

## City Employee Time and Attendance Reporting

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### Purpose of This Report

The New Orleans Office of the Inspector General (OIG) conducted an evaluation of the City employee time and attendance reporting for the period of January 1, 2021 to December 31, 2021. The purpose of the OIG's evaluation was to determine whether the City had policies, procedures, and controls to ensure that time and attendance was reported accurately. Further, the OIG sought to determine whether the City had penalties in place for noncompliance with time and attendance policies and mechanisms to assess if the attendance of unclassified employees was sufficient to carry out duties.

### What the OIG Found

In the last several years, there have been multiple reports in which the attendance of unclassified executive-level employees was questioned, including former members of the Office of Inspector General. The failure of employees to report to work raised concerns of not only payroll fraud, but efficiency and effectiveness of operations in City government.

The City spent \$459M on salary compensation in 2021, one of the City's largest budgetary expenditures. Of the \$459M, approximately \$46.4M was spent on exempt employees, who were not required to punch a time clock. An estimated 83 percent (\$38.6M) of this was for exempt employees who were also unclassified. The New Orleans Chief Administrative Office (CAO) is responsible for the daily operations of city government, including establishing time and attendance policies for all City employees.

In the course of the evaluation, evaluators learned that timecards of many executive-level employees were approved by individuals who lacked knowledge of their work schedules. Further, a survey of HR managers revealed that 41 percent of department heads were authorized to approve their own timecards. While CAO Policy Memorandum No.72(R) established payroll timekeeping procedures, evaluators found that the City lacked internal controls to ensure the City's payroll system (ADP) listed current timecard approvers. Employees who left City employment were still listed as timecard approvers for up to several years after their separation. Evaluators also found that City policies did not ensure salaried employees performed work during the pay period. Finally, evaluators discovered the City did not have a Payroll Governance Group, as required by Policy Memorandum No. 72(R).

### What the OIG Recommended

To improve City employee time and attendance reporting, the OIG offered the following recommendations:

- The City should develop standard procedures requiring departments to reassign current employees when their ADP supervisor leaves city employment. Further, the CAO's office should work with ADP administrators to develop queries and reports that allow HR Managers to easily identify all employees who report to a specific supervisor.
- The CAO's office should adopt internal controls consistent with best practice guidelines to monitor and verify the attendance of exempt employees, especially those who are also unclassified.
- The CAO's office should perform routine reviews of all City policies.