



# Angelina “Angel” Colonnese

CLERK OF THE CIRCUIT COURT AND COMPTROLLER OF MANATEE COUNTY

1115 Manatee Avenue West, Bradenton, Florida 34205 - Phone (941) 749-1800 – Fax (941) 741-4082  
P.O. Box 25400, Bradenton, Florida 34206 - www.manateeclerk.com

## MEMORANDUM

To: Kim Stroud, Human Resources Director  
From: Lori Stephens, Inspector General  
Date: December 1, 2020 *Lori Stephens*  
Subject: 24 Hour Payroll Project

The Division of Inspector General has completed a project to identify instances where employees reported working more than 24 hours in a day on their timesheets. The project used Computer Assisted Audit Techniques (CAATs) to examine employee timesheets using Galvanize (formally ACL) audit software. This project was initiated after a review of timesheets in another project identified instances where an employee had reported working more than 24 hours in one day.

### **Background:**

Employees report time worked in Workforce, Manatee County’s electronic time and attendance system. Employees are responsible for selecting the proper pay codes and recording the number of hours worked each day. The biweekly timesheets are reviewed and approved by each employee’s supervisor. Supervisors and employees are responsible for correcting any errors before the timesheets are submitted to the Clerk of the Circuit Court’s Payroll Division (Payroll) for processing. Certain Workforce timesheet errors will prevent employees from submitting their timesheets for approval or will trigger a warning for supervisors to review. Through interviews with the Human Resources Department (HR) and Payroll management, it was learned that Workforce was not reporting exceptions when employees recorded more than 24 hours in a single day.

### **Objective:**

The project objective was to identify instances where Manatee County employees reported working more than 24 hours per day, and to analyze whether these errors affected compensation.

### **Scope and Methodology:**

The scope of the project included Workforce timesheet records for all Manatee County employees for the period September 29, 2018 through September 27, 2019 (26 pay periods). Galvanize software was used to identify instances where more than 24 hours worked were reported in a single day. Controls were evaluated through observation, discussions with Human Resources and Payroll personnel, and review of policies and procedures.

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## **Project Results:**

***Instances were identified where employees reported working more than 24 hours of regular, holiday, or standby time in a day. In addition, instances were noted where employees incorrectly reported call-out hours and recorded hours for the same shift twice. Instances were also identified where time was recorded incorrectly on the last day of the workweek, which may have affected overtime calculations. The errors resulted in both overpayments and underpayments to employees.***

### More than 24 Hours: Regular and Holiday Time

Testing identified 13 employees who reported more than 24 regular or holiday hours in a day, resulting in overpayments totaling \$3,868.64. The total hours recorded for the days ranged from 25 to 38 hours per day. Seven (7) of these exceptions occurred when employees used the [+] and [-] feature within Workforce that allows employees to extend time back to the previous day, or forward to the following day. This typically caused employees to incorrectly add an extra 24 hours to their shift. The remaining six (6) exceptions were due to EMS employees entering holiday hours incorrectly; two recorded holiday-worked hours (1.5 times pay) rather than regular holiday hours, and four recorded holiday hours for shifts that totaled 25 hours rather than 24 hours. None of the 13 exceptions identified were corrected by supervisors prior to the timesheets being approved.

*Management Action Plan: The 13 employees identified have reimbursed Manatee County for the overpayments. Additionally, Workforce is now programmed to prohibit employees from submitting timesheets when they report more than 24 hours in a day. HR has held timesheet training for supervisors, which covered the above noted issues. This management action plan has already been implemented and will be evaluated during a future follow-up engagement.*

### More than 24 Hours: Standby Hours

Employees who are on standby status receive standby pay hours based on the number of standby hours worked, with a maximum of three paid hours per day. Standby pay is calculated automatically by Workforce. Employees record and are paid regular time for any call-outs that occur while on standby status.

Testing identified 62 instances where 18 employees recorded more than 24 standby hours in a day:

- 7 exceptions resulted in overpayments totaling \$131.43 when employees reported excess standby hours.
- 48 exceptions resulted in underpayments totaling \$1,534.13 when employees recorded hours worked over two separate calendar days on one day, prematurely reaching the maximum of three paid hours, or recorded additional standby time rather than regular time for call-outs.
- 7 exceptions had no financial impact because the employees were on standby for 24 hours and had already earned the maximum of three paid hours; they received no extra pay when they recorded more than 24 hours.

One employee contacted HR directly when he realized he had been recording his standby hours incorrectly and was underpaid. HR recalculated his hours and he has since been compensated. The remaining exceptions include underpayments for 9 employees, totaling \$734.03, and overpayments for 5 employees totaling \$131.43. Additionally, the underpayments could be violations of the Fair Labor Standards Act (FLSA).

At the request of HR, another data analysis test was performed to identify instances where employees reported fewer than 24 standby hours per day, but still incorrectly recorded standby hours, rather than regular hours, for call-outs. Testing identified 33 instances for 18 employees that were potential underpayments and FLSA violations. Nine (9) of these instances have already been resolved, and the employee has been compensated as noted above. HR will further review the remaining exceptions identified to determine any financial impact to the other employees.

*Management Action Plan: Workforce has been programmed to prohibit employees from submitting timesheets when they report more than 24 standby hours in a day. HR has also reviewed the exceptions identified. Employees will be notified and compensated for underpayments, and will reimburse Manatee County for overpayments. No action will be taken for terminated employees. HR has held timesheet training for supervisors, which covered the above noted issues. The anticipated completion date is December 31, 2020.*

#### Duplicate Entries

Our testing of employees reporting more than 24 hours in one day identified one instance where an employee recorded hours for a single shift twice. Testing was further expanded to detect instances where employees may have recorded fewer than 24 hours in a day, but made duplicate time entries.

We identified eight (8) instances where eight employees recorded their hours twice. These employees recorded the same number of hours for the same pay code on the same date, with the same beginning and ending times. The errors resulted in overpayments totaling \$1,468.01. Employees were able to incorrectly report these hours because Workforce did not alert employees or supervisors when the duplicate time entries were recorded. Additionally, supervisors did not identify and correct the errors prior to approving the timesheets.

*Management Action Plan: Employees who were overpaid because they made duplicate time entries will be required to repay the County. No action will be taken for terminated employees. Workforce now displays an alert when duplicate hours are recorded. Although the alert does not prevent employees from submitting the timesheets, it will notify employees and supervisors of the error. HR has held timesheet training for supervisors, which covered the above issue. The anticipated completion date is December 31, 2020.*

### Errors Affecting Overtime

Our testing of employees reporting more than 24 hours in one day identified an instance where an employee worked a shift from Friday to Saturday, but recorded all of the hours on Friday, which is the last day of the workweek. This was caused by the employee using the [+] and [-] function in Workforce which allows employees to extend time forward to the following day, or back to the previous day. When employees record time in this manner, it can result in either an overpayment or underpayment to the employees because it incorrectly reports the total hours worked in each of the weeks, potentially affecting overtime calculations.

Testing was expanded to identify instances where employees recorded fewer than 24 hours in a day, and recorded Saturday hours on a Friday. 272 instances were identified where employees worked a shift from Friday to Saturday, and incorrectly recorded all of the hours on Friday. HR will further review the exceptions identified to determine any financial impact to the employees.

*Management Action Plan: HR has corrected several Workforce schedules which contributed to many of these errors, as they involved work shifts that crossed over Friday/Saturday workdays, resulting in hours which crossed over workweeks. HR reviewed the exceptions and identified 13 employees who were underpaid; these employees will be compensated. To be consistent with the management action plans from prior payroll audits, employees who are determined to have been overpaid will not be required to repay the County, due to the errors being caused by system and scheduling errors. No action will be taken for terminated employees. HR also held timesheet training for supervisors, which covered the above issue. This management action plan has already been implemented and will be evaluated during a future follow-up engagement.*

We would like to thank you and your staff for the attention given to the project findings and the assistance given to the Division of Inspector General staff. These management action plans will be included in the next scheduled follow-up audit of the ACL Payroll Fraud Testing.

LJS/BJW/JB

cc: Angelina "Angel" Colonnese, Clerk of the Circuit Court and Comptroller  
Board of County Commissioners  
Cheri Coryea, County Administrator  
John Osborne, Deputy County Administrator  
Karen Stewart, Deputy County Administrator  
Mitchell Palmer, County Attorney  
Kathy Cremaschi, Finance Department Director, Clerk of the Circuit Court