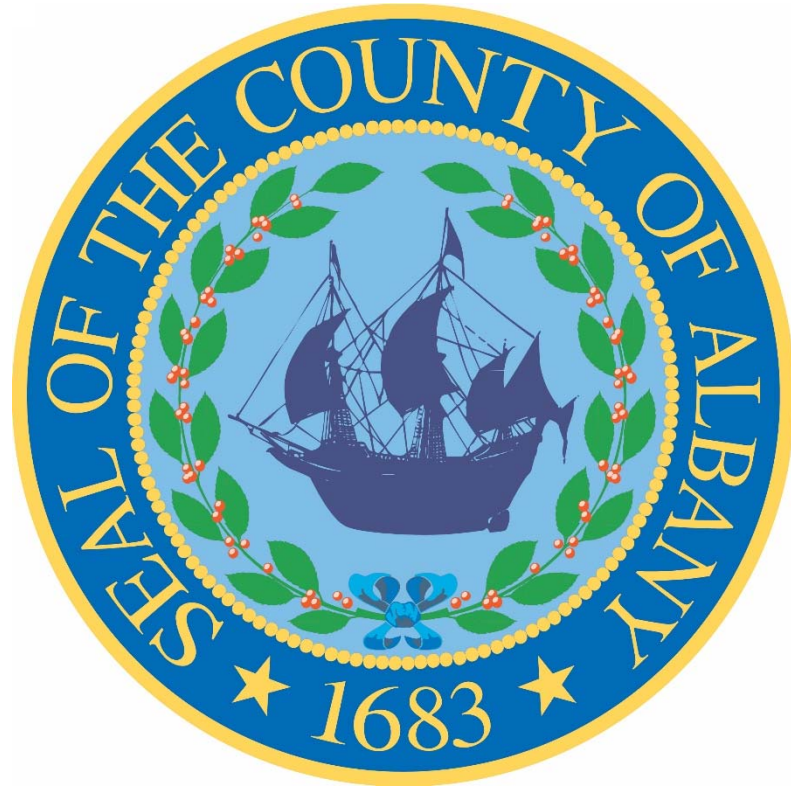


ALBANY COUNTY

Department of Audit and Control

Final Report

Time and Attendance Audit



April 2020

Susan Rizzo, Comptroller
Stephanie Slominski CIA, Chief Auditor

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Executive Summary

The Albany County Comptroller's Office performed an audit on Time and Attendance records based on allegations personally communicated to the previous Comptroller. An outside legal firm, Hinckley Allen LLP was hired by the previous Comptroller. Additionally, the previous comptroller hired an outside CPA, Berdon LLP through Hinckley Allen to perform a forensic review. Two reports were issued at the end of the previous Comptroller's term, an "Interim Report" by the Comptroller and an "Expert Report" by the CPA firm, Berdon LLP. While both reports indicated potential control weaknesses, the current Comptroller determined that further work¹ should be done to confirm or dispel the allegations and to identify and evaluate the effectiveness of controls to ensure that time recorded is both accurate and authorized. This report is focused on the review of internal controls related to time and attendance recording. Our determination regarding the allegations and the potential impropriety related to the previous Comptroller's use of County resources, specifically the expending of \$213,158 to obtain an outside firm to perform the review will be addressed in a separate letter to be issued subsequent to this report. It should be noted that the two outside firms were hired without prior approval from the Albany County Attorney, Contract and Administration Board or the Albany County Legislature.

Key Observations

The Albany County Department of Audit and Control (DAC) observed the following general areas for improvement:

- Albany County Policy, as set forth by the County Legislature, related to time and attendance recording, does not provide specific guidance to require that departments maintain adequate supporting documentation of time and attendance records;
- The Albany County Comptroller's Office has always possessed the capacity to utilize an internal audit function to routinely perform evaluation and testing of controls to ensure

¹ Due to the public health crisis and quarantine related to the COVID 19 pandemic, the DAC reduced the sample size for all testing procedures that had not been completed at the time of the quarantine. It was determined that the DAC has reached a sufficient conclusion based on the work that was able to be performed. Additionally, as a matter of standard audit procedure the Office of the Comptroller will perform follow up procedures in 2021 to confirm that adequate controls continue to operate as designed. The DAC will evaluate the implementation of the recommendations contained within this report.

that time and attendance and other elements of payroll were being recorded accurately, however, the previous Comptroller consistently failed to utilize said function; and

- General configuration of the budget and accounting system do not allow for terminated employees buyout payments to be paid from a separate budget line, resulting in the misclassification of said employees' successor.

Additionally, the DAC identified control weaknesses in the following areas;

- Manual entries to record time and attendance are either not supported by documentation or documentation is not obtained on a regular basis;
- Manual entries to record time and attendance are signed off by subordinates; and
- Individuals with edit access making and approving their own time records.

Background

In December 2019 the previous Albany County Comptroller issued an Interim Audit Report ("Interim Report") based on information received regarding allegations of misconduct within the Albany County Government. Additionally, an outside CPA firm, Berdon LLP was hired to perform a forensic audit and also issued a report ("Berdon Report"²). The combined audits raised questions related to the design and effectiveness of internal controls over time an attendance recording for the purpose of payroll disbursements. The intention of this follow-up audit is to provide conclusions and recommendations based on ongoing communications with management and evaluations and testing of controls over time and attendance recording. Audit work was also performed to determine if any evidence exists to support the two allegations mentioned in the previous reports. During calendar year 2019, Albany County employed over 2,400 individuals and paid approximately \$131.5 million in salary expense³. Currently, the County uses a computerized system (KRONOS) to facilitate time and attendance recording and accrual utilization. The Interim

² The contract for Berdon LLP was signed by both Hinckley Allen and Michael Connors and payments to Berdon LLP were passed through Hinckley Allen.

³ In addition to the term union and nonunion, there are three categories of employees for time keeping purposes and accruals:

- a. *Exempt (other than elected official) – high level management, physicians, and lawyers who are expected to often work more than their "scheduled time".*
- b. *Compensatory Time Eligible Employees – non-covered under the Fair Labor Standards Act (FLSA). The employee is not "entitled" to overtime or compensation for hours worked over 40, but Albany County does provide for the earning and using of compensatory time under specific circumstances.*
- c. *Overtime Eligible Employees – FLSA eligible employee earn overtime or comp time for hours worked beyond 40 hours at a rate of time and one-half, provided that specific rules are met.*

Report, issued by the previous Comptroller, contained two allegations; County employees had been working on campaign efforts during paid work time; and positions and salary increases were offered in return for political loyalty. Additionally, the report issued by Berdon LLP made seven major assertions⁴ related to potential weaknesses in internal controls over time and attendance. The DAC developed its primary audit objectives based on these allegations and assertions.

Objectives

- Determine if adequate policy exists related to employees requirement to record their time and attendance, the manner in which recording should be performed and managers responsibility to oversee the accuracy and appropriateness of such records;
- Determine if there are adequate processes in place to determine the number of payroll liaisons in any given department and for selecting them;
- Determine if employees who are assigned payroll liaison responsibilities are able to create manual entries to record and edit their own time. If so, determine if sufficient justification exists for this practice and adequate controls are in place to ensure that payroll fraud does not occur;
- Determine if payroll liaisons are able to create manual entries for employees outside of their department, and if adequate controls exist to ensure that time recorded is accurate and authorized;
- Determine the cause for manual entries created in advance of the time to which they relate and if there are adequate controls in place to ensure that time recorded is accurate and authorized;
- Evaluate the Out of Title Pay (OOT) classification and determine if it is being applied appropriately;
- Determine if and when it is necessary for employees to punch a clock that is located outside of their assigned work area and if there are sufficient controls in place to ensure that time recorded is accurate and authorized; and
- Provide management with recommendations, where appropriate.

⁴ See Appendix 1 taken from "Expert Report" produced by Paul M. Ribaud of Berdon LLP"

Scope

The scope⁵ of this follow-up audit included all time and attendance records and payroll data for the period January 1, 2018 through December 31, 2019.

Audit work was substantially completed in April, 2020.

Approach

To accomplish this follow-up audit the DAC performed the following:

- Interviewed personnel in Human Resources and other various departments to obtain an understanding of Albany County overall procedures as well as department specific procedures related to producing and approving time and attendance records;
- Identify key internal controls over time and attendance recording;
- Select samples and perform testing procedures to evaluate the design and effectiveness of controls; and
- Based on the results of the testing procedures, we will re-evaluate the scope and objectives and perform other steps as considered necessary.

⁵ The scope of the original audit spanned from 2012 (when the current software program for recording time and attendance was first implemented) to present, however the DAC determined a review of the two most current calendar years would be sufficient to evaluate the effectiveness of controls in place and make recommendations where appropriate.

Areas in General Compliance with Policy and Best Practices

The DAC addressed each of the seven assertions⁶ outlined in the Expert Report issued by Berdon LLP and found no credible evidence to support significant risk related to the following:

1. “Many employees have a significant amount of their time and attendance entered into Kronos by manual entries as opposed to by employee punches.”

Manual entries used to record an employee’s time do not represent a significant risk where the nature and location of the work assignment prohibits physical clock punches and said manual entries are accompanied consistently by the appropriate supporting documentation and approvals. According to current policy, there is no requirement to record time via clock punch.

Additionally, the analysis of the data reports produced for the original audit ignores the fact that punching a Kronos clock will only record in and out punches. All entries for pay codes such as sick, vacation or compensatory, as well as adjustments for approved overtime, must be entered manually by a payroll liaison. (See Recommendation for Observation #4 below for more details).

2. “Various departments have multiple payroll liaisons with read/write access to Kronos.”

Payroll liaison responsibilities and edit access in the Kronos system are assigned based on the request of individual department heads. Departmental operations in Albany County are extremely diverse in nature and location and therefore require customized procedures for recording time, including determining how many and which employees should be assigned the responsibility for performing manual entries. Analysis of the data also suggests that the number of active payroll liaisons in any given department was constant throughout any given year. The totals likely represent the cumulative number of individuals that may have only performed the function of a payroll liaison for a limited time during the year.

3. “Payroll liaisons have the ability to utilize their read/write Kronos access to enter their own time and attendance via manual entry as opposed to by employee punches.”

Payroll liaisons making manual entries to record their own time and attendance does not represent a significant risk when the nature and location of the work assignment prohibits physical clock punches and said manual entries are supported by a time sheet signed by a supervisor and the time is approved in the Kronos system by the employee’s direct supervisor. Albany County Human Resources personnel encourage all payroll liaisons not to enter or sign off on their own time during quarterly training sessions. (See Recommendation for Observation #6 below for more details)

⁶ See Appendix 1 Taken from Expert Report produced by Paul M. Ribaldo of Berdon LLP.

4. “Manual entries have been made by payroll liaisons who are not in the same department as the employee for whom said entries were made.”

The data reports produced for the Berdon Report do not take into consideration that data reports produced by the system only indicate an employee’s most current assigned department. Albany County has a significant number of employees that have long term tenure and as such have moved from position to position including departmental changes. Additionally, payroll liaisons are assigned specific pools of employees for whom they have access to manually enter time. The pool is determined through a collaboration between department heads and Human Resources. Payroll liaisons do not have access to manually enter time for employees for whom they have not been assigned time recording responsibility. The analysis of the data reports completely ignores the numerous overlaps between various departments and classifications of subsections of the same department.

- Had the previous Comptroller been engaged in any routine internal audit activities, he would have been aware of:
 - The nuances in the way Albany County’s time and attendance system (Kronos) records, stores and reports data;
 - Structural connections between related departments; and
 - Department mergers related to the establishment of the Recreation Department in 2017.

5. “Many employees have and their time entered into Kronos via manual entries that were created 30 or more days in advance of the date to which said time entry related”

Time can be manually entered into Kronos in advance for some specific situations. There is no significant risk in this practice because the system does not allow for a time card to be approved in the system until the week of the pay period. The DAC performed a test at various departments and is able to confirm the control is in place and is operating as designed. The majority of risk involved with manual entries exists when supervisors do not verify and approve the time, either when it is entered in advance or in real time. (See Recommendation for Observation # 4 below for more details)

6. “Out of title pay has been used to compensate many employees over the analysis period”

The pay code for Out of Title (OOT) pay does not represent a significant risk in and of itself. When applied correctly OOT pay facilitates the accurate allocation of salary for individuals that have job responsibilities in two or more separate departments. The DAC was unable to identify any evidence to support inappropriate use. Out of Title pay is documented using a form.

The OOT pay code allows for contract requirements to be met in short term situations where an individual must substitute and perform duties in the absence of an employee that is paid at a higher rate.

Additionally, working to correct limitations in the way the system is configured (See Recommendation for Observation #3 below for more details) will reduce the use of this pay code.

7. “Employees appear to have punched in at worksites outside of their home departments”

Albany County employees that work in multiple locations are directed to punch a Kronos clock that is located at the site where their workday begins. There is no requirement for employees to travel unnecessarily to reach their home department when they do not begin their day at that location.

There are a significant number of employees that work in multiple locations around the County. In the presence of adequate controls related to the supervisory review and approval of employees’ time, this does not present a significant risk. (See Recommendation for Observation #4 below for more details)

The analysis of the data reports presented in the “Berdon Report” does not consider the multiple various departments that contribute services to the operations at Lawson’s Lake⁷ including security for events (Sheriff’s Dept.) and the summer intern program (Legislature).

⁷ Additionally, it should be noted that the time clock located at Lawson’s Lake was identified as 112 State Street, however the full data report label is “112 State Street Lawson’s Lake”. Had the analysis expanded the column in the excel data reports this would have been correctly noted.

Audit Observations

I. Albany County Attendance Policy

Observation(s) and Impact	Recommendations
<p>While the Albany County Attendance Policy states that “Every County employee shall maintain a complete, accurate and up-to-date record of his or her presence and absence from work”, it does not provide sufficient structure to facilitate the development of adequate processes to ensure that time and attendance records are accurate and are able to be verified. Departments are permitted but not required to develop an internal written procedure related to time and attendance recording.</p> <p>Many departments do not have a process in place to document supervisor verification of time recorded. Additionally, in some instances, processes that were in place did not operate effectively or lacked key elements to ensure that documentation could be provided for future review, e.g., phone calls or text messages.</p>	<p>The DAC recommends that Albany County Attendance Policy be updated by the Legislature to include a requirement that all Albany County departments implement written procedures outlining the recording and documentation of time and attendance records in accordance with applicable civil service requirements and collective bargaining agreements. The authority to facilitate the development of procedures suited to the individual dynamics of each department should reside with the Commissioner of Human Resources. Additionally, department heads possess the most comprehensive understanding of the subtleties inherent to their department, as such their collaboration is essential to the development of written procedures and should be required. All employees, with the exception of elected officials, should be accountable for their time by either punching a clock or having a time card completed by the employee and signed by a supervisor. Approval should never be performed by an employee’s direct subordinate.</p> <p>The DAC strongly recommends that internal policies require all employees use a Kronos time clock where there is one located at the assigned work site and its use does not unnecessarily impede productivity.</p>

I. Albany County Attendance Policy (Continued)

Observation(s) and Impact	Recommendations
<p>While Albany County has several processes in place related to Kronos functions performed manually, no specific written guidance exists to ensure that procedures are executed and documented consistently and uniformly across all Albany County departments.</p> <p>Without sufficient structure in Albany County written guidance, there is a risk that department procedures will not provide adequate control over high risk functions such as payroll and time recording.</p>	<p>The DAC recommends Albany County management develop a written procedure related to the use of the Kronos time recording system to include:</p> <ul style="list-style-type: none"> • Determining the number of individuals that are assigned access to enter and edit Kronos time records, criteria for the selection of those individuals and the pool of employees they will be responsible for; • Strict guidelines related to the practice of individuals entering or editing their own time, and the review, approval and documentation of that process; and • Adequate process to document all of the above.
Management Response	
<p>A. Management concurs with the recommendation that each department shall develop written procedures outlining employee specific rules for time and attendance.</p> <p>B. The Department of Human Resources shall develop written procedures for the assignments/access of permissions in the Kronos Timekeeping System and MUNIS module. The process will be driven and updated for the sole purpose of Kronos as a supervisory tool and recording of time. Further, Human Resources has developed a MUNIS and Kronos permission form for all permission requests, which shall require the appointing authority authorization. Human Resources will no longer process email requests without formal form completion. Employee Masterfiles and Notices of Separation shall also include same permission notation requirements.</p> <p>C. The Department of Human Resources shall prohibit the editing of an employee's own timecard in the Timekeeping System. All instances of personal editing shall be deemed an infraction and may result in discipline. There shall be no exceptions.</p>	

2. Internal Audit Function

Observation(s) and Impact	Recommendations
<p>Prior to the end of calendar year 2019, the Albany County Comptroller's Office did not have an adequate internal audit function.</p> <p>Albany County operates with an annual budget in excess of \$730 million and encompasses 39 departments, many of which operate under extremely diverse circumstances in an environment burdened with new and ever emerging risks. Therefore, the departments require unique processes and controls.</p> <p>Furthermore, the observations identified in this report would likely have been previously noted and corrected, had the former Comptroller utilized an internal audit function. The internal audit function performs regular evaluation and testing of internal controls over financial transactions and other process area's where financial and other risks may be present. It provides recommendations for strengthening processes to mitigate that risk. The internal audit function also serves to recognize many of the warning signs of fraud which is a risk present in any organization where financial transactions take place.</p> <p>The lack of this essential function magnifies the risk that erroneous transactions, waste and abuse of taxpayer resources and various types of fraud may go undetected. This could result in significant costs to Albany County.</p>	<p>The Comptroller's Office will continue to develop an internal audit function, including an annual audit plan to perform routine risk assessment, evaluation and testing of internal controls. The internal audit function should provide meaningful recommendations and monitoring procedures to ensure process improvements are implemented and effective in all process areas where significant risks may be present.</p>
Management Response	
No response necessary, as this observation is for the Comptroller.	

3. Budget (System) Restrictions Related to Salaries

Observation(s) and Impact	Recommendations
<p>Accurate financial records and budget allocations are crucial to maintaining the integrity of Albany County's fiscal activity and preserving taxpayer confidence that resources are expended in the most efficient and appropriate manner.</p> <p>The DAC noted that there are specific limitations in the computerized systems that manage Albany County's budget allocations and communicate back and forth with the accounting program that produces and records payroll checks. Currently, when employees separate from Albany County service, their vacation buyout payment must occupy the budget line for as many weeks as the accruals represent even though the buyout is paid out as a lump sum upon separation.</p> <p>As a result, a new employee hired as a replacement was paid from a different budget line for extended periods before the appropriate line becomes available. Recording salaries in this manner often appears to be inaccurately recorded as Out Of Title pay (OOT).</p>	<p>The DAC recommends, the Department of Management and Budget work to adjust configurations within the budget recording and accounting systems to ensure that current employees are paid from the appropriate lines in order to provide a more accurate mechanism for reporting salaries. It may be possible to create a separate restricted reserve account specifically for the purpose of paying terminated employees vacation buyouts. Appropriate civil service accounts may need to be established for new positions as necessary.</p> <p>Corrective action related to this observation would decrease the use of the OOT pay classification for extended periods and eliminate the appearance of erroneous or inappropriate salary payments. It may be beneficial to reference the budget structure employed by other counties of similar size to assist in the development of a more efficient procedure.</p>
Management Response	
<p>The County's policy, in general, has been to charge accrual payouts to said personnel line items when separation has occurred. When the separating employee leaves, there is a need to fill certain positions as soon as possible for continuity of operations. These positions, "critical hires", will force the line over the appropriation amounts by the close of the year. The funding of payouts for all position would be a huge burden to the taxpayer to implement for all positions; but, setting up a designated reserve fund to handle this for critical hires may be a more appropriate way to account for this issue. A policy with input from Management and Budget, Human Resources and the Comptroller on taking action, or reviewing requests for critical hires may be necessary to implement this in an efficient manner and cleaning the options up at year end may make the process more transparent.</p>	

4. Manual Entries for In and Out Punches Not Verified and Approved by Supervisor

Observation(s) and Impact	Recommendations
<p>Albany County attendance regulations state that “Every County employee shall maintain a complete, accurate and up-to-date record of his or her presence and absence from work.” A physical time clock exists at many county locations, but its use is not a requirement, per Albany County Policy. It is the responsibility of the appointed authority for each department to establish standards for time recording.</p> <p>Time sheets used by employees that do not use the time clock are in most instances signed only by the employee. Manual entries are not consistently supported by documentation or verified and approved by supervisors.</p> <p>Additionally, a significant amount of manual time entries are triggered by phone calls or text messages. As a result, the individuals performing the entries are unable to provide documentation.</p> <p>Manually entered time sheets verified and approved by supervisors substantially reduces the risk that the records produced are accurate and authorized.</p>	<p>Adequate implementation of the DAC recommendation for Observation I above will sufficiently address this issue, however, it is not expected to be an immediate occurrence.</p> <p>In the interim the DAC recommends that all manual entries to record or edit time in the Kronos system be verified and approved by a manager, supervisor or authorized personnel from the Payroll Division of the Human Resources Department.</p> <p>Additionally, Human Resources has developed a universal time sheet to be used for all manual entries across Albany County. This time sheet should be updated to include lines for location, a brief description of activities where applicable and a line for a supervisor to approve/certify, as well as language that provides for an attestation of the employee and acknowledgment of penalty for any submission of false documentation.</p> <p>Procedure should be implemented that requires all universal time sheets, and any supporting documentation, such as leave requests, to be electronically saved and stored in specifically identifiable and searchable electronic folders.</p>
Management Response	
<p>Human Resources agrees with this recommendation. It should be noted that completion of paragraph four (4) of this recommendation may require purchase and implementation of additional software.</p>	

5. Manual Time Records Entered, Signed Off by Subordinates

Observation(s) and Impact	Recommendations
<p>Standards of best practice dictate that any entries or approvals made for individuals in supervisory or management positions should never be performed by subordinates, whether direct or indirect.</p> <p>Manual entries for time recording are performed by employees with direct or indirect reporting relationships to the individuals for whom the time is being entered. Additionally, manually entered time cards are routinely signed off, approved or completed by an employee with direct or indirect reporting relationships to the individuals, (e.g., a subordinate).</p> <p>There is an inherent risk attached to completing transactions for an individual that has the potential to exert influence or pressure that could create a real or perceived impact on the employee's continued tenure.</p>	<p>Adequate implementation of the DAC recommendation for Observation 1 above will sufficiently address this issue, however, it is not expected to be an immediate occurrence.</p> <p>In the interim, the DAC recommends that Human Resources review and evaluate current and best practices to ensure that manual time recording complies with said best practices and that supervisors are reviewing and signing off on subordinates time cards where required.</p> <p>Further, it is recommended that Human Resources develop a detailed and specific list of any positions that exist under circumstances where there is no immediate supervisor to approve the employee's time and submit to the Comptroller for final approval. This list should be reviewed and approved annually. These individuals should be required to punch a clock or submit a detailed and universal time sheet that attests to the accuracy of the information submitted.</p>
Management Response	
<p>The Department of Human Resources agrees with this recommendation and further requires all Departments to provide the hierarchy/reporting structure of their department, which includes all positions. Said hierarchy chart shall drive the structure and permissions within Kronos as mentioned in response 1.B.</p>	

6. Manual Time Entries Self-Entered, or Signed Off.

Observation(s) and Impact	Recommendations
<p>Standards of best practice dictate that no employee should enter, edit or sign off on their own time. Payroll liaisons are instructed not to engage in this practice. Payroll staff does perform periodic reviews to determine if employees have adhered to this directive.</p> <p>The DAC observed several employees with edit capacity had entered, and some had signed off on, their own time records in the Kronos system.</p> <p>Employees being permitted to enter, edit and sign off on their own time creates a risk that an inappropriate or unauthorized time record would go undetected. Additionally, checking for self-approvals periodically may lead to the discovery of errors or unauthorized entries after payroll has been disbursed and inappropriate payment may be difficult or impossible to recover.</p>	<p>Adequate implementation of the DAC recommendation for Observation I above will sufficiently address this issue, however, it is not expected to be an immediate occurrence.</p> <p>In the interim, the DAC recommends that the management establish a written procedure to prohibit employees with edit capability from entering their own time in the Kronos system. If necessary, management should perform more frequent reviews to discover when this has occurred before payroll is disbursed in order to allow time for entries to be verified by a supervisor.</p>
Management Response	
<p>The Department of Human Resources agrees with this recommendation. The Department of Human Resources shall prohibit the editing of an employee's own timecard in the Timekeeping System. All instances of personal editing shall be deemed an infraction.</p>	

7. Data Security and Access Controls

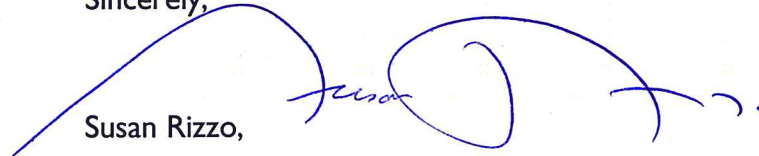
Observation(s) and Impact	Recommendations
<p>Albany County observes the common Information Technology (IT) best practice of assigning individuals with the least possible levels of access required to perform their job responsibilities efficiently.</p> <p>Department heads do not perform an annual review of their employees with edit access in Kronos to determine if access assigned remains commensurate with an individual's job responsibilities. The DAC noted that several employees that were no longer responsible for making time entries, or had been separated from Albany County service, were not placed in deactivated accounts in the Kronos system.</p> <p>Periodic review of individuals assigned edit capabilities in the time recording system reduces the risk that erroneous, unapproved or inappropriate entries would be permitted.</p>	<p>The DAC recommends that management develop a process for individual department managers in conjunction with Human Resources personnel to conduct periodic reviews of employees with edit capability in the Kronos system to ensure that access is appropriate and remains commensurate with current employee locations, responsibilities and supervisor relationships.</p> <p>Additionally, management should deactivate Kronos accounts as part of the process for facilitating job changes and separating employees.</p>
Management Response	
<p>The Department of Human Resources shall conduct a biannual review of permissions. Records of this review shall be maintained in the Department of Human Resources. Further, Department Heads shall be required to annually approve and review all permissions for their Departments.</p>	
Department of Audit and Control Response	
<p>The DAC is in agreement and it is understood this procedure will be performed with access to the MUNIS system in addition to Kronos.</p>	

Conclusion

The Albany County Office of the Comptroller, Department of Audit and Control (DAC) would like to express appreciation to all Department Heads, Commissioners and Albany County employees that took the time to cooperate with this audit and provide documentation.

Additionally, the DAC is in agreement with all of managements responses and will perform follow up procedures going forward to monitor implementation of these corrective actions. The DAC will continue to work with Human Resources as well as all Albany County Departments to ensure that emerging opportunities and risks are identified and addressed in the most timely and effective manner.

Sincerely,



Susan Rizzo,
Albany County Comptroller

cc. Stephanie Slominski CIA, Chief Auditor

Eugenia Condon, County Attorney

John Liguori, Deputy County Attorney

Jeffery Jamison, First Assistant County Attorney

Shawn Thelen, Commissioner Management and Budget

Jennifer Clement, Commissioner Human Resources

Draft Report Time and Attendance Audit, April 2020

Source: Expert Report, issued December 10, 2019 by Paul Ribaudo CPA, CFE, CFF, CITP from outside accounting firm Berdon LLP

Purpose: To provide background for the objectives developed for use in the current audit

FINDINGS:²

Time and Attendance Entered by Manual Entry as Opposed to by Employee Punches

4. Many employees have a significant amount of their time and attendance entered into Kronos by Manual Entries as opposed to by Employee Punches.
5. Various departments have multiple Payroll Liaisons with read/write access to Kronos.
6. Payroll Liaisons have the ability to utilize their read/write Kronos access to enter their own time and attendance via Manual Entry as opposed to by Employee Punches.
7. Manual Entries have been made by Payroll Liaisons who are not in the same department as the employee for whom said entry was made.
8. Many employees have had their time entered into Kronos via Manual Entries that were created 30 or more days in advance of the date to which said time entry related.

The Use of Out of Title Pay to Compensate Albany County Employees

9. Out of Title Pay has been used to compensate many employees over the Analysis Period.

Employee Punches at Time Clocks Located Outside of the Employee's Home Department

10. Employees appear to have punched in at worksites outside of their home departments.

² All capitalized terms shall have the meaning ascribed to them in the body of this report.