From:** Germaine Brewington, Director of Audit Services  
**Subject:** Changes to Employee Pay Performance Audit June 2019

The Audit Services Department staff completed the report for the Changes to Employee Pay Performance Audit. The purposes of this audit were to: 1) verify adjustments to and deductions from employee base pay were properly calculated, processed timely and adequately supported; 2) review the Personnel Action Forms (PAF) process to adjust employee base pay; and 3) verify that authorized employees have access to initiate, change and approve PAFs and to change the Employee Master File in MUNIS.

This report presents the observations and results of the Changes to Employee Pay Performance Audit. Six recommendations were proposed. In response to this Audit's recommendations, City Management concur with the recommendations made. The detailed Management Response to the recommendations is included with the attached report.

The Department of Audit Services staff would like to acknowledge the contributions of the staff from the Departments of: Finance and Human Resources and to the City Manager's Office.

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# Audit Report Highlights

## Background

Changes to employee gross pay can occur as a result of personnel actions. Personnel actions are those activities that occur from the time an employee is hired until he/she exits the company. Typical personnel actions may include: hiring, promotion, demotions, transfers, salary increases, disciplinary actions and terminations. All City departments use the MUNIS Personnel Action Forms (PAFs) to initiate requests for payroll adjustments. Changes to an employee's net pay happen as a result of deductions. Deductions from employee pay can be mandatory or voluntary. Mandatory deductions are deductions required by law and voluntary deductions are amounts which an employee has elected to have withdrawn from base pay.

## Purpose

The purposes of this audit were to:

- 1) Verify adjustments to, and deductions from employee base pay were properly approved, accurately calculated, processed timely and adequately supported;
- 2) Review the PAF process to adjust employee base pay; and
- 3) Verify that authorized employees have access to initiate, change and approve PAFs and the Employee Master File in MUNIS.

## Why this audit is important

One of the largest expenditures for any government organization is payment of salaries and wages to employees for personnel services. As a result, it is vital that changes to employee pay are processed accurately and adequate controls exist to reduce the risk of unauthorized changes.

## Highlights

Overall, adjustments to and deductions from employee base pay were properly approved, calculated accurately, and adequately supported. Opportunities for improvement exist in some areas. Supporting documentation detailing the computation of deduction amounts for multiple garnishments was not maintained. Audit Services staff did not find any errors in how the garnishments were calculated based on testing performed. Catchup benefit deductions were also not reviewed for accuracy by the appropriate City staff.

The PAF process to adjust employee base pay was adequate. An area for improvement was noted. A process did not exist to ensure that only emergency hires and part time temporary employees with valid fixed term employment contracts are paid.

In addition, lack of controls existed over the ability of super users to directly change the Employee Master File. Approval is not required for changes made directly to the Employee Master File without initiating a PAF. In the absence of the approval process, the Human Resources Department staff do not monitor the changes processed. The Human Resources Department staff reviewed the list of employees that have super user access and stated that they will assess access for two employees on the list and determine if it is needed.

# Audit Services Department

## Internal Audit

The Audit Services Department serves a three-fold role at the City of Durham. Our number one goal is to provide independent, objective assurance that City processes are working effectively. Secondly, we serve as internal fraud examiners when fraud, waste, or abuse is alleged against a City employee or department. Finally, in order to constantly foster high ethical standards, we provide in-depth ethical training to all City employees on a rolling basis. To learn more, visit our CODI site or our page on the [City of Durham's website](#).

## Audit Services Oversight Committee

In order to maintain its organizational independence, the Audit Services Department reports to the Audit Services Oversight Committee (ASOC) at a minimum of four times a year. The ASOC approves all proposed audit plans and completed audits prepared by Audit Services staff.

The Audit Services Oversight Committee is made up of six members: two City Council Members, three resident members, and one alternate City Council Member. The current members include two certified public accountants and persons with business experience. The City Manager is an ex-officio, non-voting member of the ASOC.

## **Audit Services Oversight Committee Members**

### **Chair:**

Maticia Sims, CPA, CIA, CRMA  
*Resident Member*

### **Vice-Chair:**

Nicolas Long  
*Resident Member*

### **Committee Members:**

Steve Schewel  
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*City Council Member*

Jillian Johnson  
*Mayor Pro-Tempore*  
*City Council Member*

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*Resident Member*

Charlie Reece  
*Alternate*  
*City Council Member*

### **Non-Voting Member:**

Thomas J. Bonfield  
*City Manager*

## Background

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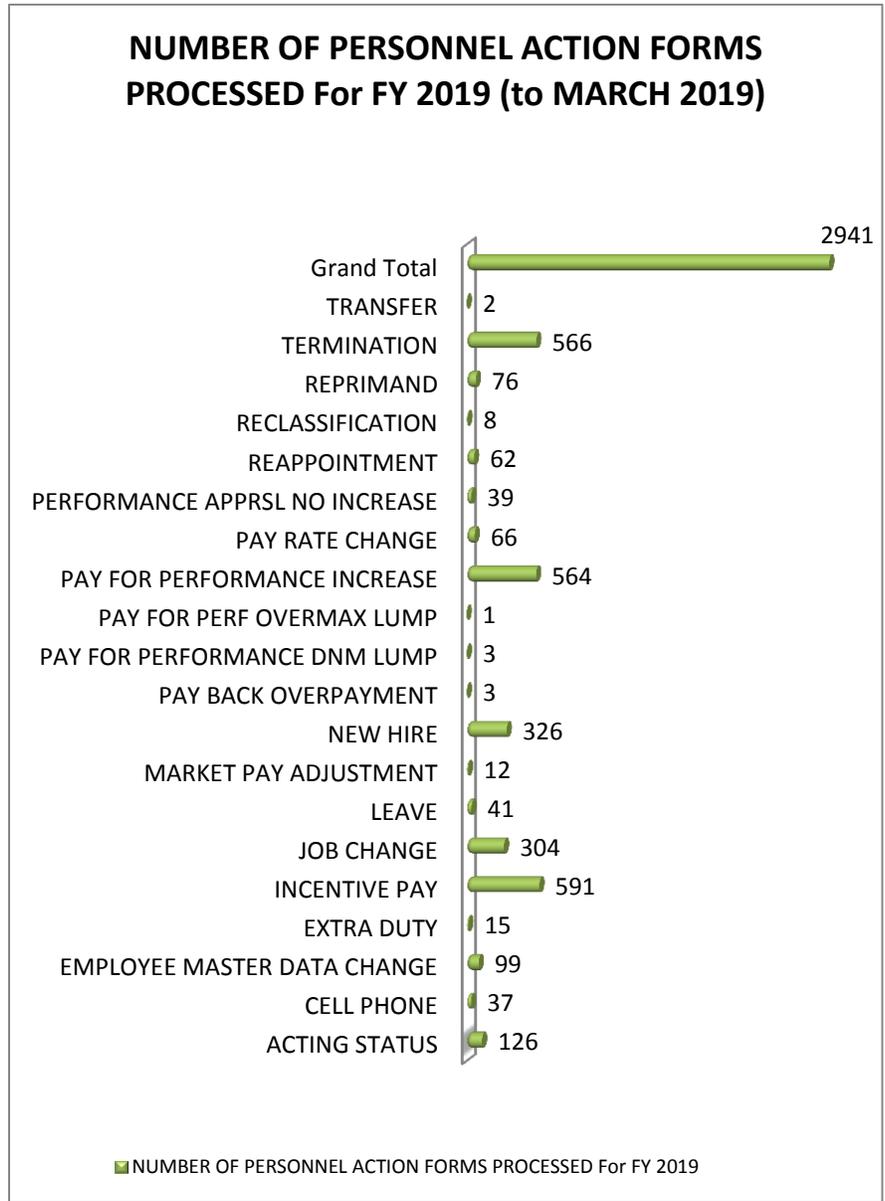
One of the largest expenditures for any government organization is payment of salaries and wages to employees for personnel services. As a result, it is vital that changes to employee pay are processed accurately and adequate controls exist to reduce risk of unauthorized changes.

Changes to employee gross pay can occur as a result of personnel actions. Personnel actions are those activities that occur from the time an employee is hired until he/she exits the company. Typical personnel actions may include: hiring, promotion, demotions, transfers, salary increases, disciplinary actions and terminations. All City departments use the MUNIS Personnel Action Forms (PAFs) to initiate requests for payroll adjustments. Actions that require adjustments include new hires, promotions, terminations, reassignments and any other adjustments that would require a change to the employee's base pay. Once the department initiates a PAF in MUNIS, the Human Resources team assigned to the department, reviews and approves the PAF. The approved PAF is posted to the Employee Master File, allowing the adjustments to take effect.

The *"Personnel Action and Payroll Schedule"* provides the due dates for all payroll actions and timesheet adjustments. If the payroll deadline has passed a retro pay adjustment has to be made. Payroll personnel have access to PAFs that are in the MUNIS workflow, as well as the approved PAFs. This access allows payroll personnel to ensure that adjustments take effect in the proper pay periods.

Approximately 1998 employees had 2,941 PAF's processed for the period of July 1, 2018 to March 1, 2019. These adjustments included 326 new hires, 566 terminations (voluntary and involuntary), 591 incentive pay, 564 pay for performance increases, as well as other adjustments. Graph 1 below shows the breakdown of PAF's by type of adjustment.

Graph 1: Personnel Action Forms Processed FY 2019 (to March 2019)



Note 1: This data was obtained from MUNIS. Audit Services staff did not verify this data.

Changes to an employee’s net pay happen as a result of deductions. Deductions from employee pay can be mandatory or voluntary. Mandatory deductions are deductions required by law such as wage garnishments, social security taxes, and income taxes. Voluntary deductions are amounts which an employee has elected to have subtracted from gross pay such as benefit premiums, charitable contributions, and 401 K plans. The Finance Department staff process deductions that impact

employee pay. The scope of the audit only included examining the following deductions from employee base pay: catchup benefit deductions, workers compensation deductions and garnishments. A catchup benefit deduction could occur for example when an employee enrolls for health benefits after their effective date and they miss the first payroll run. A catchup deduction would be processed to ensure the employee pays the amount owed for their health benefits. Catchup benefit, workers compensation and garnishment deductions are not standard, voluntary or authorized by the employee.

## **Objectives**

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The objectives of the audit were to:

- 1) Verify adjustments to and deductions from employee base pay were properly approved, accurately calculated, processed timely and adequately supported;
- 2) Review the PAF process to adjust employee base pay; and
- 3) Verify that authorized employees have access to initiate, change and approve PAFs and the Employee Master File module in MUNIS.

## **Scope, Methodology, and Compliance**

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### **Scope**

The scope of the audit included examining the current practices over changes made to employee pay either through the PAF process or the deductions process. The scope of the audit only included examining the following deductions from employee pay: catchup benefits deductions, workers compensation deductions and garnishments.

### **Methodology**

Audit Services Department staff performed the following procedures to

accomplish the objectives of the audit. Staff:

- 1 Obtained a report detailing Personnel Action Forms (PAFs) processed for FY 2017, FY 2018 and FY 2019 (March 2019);
- 2 Selected a sample of PAFs processed in FY 2019 that specifically impacted employee pay and performed the following:
  - Verified approval at the department level;
  - Verified the Human Resources (HR) review;
  - Verified that the adjustment to salary was calculated correctly;
  - Verified that the PAF was processed timely at the department level and at the HR Level; and
  - Reviewed supporting documentation to justify the PAF action;
- 3 Reviewed the process of changing employee pay as a result of pay for performance results;
- 4 Reconciled Pay for Performance PAFs processed for FY 2018 to a list of all active employees to ensure that pay for performance related changes were processed for all employees;
- 5 Selected a sample of pay for performance adjustments processed in FY 2019 and verified that:
  - Calculations were accurate;
- 6 Obtained a report of deductions by deduction code processed by the Finance Department staff;
- 7 Selected a sample of deductions made by the Finance Department staff based on Step 6 and performed the following:
  - Verified that the deduction amount was calculated correctly;
  - Verified the review was performed; and
  - Reviewed supporting documentation to justify the deduction;
- 8 Selected a sample of Worker Compensation deductions processed by the Finance Department staff and verified that:
  - Calculations were accurate;
  - Work was reviewed;
  - Supporting documentation validated the deduction;
- 9 Selected a sample of catchup deductions requested from the Human Resources Department staff and processed by the Finance Department staff and:
  - Verified that the deduction amount was calculated correctly;
  - Verified the review of the transaction;
  - Reviewed supporting documentation to justify the deduction;
- 10 Reviewed the process of entering and approving PAFs;
- 11 Reviewed the training provided to PAF users;

- 12 Reviewed controls to ensure that employees did not continue to receive pay after the PAF period ended;
- 13 Selected a sample of PAFs with end dates that have expired and verified actions taken by staff;
- 14 Reviewed the process of deductions processed by the Finance Department staff;
- 15 Obtained a list of all employees with access to PAFs and the level of access;
- 16 Reviewed employee access to PAFs;
- 17 Documented and reviewed the process of granting access;
- 18 Obtained a list of employees that can update the Employee Master File outside of the PAF process; and
- 19 Reviewed controls in place to monitor the audit trail if changes were made directly to the Employee Master File.

During the audit, Audit Services Department staff also maintained awareness to the potential existence of fraud.

## **Compliance**

Audit Services staff conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that Audit Services staff plan and perform the audit to obtain sufficient and appropriate evidence to provide a reasonable basis for our findings and conclusions based on the audit objectives. Audit Services staff believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Objective 1 Results Summary

**ADJUSTMENTS TO AND DEDUCTIONS FROM EMPLOYEE BASE PAY WERE PROPERLY APPROVED, ACCURATELY CALCULATED, PROCESSED TIMELY AND ADEQUATELY SUPPORTED.**

Overall, adjustments to and deductions from employee base pay were properly approved, calculated accurately, and adequately supported. Opportunities for improvement exist in some areas. In some instances, performance evaluations were not processed timely for fiscal year (FY) 2018 at the department level. This in turn resulted in delays in processing changes to employee pay by the Human Resources Department staff. The Human Resources Department implemented the Employee Performance Evaluation Program (EPEP) system in FY 2019. The annual performance evaluations for FY 2019 were processed using the EPEP system. The system has built in controls to notify employees that have not completed the required steps needed to complete an annual performance evaluation for themselves or their direct reports. In addition, their respective supervisors also get notified. Per the Human Resources Department staff, performance evaluations have been completed for 97% of City staff for FY 2019 as of July 29, 2019. As it relates to deductions of multiple garnishment orders, staff do not maintain documentation detailing the computation of deduction amounts. Catchup benefit deductions are also not reviewed for accuracy by the Human Resources staff. Audit Services staff did not find any errors in how the garnishments were calculated based on testing performed.

### Finding 1

**Audit Services staff found:**

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*In some instances, performance evaluations were not processed timely leading to delays in processing changes to employee pay*

Audit Services staff reviewed the process of changing employee pay as a result of annual performance evaluations. Best practices suggest that annual performance evaluations should be completed timely and that any changes to employee pay should be processed on time. Audit Services staff found that approximately 7% of the 82 sampled Pay for Performance (PAFs) reviewed for FY 2018 were either not processed timely or not processed at all at the department level. This in turn resulted in delays in processing changes to employee pay by the Human Resources staff. Untimely processing of changes to employee salary can result in disgruntled employees and decrease employee morale. In addition, if a performance management policy sets a time frame for delivering an annual performance review, failure to comply with the policy can cause problems later if an employee is disciplined or terminated and does not agree with the action taken. The Human Resources Department implemented the Employee Performance Evaluation Program (EPEP) system in FY 2019. The annual performance evaluations for FY 2019 were processed using the EPEP system. The system has built in controls to notify employees that have not completed the required steps needed to complete an annual performance evaluation for themselves or their direct reports. In addition, their respective supervisors also get notified. Per the Human Resources Department staff, performance evaluations have been completed for 97% of City staff for FY 2019 as of July 29, 2019. The Human Resources Department staff have established a process to escalate the names of employees that are not completing annual performance evaluations timely. For FY 2019, a report of employee noncompliance has been shared with senior management.

*The EPEP system has built in controls to notify employees and their supervisors if employee performance evaluations are not completed timely*

## Finding 2

### **Audit Services staff found:**

*The Finance Department staff do not maintain documentation detailing computation of deduction amounts when multiple garnishment orders exist for a given employee*

The Payroll Division staff of the Finance Department is responsible for processing garnishments. The Payroll Division staff determine the amounts that should be deducted from an employee's pay in cases where multiple garnishment orders

were received for an employee. Federal as well as state laws regulate the maximum amounts that can be deducted from an employees pay check and the priority in which garnishments should be deducted. Currently, as it relates to deductions of multiple garnishments orders, staff do not maintain documentation detailing the computation of deduction amounts. In addition, notes are not consistently typed in the MUNIS system to disclose all the garnishments that apply to the specific individual. Inconsistencies in keyed information and lack of documentation to support the garnished amounts could expose the City to risk if the deduction amounts were questioned by the judgement creditor. Also, in case of staff turnover, tremendous time would have to be spent on research in order to compute deductions for any additional garnishments received. Staff would have to search garnishment files to retrieve the information and then recalculate amounts to support the deductions. Audit Services staff did not find any errors in how the garnishments were calculated based on testing performed.

### Finding 3

#### **Audit Services staff found:**

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##### *Catchup benefits deductions are not reviewed for accuracy*

Benefits are deducted from an employee's gross pay. Employees might need catchup benefits deductions for several reasons. For instance, an employee enrolls for health benefits after their effective date and misses the first payroll run. A catchup deduction would be needed to ensure the employee pays the amount owed. These deductions are calculated by the Human Resources Department staff and forwarded to the Payroll Division staff of the Finance Department for processing. A review is not performed to verify the accuracy of the calculations by the Human Resources staff. Lack of verification could lead to employee salary overpayment or underpayment errors. Audit Services staff noted one error when reviewing the accuracy of catchup deductions calculations.

## Objective 2 Results Summary

### REVIEW THE PAF PROCESS TO ADJUST EMPLOYEE BASE PAY

Overall, the PAF process to adjust employee base pay is adequate. PAFs are reviewed by several approvers at the departmental level as well as approvers in the Human Resources Department. The Human Resources Department staff have developed a PAF manual by type of PAF in order to facilitate accurate processing of PAFs. An area for improvement was noted. A process does not exist to ensure that only emergency hires and part time temporary employees with valid fixed term employment contracts are paid. Having the ability to pay emergency hires and part time temporary employees even after their contracts have expired could expose the City to financial loss and increase the risk of fraud.

#### Finding 4

##### **Audit Services staff found:**

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*A process does not exist to ensure that only emergency hires and part time temporary employees that have a valid fixed term employment contract are paid*

Departments may recruit emergency hires or part time temporary employees for a fixed term employment contract that lasts for a specified amount of time. Policy HRM – 308 Temporary/Part-time Employment provides guidance on the hiring process for emergency hires and part time temporary employees. The specified amount of time for emergency hires versus a part time employee differs. When the end date of the fixed term contract is reached, employment should be automatically terminated without either the employer or employee needing to do anything. Currently, even if the contract period has expired for these employees, they can continue to work and get paid as long as time worked is entered for payroll purposes. Having the ability to pay emergency hires and part time temporary employees even after their contracts

*...emergency hires can get paid even if the contract period has ended as long as time worked is entered for payroll purposes.*

have expired could expose the City to financial loss and increase the risk of fraud. The MUNIS system does not trigger a stop payment on these hires until a termination PAF is executed. In instances where the departments have elected to extend the employment contract period, an official written employment contract should be executed with extended dates in order for the employee to receive pay. As a part of this process a PAF should also be completed. A process does not exist to ensure that only emergency hires and part time temporary employees with valid fixed term employment contracts are paid.

## Objective 3 Results Summary

### VERIFY THAT AUTHORIZED EMPLOYEES HAVE ACCESS TO INITIATE, CHANGE AND APPROVE PAFs AND HAVE ACCESS TO THE EMPLOYEE MASTER FILE IN MUNIS

Audit Services staff reviewed a list of all employees that had access to entering, approving and updating/deleting personnel actions. Department directors also reviewed employee access and verified that access was in line with employee job duties. Over all, a majority of the employee access was on a need to know basis. In addition, Audit Services staff also reviewed employees that had super user access to personnel information. These super users have full access to all data in the personnel modules. These super users have the ability to change the Employee Master File directly without initiating a PAF process. The Human Resources Department staff reviewed the list of employees that have super user access and stated that they will assess access for two employees on the list and determine if it is needed. Lack of controls existed over the ability of super users to directly change the Employee Master File. Approval is not required for changes made directly to the Employee Master File without initiating a PAF. In the absence of the approval process, the Human Resources Department does not monitor the changes processed.

*Changes made directly to the Employee Master File are not monitored*

## Finding 5

### **Audit Services staff found:**

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#### *Lack of controls over direct changes to the Employee Master File*

Audit staff asked the Technology Solutions Department to identify all employees with the ability to change the Employee Master File directly without initiating a PAF process. Technology Solutions Department staff provided a list of super users. These super users have full access to all data in the personnel modules. These super users have the ability to change the Employee Master File directly without initiating a PAF process. The Human Resources Department staff have procedures in place that require the review of appropriate supporting documentation before making changes to the Employee Master File through the PAF process. However, approval is not required for changes made directly to the Employee Master File without initiating a PAF. In the absence of the approval process or if the process is circumvented by super users, the Human Resources Department does not monitor the changes processed. The audit history in MUNIS tracks all the changes. Not having controls in place to monitor the changes made significantly increases the risk to the City of unauthorized or unapproved changes that could result in payment errors. Audit Services staff inquired about certain employees with access where access did not appear to be warranted based on job duties. The Human Resources Department staff reviewed the list and stated that they will assess access for two employees on the list and determine if access is warranted.

## **Conclusion**

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Overall, adjustments to and deductions from employee base pay were properly approved, calculated accurately, and adequately supported. Opportunities for improvement exist in some areas. In some instances, performance evaluations were not processed timely for FY 2018, leading to delays in processing changes to employee pay. The Human Resources Department implemented the

Employee Performance Evaluation Program (EPEP) system in FY 2019. The annual performance evaluations for FY 2019 were processed using the EPEP system. The system has built in controls to notify employees that have not completed the required steps needed to complete an annual performance evaluation for themselves or their direct reports. In addition, their respective supervisors also get notified. Per the Human Resources Department staff, performance evaluations have been completed for 97% of City staff for FY 2019 as of July 29, 2019. In addition, as it relates to deductions of multiple garnishment orders, staff do not maintain documentation detailing the computation of deduction amounts. Audit Services staff did not find any errors in how the garnishments were calculated based on testing performed. Catchup benefits deductions are not reviewed for accuracy as well.

The PAF process to adjust employee base pay is adequate. PAFs are reviewed by several approvers at the departmental level as well as approvers in the Human Resources Department. The Human Resources Department staff have developed a PAF manual by type of PAF in order to facilitate accurate processing of PAFs. An area for improvement was noted. A process does not exist to ensure that only emergency hires and part time temporary employees with valid fixed term employment contracts are paid. Having the ability to pay emergency hires and part time temporary employees even after their contracts have expired could expose the City to financial loss and increase the risk of fraud.

Audit Services staff reviewed a list of all employees that had access to entering, approving and updating/deleting personnel actions. Department directors also reviewed employee access and verified that access was in line with employee job duties. Over all, a majority of the employee access was on a need to know basis. In addition, Audit Services staff also reviewed employees that had super user access to personnel information. These super users have full access to all data in the personnel modules. These super users have the ability to change the Employee Master File directly without initiating a PAF process. The Human Resources Department staff reviewed the list of employees that have super user access and stated that they will review access for two employees on the list and determine if it is needed. Lack of controls existed over the ability of super users to directly change the Employee Master File. Approval is not required for

changes made directly to the Employee Master File without initiating a PAF. In the absence of the approval process, the Human Resources Department does not monitor the changes processed.

# Recommendations

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## Recommendation 1

The Human Resources Department staff should establish formal procedures for monitoring changes made directly to data in the Employee Master File in MUNIS. At a minimum, the Department should review on a quarterly basis, a report of all changes made to the Employee Master File without a PAF. The report should specifically include all changes to the employee effective date and employee annual pay fields. The Department [Human Resources administration] should document the review with an approving individual's signature.

**Value Added:** Risk Reduction

## Recommendation 2

The Human Resources Department should review access privileges of City employees that are personnel super users and can currently make changes directly to the Employee Master File. They should ensure access is restricted to employees that have a need to know based on job responsibilities.

**Value Added:** Risk Reduction

## Recommendation 3

The Human Resources Department staff should work with the Technology Solutions Department staff to address mitigation of the risk associated with the ability of emergency hires and part time employees to continue to receive pay once the employment contract has expired. In the interim a report should be generated that gets distributed to department directors and their supervisors, identifying emergency hires and part time employees whose employment contracts have expired.

**Value Added:** Risk Reduction

### Value Added Legend



To learn more, visit our website at: [durhamNC.gov/audit](http://durhamNC.gov/audit)

## Recommendation 4

The City Manager's Office should ensure that department directors are in compliance with policy HRM 308 – Temporary/Part-time Employment as it relates to contract extend and end date requirements for emergency hire and part time employees.

**Value Added:** Efficiency, Compliance

## Recommendation 5

The Human Resources Department staff should ensure that catchup benefits deductions are reviewed.

**Value Added:** Risk Reduction

## Recommendation 6

The Finance Department staff should document the methodology of computing deductions when employees have multiple garnishment orders. They should also consistently include information in MUNIS to indicate the garnishments currently in force.

**Value Added:** Risk Reduction; Efficiency

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### Value Added Legend



Compliance: Functioning in accordance with governing laws and regulations.



Cost Reduction: Minimizing costs related to City activities, internally or externally.



Efficiency : Performing effectively without duplication of efforts.



Risk Reduction: Minimizing risks related to reputation, financials, or personnel.

To learn more, visit our website at: [durhamNC.gov/audit](http://durhamNC.gov/audit)



## Management Response

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**Date:** August 14, 2019

**To:** Dr. Germaine F. Brewington, Director of Audit Services

**Thru:** Wanda Page, Deputy City Manager

**From:** Regina Youngblood, Human Resources Director  
Joyce Zahn Baker, Human Resources Manager

**Subject:** Management's Response to Recommendations: Vacant Positions Performance Audit February 2019

The following is the HR Departmental management's response to the Changes to Employee Pay Performance Audit completed in June of 2019.

### **Recommendation 1:**

The Human Resources Department staff should establish formal procedures for monitoring changes made directly to data in the Employee Master File in MUNIS. At a minimum, the Department should review on a quarterly basis, a report of all changes made to the Employee Master File without a PAF. The report should specifically include all changes to the employee effective date and employee annual pay fields. The Department [Human Resources administration] should document the review with an approving individual's signature.

### **Management's Response:**

We concur. Management is in full agreement with this recommendation. The HRIS Team will work with Technology Solutions to develop a quarterly custom report. This report will be monitored and signed off on by the HR Director or HR Assistant Director.

Implementation Date:  
January 1, 2020

**Recommendation 2:**

The Human Resources Department should review access privileges of City employees that are personnel super users and can currently make changes directly to the employee master file. They should ensure access is restricted to employees that have a need based on job responsibilities.

**Management's Response:**

We concur. Management is in full agreement with this recommendation. Superuser permissions in MUNIS have been restricted to employees that have a need for access based on their job responsibilities. The HRIS Team will monitor and modify access as employee's roles change.

Implementation Date: August 19, 2019

**Recommendation 3:**

The Human Resources Department staff should work with the Technology Solutions Department staff to address mitigation of the risk associated with the ability of emergency hires and part time employees to continue to receive pay once the employment contract has expired. In the interim a report should be generated that gets distributed to department directors and their supervisors, identifying emergency hires and part time employees whose employment contracts have expired.

**Management's Response:**

We concur with reservations. Management is in agreement with the recommendation, but there are circumstances that could affect its implementation which are out of the department's control and which have to be resolved moving forward.

At present, the MUNIS system does not prevent the payment of wages to an employee with an expired pay record if their work hours are manually keyed through the time and attendance module. Human Resources has sought the assistance of MUNIS SUPPORT to explore available solutions.

If MUNIS SUPPORT has no functionality that can be implemented to resolve this issue, we can only partially fulfill this recommendation.

Human Resources will work with Technology Solutions to develop a custom report to identify employees who are receiving pay but have expired pay records.

Implementation Date:

November 1, 2019

**Recommendation 5:**

The Human Resources Department staff should ensure that catchup benefit deductions are reviewed.

**Management's Response:**

We concur. Management is in full agreement with this recommendation. Catchup deductions are calculated for new hires by HR Connect. Qualifying event catchup deductions are calculated by Benefits analysts. HR Connect supervisor and Benefits Manager should review the spreadsheets each bi-weekly pay period prior to them being sent to Payroll to ensure accuracy.

Implementation Date:

August 30, 2019



## Management Response

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Memo to: Dr. Germaine F. Brewington, Director of Audit Services  
From: David Boyd, Finance Director  
Date: August 19, 2019  
Subject: Management's Response to Recommendations  
Changes to Employee Pay Performance Audit June 2019

The following is the management's response to the Changes to Employee Pay Performance Audit dated June 2019.

**Recommendation 6:**

The Finance Department staff should document the methodology of computing deductions when employees have multiple garnishment orders. They should also consistently include information in MUNIS to indicate the garnishments currently in force.

**Management's Response:**

We concur. Management is in full agreement with the recommendation. The payroll office Finance Department will develop a spreadsheet to computing employee garnishments when there are multiple garnishment orders.

**Implementation Date:**

September 1, 2019.

## Management Response

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**Date:** August 21, 2019  
**To:** Dr. Germaine F. Brewington, Director of Audit Services  
**From:** Wanda S. Page, Deputy City Manager  
**Subject:** Changes to Employee Pay Performance Audit

The following is the management's response to the Changes to Employee Pay Performance Audit dated June 2019.

**Recommendation 4:**

The City Manager's Office should ensure that department directors are in compliance with policy HRM 308 – Temporary/Part-time Employment as it relates to contract extend and end date requirements for emergency hire and part time employees.

**Management's Response:**

We concur. Management is in full agreement with the recommendation. HRM 308 – Temporary/Part-time Employment is in place to ensure essential positions are filled temporarily until a position can be filled permanently or there is no longer a need for the resource. The policy sets term limits on these positions. The City Manager will coordinate with the Human Resources Department to obtain an exception report when temporary and part/time positions appointments have exceeded the policy limits and resolve the exception through appropriately authorized extensions with appropriate documentation or immediate termination of the temporary or part-time position per policy limits.

Implementation Date: November 1, 2019

## Distribution of Report

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