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A Commitment to Service

NAPA COUNTY BOARD OF SUPERVISORS
Board Agenda Letter

TO: Board of Supervisors

FROM: Tracy Schulze - Auditor-Controller
Auditor - Controller

REPORT BY: Karen Querin, Audit Manager - 707-253-4588

SUBJECT: Executive Summary of County-wide Reviews for Payroll User Security Roles and Overtime

RECOMMENDATION

Auditor-Controller requests the Board accept, and instruct the Clerk of the Board to file, the Internal Audit Executive Summary for the review completed on County-wide payroll user security roles and overtime.

EXECUTIVE SUMMARY

The Internal Audit Section of the Napa County Auditor-Controller's Office has conducted two county-wide reviews applicable to the payroll user security roles and overtime incurred by Napa County Departments in accordance with *International Standards for the Professional Practice of Internal Auditing.* Acceptance of said Executive Summary is requested.

FISCAL IMPACT

Is there a Fiscal Impact?   No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Staff conducted two county-wide reviews applicable to the payroll user security roles in the PeopleSoft HR system and the overtime incurred by Napa County Departments. The objective of the reviews was to review and evaluate for internal control weaknesses. The following is a summarization of the results reported in the attached report.

Security Roles

a. Dual Roles for Time Keepers and Approvers - 38 employees from 23 different budget units had both Time Keeper and Approver payroll user security roles.
b. Update User Security Role Access upon Change in Employment Status - 1 employee retained their roles from their previous department after transferring and 2 employees retained their roles after employment was terminated; however, Information Technology Services terminated their access to PeopleSoft at the time of their departure.

Overtime

a. Highest Percentage of Overtime - The top eight budget units had overtime of 7% or higher. The remaining 41 budget units had overtime of 4.6% or less.
b. Staffing Levels Incurring Overtime - The majority of the overtime was incurred by mid-level to high-level hourly employees having position titles noted as "II" or higher.
c. Trends - The top 8 budget units had an escalation in overtime either during the quarter ending September 30th (Summer) or the quarter ending March 31st (Winter).
d. Consecutive Days Worked - 4 of the top 8 budget units had employees working a range of 11 to 39 consecutive days without a day off.

Please see the attached Report for a detailed description of the results and recommended solutions.

Overall, the reports indicate there is room for improvement in both areas. On security roles, the Auditor-Controller will work closely with Information Technology Services to utilize a more automated system, with work flow and additional monitoring tools. Regarding overtime, the Auditor-Controller will follow up with the individual departments to determine the reasons for the usage. As an audit only covers a specific period of time, the results may not represent the "norm". For example, the highest usage is within the departments that operate 24/7 and there is always a fine balance between adding more staff or incurring overtime costs only when additional resources are needed. Therefore, upon acceptance of this report, the Auditor-Controller will work with each of the departments individually to determine the cause of the overtime and will then relay the data to the CEO's office for their review to determine the best solutions.

SUPPORTING DOCUMENTS

A . Executive Summary - Countywide Payroll Security and Overtime

CEO Recommendation: Receive

Reviewed By: Molly Rattigan