



MANAGEMENT ACTION PLAN PROGRESS REPORT

DATE: September 9, 2022

TO: Linda Gorton, Mayor

CC: Sally Hamilton, Chief Administrative Officer
Glenn Brown, Deputy Chief Administrative Officer
Aldona Valicenti, Chief Information Officer
Nancy Albright, Commissioner of EQ&PW
Kenneth Armstrong, Commissioner of Public Safety
Erin Hensley, Commissioner of Finance & Administration
Lisa Farmer, Director of Community Corrections
Mike Nugent, Director of Technical Services
Tracey Thurman, Director of Waste Management
Phyllis Cooper, Director of Accounting
Susan Straub, Communications Director
Urban County Council
Internal Audit Board

FROM: Bruce Sahli, CIA, CFE, Director of Internal Audit
Matthew Reid, CPA, Internal Auditor

RE: Kronos Timekeeping System Audit MAPPR

Background

On September 3, 2021 the Office of Internal Audit issued the Kronos Timekeeping System Audit report. The 2021 audit report contained five findings, including the



absence of a Divisional review of employee Kronos Function Access Profiles, the absence of a formal Kronos data recovery policy, a segregation of duties issue in Community Corrections regarding Kronos time adjustments, underutilized Kronos capabilities in Community Corrections, and numerous adjustments to the Waste Management Incentive Pay Rule. The scope of the audit covered the period from January 6, 2020 through December 20, 2020.

This follow-up review is provided for management information only. It is not an audit and no opinion is given regarding controls or procedures. We interviewed personnel in various departments, including the Department of Information Technology, the Division of Community Corrections, and the Division of Waste Management, and performed procedures to obtain other evidence as necessary to complete our follow-up review.

A summary of the findings from the original audit report and a summary of the results of our follow-up are provided in the table below. The original findings, management’s original responses, and details of the results of this follow-up are contained in the **ORIGINAL AUDIT RESULTS AND FOLLOW-UP DETAILS** section of this report.

Finding	Summary of Original Finding	Follow-Up Results
Finding #1 High Priority	Kronos Function Access Profiles Should Be Reviewed By Division Management	On August 4, 2021 the Department of Information Technology distributed the Kronos Function Access Profile Reports to the four Divisions that utilize Kronos for management review. Two Water Quality employee accounts and one Waste Management account were removed as a result of this review. The finding is resolved.



<p>Finding #2 High Priority</p>	<p>Formal Kronos Data Recovery Policy is Needed</p>	<p>On September 21, 2021 a restore test of the Kronos System was completed and the data was verified. We were informed that performing a restore test of the Kronos system is not scheduled on a periodic basis, but that it can be performed anytime upon demand. A policy establishing the periodic restore testing of the Kronos System should be created and adhered to. The finding is partially resolved.</p>
<p>Finding #3 High Priority</p>	<p>Kronos Time Adjustment Segregation of Duties Issue Noted in Community Corrections</p>	<p>All Community Corrections employees are now utilizing the biometric time clock to clock in and out every day, except for seven employees in Adult Probation whose Kronos accounts are not set up yet. We were informed that Sergeants, Lieutenants, and Captains are no longer able to make manual adjustments to their own clock-in and clock-out time in the Kronos Timekeeping System. Such adjustments have to be made by one of the employee's supervisors or the payroll coordinator. We examined Kronos time entries for a Sergeant, Lieutenant, and a Captain, and noted none of the time</p>



<p>Finding #3 (continued)</p>		<p>adjustments were posted by the sampled employees. However, our examination of the 30 manual time adjustments made for these three employees noted that the purpose for 15 of those adjustments was not documented. The issue with the biometric time clock in Adult Probation also needs to be addressed. The finding is partially resolved.</p>
<p>Finding #4 Moderate Priority</p>	<p>Kronos Capabilities Underutilized in Community Corrections</p>	<p>The Kronos timekeeping system at Community Corrections has not been updated to calculate and report overtime wages for management review. The main issue appears to be the need to program Kronos to process payroll rules that are unique to that Division. The Director of Technical Services explained this will require input from Human Resources and Payroll before any Kronos programming can begin, and funding will be needed to pay for the additional Kronos programming. Community Corrections should consider pursuing the development of this Kronos option. The finding is not resolved.</p>



Finding #5 Moderate Priority	Numerous Adjustments to Waste Management Incentive Pay Rule Identified	The Division is now operating under the prior Incentive Payment Plan rules in which employees are required to work the minimum number of hours to qualify for Incentive Pay. A review of Waste Management manual time adjustments for the period May 23, 2022 through June 19, 2022 found only one manual time adjustment, and it was not related to Incentive Pay. The finding is resolved.
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ORIGINAL AUDIT RESULTS AND FOLLOW-UP DETAILS

Original Finding #1: Kronos Function Access Profiles Should Be Reviewed By Division Management
Priority Rating: High

Condition:

In the prior Kronos Timekeeping System Audit completed in 2017, we recommended that Kronos Function Access Profiles which detail Kronos user access rights and permissions be reviewed by each Division to ensure they were aligned with each employees' job duties and provided an adequate segregation of duties within Kronos. At that time, the Department of Information Technology (Department of IT) had not completed Kronos Function Access Profile reports to distribute to each Division, nor had these reports been completed when we performed a Management Action Plan Progress Review of the audit in 2018. We were informed during this current audit that the Department of IT is now able to create a Kronos Function Access Profile report which can be reviewed by each Kronos user Division's management, but the distribution of this report had not occurred.



Effect: The absence of a Kronos Function Access Profile review creates the risk that Kronos users may have rights and permissions that are incompatible with their job duties, thereby exposing LFUCG to the risk of inappropriate or fictitious time adjustments.

Recommendation:

The Department of IT should distribute the Kronos Function Access Profile reports to the management of each Division that currently uses Kronos for a review of employee access profiles to ensure their employees can only access Kronos functions necessary to perform their duties. Going forward, Kronos Function Access Profile reports should be reviewed at least annually by user Division management to ensure appropriate Kronos access controls continue to remain in place.

Director of Technical Services Response:

The Division of Computer Services will create and distribute a report detailing the access rights granted to individuals within each Division that uses the Kronos time recording system. This report and its distribution to the Division Directors is scheduled for completion by October 1st 2021.

Chief Information Officer Response:

I concur with the Director of Technical Services.

Follow-up Detail Results:

Department of Information Technology personnel informed us that they distributed Kronos Function Access Profile Reports to the various Divisions that utilize the Kronos timekeeping system (Streets & Roads, Community Corrections, Water Quality, & Waste Management) for their review on August 4, 2021. This was verified by examining copies of emails sent to those four Divisions in which the Kronos Function Access Profile Reports were attached. Department of Information Technology personnel advised that two employee accounts in the Division of Water Quality and one employee account in the Division of Waste Management were removed as a result of this review. Department of Information Technology personnel also advised that they will create this report and distribute it to the various Kronos user Divisions for review on an annual basis.

The finding is resolved.



Original Finding #2: Formal Kronos Data Recovery Policy is Needed
Priority Rating: High

Condition:

We were informed by the Division of Computer Services that there is no formal restore test to ensure that Kronos data backed up on its dedicated server can be retrieved if needed.

Effect:

The absence of a formal restore test creates the risk that potential problems with Kronos data recovery may go undetected, possibly resulting in a failed effort to recover Kronos data if the need arises.

Recommendation:

A formal Kronos data recovery policy should be created and tested to ensure Kronos data can be recovered if necessary.

Director of Technical Services Response:

The Division of Computer Services will allocate the necessary resources to perform a full restore of the Kronos System's SQL database by October 1st 2021.

Chief Information Officer Response:

I concur with the Director of Technical Services.

Follow-up Detail Results:

The Department of Information Technology completed a restore of the Kronos System and data verification on September 21, 2021. The Director of Technical Services stated that although a restore test of the Kronos system is not scheduled to be performed on a periodic basis, it can be performed anytime if requested.

The finding is partially resolved. A policy establishing the periodic restore testing of the Kronos System should be created and adhered to.

Director of Technical Services Response:

I will request that the applications team perform a test restore of the Kronos database twice a year.



Chief Information Officer Response:

I concur with the Director of Technical Services response.

Original Finding #3: Kronos Time Adjustment Segregation of Duties Issue Noted in Community Corrections

Priority Rating: High

Condition:

We were informed that Community Corrections personnel who were considered Commanders had the ability to make manual adjustments to their Kronos time entries from their work computers. This included all personnel at the sergeant level and above. The Director of Community Corrections informed us that this group currently includes 25 sergeants, 7 lieutenants, and 11 captains. Commanders at the sergeant level were required to use the Kronos biometric time punch when entering and leaving the building, but could go into their Kronos time reports via their work computers to post rest breaks and lunch breaks. The Director of Community Corrections also informed us that Lieutenants were always expected to use the biometric time punch to clock in and clock out, but over time they started editing their timecard on their work computers and not using the biometric time punch. Captains were not required to clock in or out using the Kronos biometrics time punch.

There was no formal process in place to review these time adjustments before they were approved by the payroll coordinator. By the time we became aware of this, the Director of Community Corrections had begun the process to address this, including the removal of sergeants' Kronos access rights that allowed them to change their own biometric time entries. The Director was still in the process of correcting this situation for lieutenants and captains. As noted in Finding #1, the distribution of a Kronos Function Access Profile report that could have identified this segregation of duties issue has not been provided to the management of Divisions using the Kronos timekeeping system.

Effect:

A timekeeping segregation of duties issue exists when employees are allowed to adjust their own Kronos time entries. This creates the risk of inappropriate time adjustments not being detected or corrected.



Recommendation:

Community Corrections personnel should not have the ability to edit their own Kronos time entries. Any necessary edits should be made by the next level supervisor or the payroll coordinator. To accomplish this, Community Corrections should develop a procedure requiring supervisors to document their approval of any necessary edits to the Kronos time entries of their direct reports, and provide this documentation to the payroll coordinator. The payroll coordinator should retain the approval documentation in the payroll coordinator files as proof that the edits are properly authorized.

Community Corrections personnel should also use the Kronos biometric system to clock in and out at the beginning and end of their shift. This is a fundamental Kronos time recording control feature that should be consistently used to maximize time management.

Director of Community Corrections Response:

I concur with the recommendations.

Changes were already made thru Kronos that personnel cannot edit, add or delete their own time card. The next level supervisor would have to make any corrections. Also, the next level supervisor will have to place a note on the date of the needed correction to explain why the edit was made. In addition, an email will be sent to the Payroll Coordinator to store for auditing and documentation.

Effective August 2, 2021, all Community Corrections personnel will be required to clock in using the biometric clock at the beginning and end of their work shift. As of August 5, 2021, there is a plan to install a biometric clock in Adult Probation. Adult Probation's office is located in the District Court Building. After speaking with IT, maintenance staff, and Court Administrator Carey Howard, there should be no issues with installing a biometric clock for Adult Probation. A biometric clock is being purchased to be placed in Adult Probation.

Commissioner of Public Safety Response:

Based on the information provided by the audit and the indicated steps taken by Director Farmer, it is my opinion that the issue will be rectified once the final biometric clock is in place. We have been advised that District Court will have the clock in place for Corrections within a month. I have also been advised that all needed policy changes have occurred and affected employees are aware of the change.



Follow-up Detail Results:

The Director of Community Corrections advised that all Community Corrections employees are now utilizing the biometric time clock to clock in and out, with the exception of employees in Adult Probation. The biometric time clock has been installed in Adult Probation; however, Community Corrections personnel advised that they have experienced problems setting up the Adult Probation employee Kronos accounts in order for them to utilize the biometric time clock. The Community Corrections payroll coordinator stated that she expects the issue will be resolved soon so that all Adult Probation employees can utilize the Kronos biometric time clock.

The Director of Community Corrections also advised that Sergeants, Lieutenants, and Captains are no longer able to make manual adjustments to their clock-in and clock-out time in the Kronos Timekeeping System. These time adjustments will have to be made by one of the employee's supervisors or the payroll coordinator. We examined Kronos time entries for a Sergeant, Lieutenant, and Captain obtained from the Community Corrections Payroll Coordinator, and noted that none of their time adjustments were posted by the sampled employees. All manual time adjustments were entered into the Kronos Timekeeping System by the employee's supervisor or the payroll coordinator. We also examined the 30 manual time adjustments made on these employees' Kronos time records for documented explanations of the adjustments. There was no documented explanation for 15 of the 30 (50%) manual time adjustments we examined.

The finding is partially resolved. The issue with the biometric time clock in Adult Probation should be addressed in order to allow those employees to utilize this Kronos feature. Explanations for manual time adjustments should be consistently documented in the Kronos timekeeping system notes.

Director of Community Corrections Response:

As of around July 20, 2022, the biometric time clock had been installed and functioning at Adult Probation. All staff in Adult Probation are now using the biometric clock to punch in and out for the start and end of their work shift. Director Farmer verified by speaking with Ms. Susan Palmer of Adult Probation that the biometric clock was working without any issues on August 26, 2022.



For the second part of Finding #3, consistently documented of manual time adjustments. There was a changeover of Payroll Coordinator on Feb 25, 2022, when previous Payroll Coordinator resigned his position and information wasn't passed along to the new Payroll coordinator. In addition, an email was sent out to all commanders along with the Payroll Coordinator and their Supervisor that this documentation was required. This will be monitored and spot checked to ensure that the directive is being followed.

Commissioner of Public Safety Response:

The steps taken should rectify this situation, but a quarterly review is suggested.

Original Finding #4: Kronos Capabilities Underutilized in Community Corrections

Priority Rating: Moderate

Condition:

During our review of Kronos generated reports, we noted that Kronos was not calculating overtime for Community Corrections employees. For example, one Community Corrections employee worked 126.9 hours during a two week pay period, but a Kronos payroll totals report did not identify any overtime worked.

We brought this matter to the attention of the Community Corrections payroll coordinator, who state that, "For us, Kronos only records the total hours. Once the file is imported into PeopleSoft, PeopleSoft then computes the OT hours". We contacted the Payroll Manager in the Division of Accounting to determine if this was correct. The Payroll Manager informed us that PeopleSoft is programmed to assign overtime to time reported in excess of 40 Regular Hours per week, and said the absence of Kronos overtime calculations in Community Corrections had no impact on the correct calculation of overtime in PeopleSoft or the correct payment of overtime hours worked. This statement was validated by the employee's PeopleSoft pay stub provided by the Community Corrections payroll coordinator, which reported correct overtime paid.

It is important to understand that LFUCG payroll is processed in PeopleSoft, and this represents the final record of overtime earned and overtime paid. However, we were informed by a Community Corrections Administrative Specialist Principal that the absence of overtime reporting in Kronos creates a significant amount of additional



administrative work to identify and manage overtime hours worked by Community Corrections personnel. This statement was later validated by the Director of Community Corrections. The Administrative Specialist Principal also informed us that the Kronos Administrator in the Department of IT has recommended in the past that Community Corrections should utilize the full potential of the Kronos System.

Effect:

The underutilization of Kronos capabilities results in unnecessary administrative work to obtain time reporting information that could otherwise be easily provided by the Kronos System.

Recommendation:

Community Corrections management should request that the Department of IT program their Kronos System to calculate overtime earned and include this information in a payroll totals report or similar report for management review. It is also recommended that Community Corrections management discuss other unused Kronos features with the Kronos Administrator, and consider utilizing those features in order to obtain the full benefit of the Kronos System.

Director of Community Corrections Response:

I concur with the recommendations. A meeting was held on September 1, 2021 to discuss the features of Kronos with the Department of Information Technology. In the meeting, it was agreed that Corrections would benefit with the capability of having Kronos to report OT for commanders to review and approve the OT. Sue Boorman, with Department of Information Technology, is requesting a quote to have the feature added to Kronos for Community Corrections. Tim Bailey, Enterprise Solutions, will be verifying that PeopleSoft is compatible with the way Community Corrections reports OT in Kronos. Once all the information is received, a secondary meeting will be scheduled. At this time, I have no time line on when the next meeting or steps will be to implement the updates from the recommendation as other parties will need to be involved with the financials.

Commissioner of Public Safety Response:

I concur and support the recommendation and actions taken to address this matter. This issue will require a long-term effort to correct it, but Director Farmer and her staff are taking the needed steps now to do just that. I have asked Director Farmer to provide me with monthly updates on the project and progress until it is completed and/or other steps are identified that will rectify the situation.



Follow-up Detail Results:

The Director of Community Corrections informed us that the Kronos timekeeping system has not been updated to calculate and report overtime wages for management review. The Director of Technical Services stated he did not have any information on the status of the request, and a Senior Administrative Officer in the Department of Information Technology also stated that due to the complexity of this project, a decision to proceed would require sponsorship by senior management.

We discussed this matter with the Director of Technical Services. The main issue with enabling Kronos to provide overtime reporting for the Division of Community Corrections appears to be the need to program Kronos to process payroll rules that are unique to that Division. The Director of Technical Services explained that the development of those payroll rules will require input from Human Resources and Payroll before any Kronos programming can begin. Once this consultation is completed, funding will be needed to pay for the additional Kronos programming. We recommend Community Correction management consider pursuing the development of this Kronos option to assist in the management of overtime.

The finding is not resolved.

Director of Community Corrections Response:

On August 30, 2022, Community Corrections received an estimate from Sue Boorman for the cost for UKG consultant to conduct an assessment to review the requirements that would be required to calculating the OT for the Division. The cost of the assessment is projected to cost \$3,800. The Division is moving forward to have the assessment for the final cost to install the program. The cost will be over \$25,000 and once the final estimate is given it will be asked as a capital project for upcoming budget.

Commissioner of Public Safety Response:

Internal monthly status updates should/will occur to ensure progress is occurring and to ensure funds are allocated from this fiscal year (if available) or requested during next fiscal year's budget cycle.



Original Finding #5: Numerous Adjustments to Waste Management Incentive Pay Rule Identified

Priority Rating: Moderate

Condition:

Each employee is assigned a work/pay rule in Kronos which automatically applies the correct earnings codes and determines appropriate pay for regular work, overtime, shift differentials, holidays, etc. Waste Management has set up an Incentive Pay Rule within Kronos which allows certain collection employees to leave work two hours before their official work schedule ends and still receive credit for a full work schedule with no loss in pay. This is referred to as Incentive Pay and is a longstanding practice in the Division of Waste Management. The Kronos system is configured to automatically add Incentive Pay as long as certain Waste Management employees work the minimum number of hours established under this pay rule (six hours for employees assigned to work eight hour shifts five days a week, and eight hours for employees assigned to work ten hour shifts four days a week). If the employee fails to work the minimum number of hours required each day, the pay rule states that they will be paid the number of actual hours worked and will not receive the additional two hours of incentive pay.

We identified 11,466 time adjustments in Waste Management totaling 20,311.6 hours that were posted during the payroll calendar year 2020 to increase employees' regular pay hours to the minimum number of hours required to receive incentive pay. We also identified 10,800 time adjustments in Waste Management (usually in the amount of two hours per adjustment) totaling 21,854 hours that were posted to add incentive hours and incentive pay to these employees time reports during the same period. The adjustments in hours worked were posted for route collection employees set up under the Incentive Pay Rule in order to allow them to receive payment for a full day of work even though their actual hours worked were less than the minimum number of hours required to be eligible for Incentive Pay (six or eight hours). According to the Incentive Pay Rule, these employees should not have received the additional regular hours or the additional incentive pay hours and should have been paid only the total number of hours they actually worked on these days.

We discussed these adjustments with Division of Waste Management personnel, who stated that, "As a result of the COVID-19 pandemic, operational measures were immediately implemented to ensure the health and safety of employees. Collections employees became essential and continued to work throughout the pandemic. Due to the operational challenge of having over 200 (program manager, operations managers,



safety specialists, resource recovery operators, public service workers, seasonal workers, temporary laborers) employees reporting to work four days per week to provide collection services, social distancing measures were critical to continuing to have enough people to provide services. To reduce exposure and the spread of COVID-19, employees were required to get their routes off quickly and leave once their work was done. This was done to reduce the amount of time employees were in proximity to one another and also to avoid any gathering of employees. Route times became shorter due to less traffic and more people working from home throughout the community. Routes were not changed during COVID-19 because it has been an unknown factor on how long COVID-19 would be an imminent life, health and safety matter.” The Director of Waste Management informed us that there would be a return to regular start times beginning May 3, 2021.

The Office of Internal Audit acknowledges that COVID-19 restrictions and social distancing measures have created unique challenges throughout LFUCG; however, Pay rules are established to ensure compliance with laws, regulations, and ordinances and to limit the number of payroll hour adjustments needed. Pay rules should be consistently complied with unless they are properly amended by senior management.

Effect:

The pay adjustments posted by Waste Management bypassed the Incentive Pay Rule which requires a minimum number of hours that must be worked each day by employees in order to receive incentive pay. Pay rules also keep hours worked and work rule decisions from being left to the discretion of payroll coordinators and payroll administrators.

Recommendation:

The requirements of the Incentive Pay Rule should be complied with. If ongoing issues with COVID-19 restrictions indicate a problem in doing so, the Director of Waste Management should confer with the Division of Human Resources and the Department of Law to determine if adjustments to the Incentive Pay Rule are warranted.

Director of Waste Management Response:

Due to a world-wide pandemic occurring in 2020 and continuing now with the COVID-19 virus, management took immediate measures to mitigate risks with a focus on life safety/health risks. The Division’s pandemic response was submitted and approved as required to the Administration for review prior to full implementation.



The Division of Waste Management's collection services and employees engaged in the processing of materials were deemed essential services to support public health and safety measures.

Early on during the pandemic, the Division was challenged with having enough personal protective equipment, sanitizing sprays, etc. Federal guidelines as provided by the Center for Disease Control (CDC) required: mask mandates, physical distancing of six feet between individuals, and limiting the amount of time individuals were in proximity to one another. The CDC also included a list of individual risk factors (age, diabetes, obesity, etc.) that increased the likelihood that COVID-19 could result in the loss of life.

From a collections standpoint, due to the nature of the work, having crews working on a truck together has been particularly challenging. The CDC initially required any individual who was exposed to COVID-19 to quarantine for 14 days. This was later reduced to ten and then five days. This was a great impact on employees within the Division because when they quarantine, then they cannot work from home like other administrative employees within government. This made providing services very difficult at times due to employees that were required to quarantine.

In addition, during this same time period, OSHA deemed that employers would be held liable and responsible for any COVID-19 exposure that resulted while on the job if the employer did not take the necessary measures to protect employees from harm. Fayette County Schools was cited by OSHA for not taking the necessary safety measures to protect a bus driver from COVID-19, which later resulted in the individual's death. Public Health Departments' authority became greater and they required individuals to quarantine with support from law enforcement as necessary. The agencies also required contact tracing which resulted in additional employees being placed in quarantine.

Throughout 2020, federal, state, and local governments were challenged with the ongoing uncertainty surrounding the spread of COVID-19, the race to get a vaccine, travel bans, and how to safely operate as businesses and schools were forced to close by executive order. At one point, the Lexington-Fayette Urban County Government implemented "Healthy at Home" measures that began with a government shutdown for a month. During the shutdown, government employees were paid to be at home. The Division of Waste Management never stopped working throughout the shutdown to provide essential services to support public health and safety measures. Employees reported to work every day to provide services without anyone knowing the full nature



of the virus, risk to life, or long-term health consequences. Operating in this environment became about managing fear, as much as protecting human life. This overall uncertainty also included questions about the duration of these measures and when there would be a return to some kind of normal. As such, financial measures were implemented to direct expenses toward personal protective equipment and supplies. Routes were not adjusted due to not knowing when businesses, schools, and individuals would return to working in offices versus from home. These are the conditions in which the Division of Waste Management had to operate in 2020 and continues to operate until there is a return to a new normal beyond the pandemic.

With regard to specific concerns in Kronos regarding numerous payroll adjustments and incentive, employees were paid for completing their work. The Division's Kronos timekeeping system was built around the incentive with the system automatically including it in calculations, unless payroll codes are used to remove it and get it to calculate actual hours. For transparency purposes, the code was removed to show actual time worked.

The Division has worked with an incentive plan dating back to the 1960s. The incentive is a daily reward for the completion of work in a timely manner. During the world-wide pandemic, employees were paid for the completion of their work thus following incentive. Employees were instructed to complete work and leave to avoid any gathering or prolonged exposure to one another based on CDC guidelines that could result in a wide spread outbreak and make collection services impossible to provide. Life, health and safety concerns were paramount.

The Division did not adjust routes because in the few months prior to COVID-19, all routes had just been optimized with employees bidding on all new routes. This was the first route optimization completed across all commodities in seven years and was a massive undertaking. Due to the uncertain nature of the spread of COVID-19 and the duration of the pandemic, routes were not optimized. Like the rest of the world, we did not know how long businesses and schools would be closed and traffic would be reduced. The overall goal has been to complete all work in an efficient manner and avoid prolonged exposure or close contact that could result in an outbreak and the loss of life or death.

Employees were paid for the completion of work. The federal requirements and CDC guidelines were followed and employees were paid for completing their work in keeping with incentive. Employees were not penalized or docked in pay for leaving when all



work was completed. The pandemic created conditions beyond anyone's control and employees should not be penalized or docked in pay for completing all their work in a world-wide health crisis. The payroll adjustments were required based on the current system. To change the Kronos system, would require a major system upgrade of \$30,000 or more. The Division used pay codes in a manner to show all time reporting for transparency purposes.

With the extenuating circumstances of the 2020 pandemic and its fluid nature brought about by the continuous changes and compliance with CDC guidelines, as well as the Governor's executive orders, the Division worked to make sure work was completed in manner to protect life and safety, while ensuring employees were paid for the completion of their work. As recommended by the audit, the Division will formalize its policies related to a pandemic response and associated pay rules during such emergencies.

Commissioner of Environmental Quality & Public Works Response:

As outlined by the Director of Waste Management, the temporary changes to the Waste Management payroll process due to the pandemic were discussed and approved prior to implementation. Those temporary changes have been reviewed over the course of the last 12 months to determine if it was time to make additional changes, including but not limited to reverting back to pre-COVID-19 practices. As the COVID-19 pandemic enters a new phase in the coming weeks we will again revisit current practices to determine if it is an appropriate time to make changes. As those decisions are made, the policies will be reviewed to determine what revisions may need to be made. We can document more formally the temporary changes that were made in response to the pandemic. All of these will be based on interpretation of current CDC guidance applied to Waste Management operational procedures. Recommendations by the Division will be reviewed by the Commissioner's Office, HR, Law and the CAO's Office. The temporary practice changes made at Waste Management are similar to many other temporary changes that were put into practice quickly and with approval, understanding that they were in response to the pandemic and temporary in nature, and would be revisited and revised as appropriate.

Follow-up Detail Results:

The Director of Waste Management stated that the Division is now operating under the prior Incentive Payment Plan rules in which employees are required to work the minimum number of hours to qualify for Incentive Pay. The Director also stated that the Division of Waste Management returned to pre-



Covid practices and stopped making Incentive Pay related manual adjustments to employee time near the end of September 2021.

We obtained a Kronos report of Waste Management manual time adjustments for the period May 23, 2022 through June 19, 2022. The report identified only one manual time adjustment in the amount of 0.7 hours. The Waste Management payroll coordinator that posted the manual time adjustment advised that it was an adjustment of the employee's leave time and was unrelated to Incentive Pay. This provides further evidence that manual time adjustments related to the Incentive Pay Rule are no longer being made.

The finding is resolved.

