January 2023

Office of Internal Audit

Why We Did This Audit

The Office of Internal Audit (OIA) performed a scheduled audit of Payroll Transactions. The audit was conducted in accordance with the FY22 Audit Plan.

What We Recommend

We made the following recommendations:

- Improve the process for accepting, verifying, and approving direct deposit requests with a long-term goal of having changes made via Employee Self Service (ESS).
- Implement an internal process where payments made after termination are processed with supervisory approval.
- Improve the transparency of manual payments to include hours and hourly rates utilized in the calculation(s).
- Ensure more management approvals are performed by supervisors rather than by Payroll staff by distributing updated policies and procedures; rotate staff responsible for management approvals for employee leave.

Background

Personnel costs represent the City and School's largest annual expenditures. The City's Fiscal Year2022 (FY22) budget appropriated over $108 million for salaries and overtime along with over $80.7 million for benefits including health insurance and pensions for active and retired City employees. This represented funding for 1,659 full time equivalent employees (FTEs).[1] The Springfield School Department's FY22 budget contained over $409 million for employee salaries, stipends, and fringe benefits. This represented funding for 4,890 FTEs.[2] The City and School Department's employees are paid under various payroll cycles dependent upon the employee's status and/or bargaining unit. Payroll cycles can be weekly, bi-weekly, or monthly. Actual payroll processing is performed by the Payroll Department and employees are paid via direct deposit ACH transactions or by check.

Objectives and Scope

The primary objective of this audit was to determine whether operating procedures and internal controls provided adequate assurance that authorized payroll transactions were processed completely and accurately. Our audit included all employees listed in the MUNIS Employee Master file as of 4/30/2022 and MUNIS and Kronos payroll transactions with check dates 07/01/2021 - 04/30/2022 [or pay periods 06/20/2021-04/23/2022]. No testing was performed related to Covid-19 payments as these transactions will be addressed by Federal auditors. Telestaff testing was also excluded as the City's external auditors perform sampled testing as part of their annual procedures.

What We Found

The Payroll Department has a tremendous responsibility to timely process thousands of transactions each week, to reconcile and correct data, and for compliance reporting with state and federal government agencies. During our auditing period and fieldwork there were the added challenges of a nationwide Kronos outage as well as a major new upgrade to the City's accounting system, MUNIS. We commend the hard work of the Payroll Department and offer our findings and recommendations to help with continuous improvement of the payroll process. The Payroll Department works collaboratively with City and SPS Human Resources departments. Some findings are specific to the HR departments where noted. Our findings are as follows:

- E-mailed direct deposit changes are still being allowed.
- Payments were made after employees were terminated.

[1] https://www.springfield-ma.gov/finance/fileadmin/budget/2022/FY22_Adopted_Budget_-_FINAL_Compressed.pdf
[2] https://www.springfieldpublicschools.com/common/pages/DisplayFile.aspx?itemId=42081963

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What We Recommend (continued)

- Work collaboratively with both HR Departments to research the Kronos Sick and Vacation findings and make appropriate corrections to resolve.
- City's IT department restrict permissions for changes to rates to authorized HR employees.
- Restrict final sign-offs feature and removals to Payroll staff.
- Implement workflow notifications to employees for timecard adjustments.
- Restrict changes to pay rates, including imports, to authorized HR employees.
- Prohibit employees from entering changes for their own records as well as a policy requiring oversight and approval entries for PR staff.
- Develop an HR process for correcting existing duplicate employee master records and ensuring future records are unique, accurate, and consistent.
- HR resolve instances of active employees with no pay to ensure validity of employee master records and to prevent inadvertently paying inactive or terminated employees.

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What We Found (continued)

- Some payments in MUNIS were recorded without any hours and/or hourly pay rates noted.
- Some management approvals in Kronos are made by Payroll and HR staff.
- Various Sick and Vacation hour discrepancies during Kronos outage period.
- User assigned permissions for changes to pay rates need to be corrected for some employees.
- Entries in MUNIS and in Kronos were made by the same Payroll Employee.
- Kronos sign-offs were performed by non-payroll staff.
- HR departments are currently creating duplicate employee records for some employees and also for retirees in the City's accounting system.
- No Kronos Management Approval for some employees.
- Some Payroll employees were noted as making their own Direct Deposit changes.
- HR has some name discrepancies for employee and retiree data
- HR has some employees had an active status in MUNIS but did not receive any pay during the analysis period.
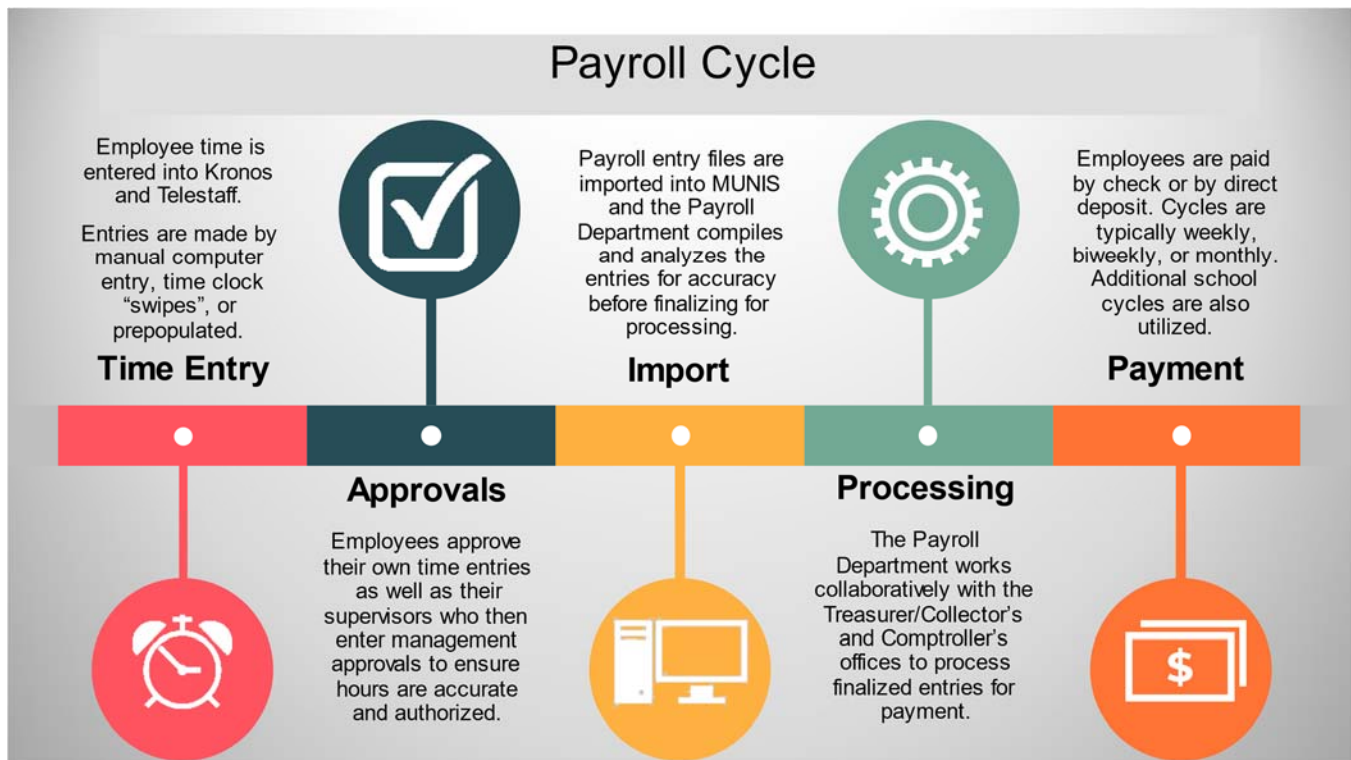
INTRODUCTION

Chapter 468 of the Acts of 2008 authorizes the Director of Internal Audit to examine the records of the City and its departments to prevent and detect waste, fraud and abuse and to improve the efficiency, effectiveness and quality of public services provided in and by the City. In accordance with this legislation, all offices and employees of officers, boards, commissions, agencies and other units of City government are required to comply with requests for information or access to systems and records by the Office of Internal Audit (OIA). The following review aligns the authority and goals of the OIA with those of the City. Specifically, this audit addresses the City's values related to accountability such as integrity, fiscal responsibility and transparent practices. The audit also supports the City's strategic priorities ensuring operational excellence, fiscal health and sustainability in all divisions, departments, programs and activities.

This report is not intended to be an adverse reflection of the City or of its vendors. The intent is for City management to utilize these findings and recommendations to help in making future well-informed strategic decisions while ultimately meeting City objectives.

BACKGROUND

In July 2007, the City implemented MUNIS, an integrated financial system specifically designed for public sector organizations. The application included human resources and payroll processing modules. The Employee Self Service (ESS) module was later implemented which provides employees access to paycheck information, tax forms, and offers employees the ability to make contact information changes online. The City also utilizes time and attendance systems. Telestaff is used by the City's first responders in the Police and Fire departments and City and School employees utilize the Kronos/UKG Workforce Central application.

The City and School Department's employees are paid under various payroll cycles dependent upon the employee's status and/or bargaining unit. Payroll cycles can be weekly, bi-weekly, or monthly. Actual payroll processing is performed by the Payroll Department and employees are paid via direct deposit ACH transactions or by check. The Payroll Department was previously funded from City and School Department appropriations but is now fully funded through a Service Level Agreement with the School Department. It currently has eight full-time employees. The Payroll Department works collaboratively with the City and SPS Human Resources Departments who currently have six and 17 employees respectively.

Payroll Cycle

Time Entry — Employee time is entered into Kronos and Telestaff. Entries are made by manual computer entry, time clock "swipes", or prepopulated.

Approvals — Employees approve their own time entries as well as their supervisors who then enter management approvals to ensure hours are accurate and authorized.

Import — Payroll entry files are imported into MUNIS and the Payroll Department compiles and analyzes the entries for accuracy before finalizing for processing.

Processing — The Payroll Department works collaboratively with the Treasurer/Collector's and Comptroller's offices to process finalized entries for payment.

Payment — Employees are paid by check or by direct deposit. Cycles are typically weekly, biweekly, or monthly. Additional school cycles are also utilized.

Personnel costs represent the City and School's largest annual expenditures. The City's Fiscal Year 2022 (FY22) budget appropriated over $108 million for salaries and overtime along with over $80.7 million for benefits including health insurance and pensions for active and retired City employees. This represented funding for 1,659 full time equivalent employees (FTEs).[3] The Springfield School Department's FY22 budget contained over $409 million for employee salaries, stipends, and fringe benefits. This represented funding for 4,890 FTEs.[4]

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The primary objective of this audit was to determine whether operating procedures and internal controls provided adequate assurance that authorized payroll transactions were processed completely and accurately. Our risk-assessed audit was neither designed nor intended to be a detailed review of every process, procedure, transaction or system.

Scope

Our audit included all employees listed in the MUNIS Employee Master file as of 4/30/2022 and MUNIS and Kronos payroll transactions with check dates 07/01/2021 - 04/30/2022 [or pay periods 06/20/2021-04/23/2022]. No testing was performed related to Covid-19 payments as these transactions will be addressed by Federal auditors. Telestaff testing was also excluded as the City's external auditors perform sampled testing as part of their annual procedures.

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[3] https://www.springfield-ma.gov/finance/fileadmin/budget/2022/FY22_Adopted_Budget_-_FINAL_Compressed.pdf
[4] https://www.springfieldpublicschools.com/common/pages/DisplayFile.aspx?itemId=42081963

Methodology

To accomplish our objectives, we designed audit procedures including identifying payroll processing risks, performing tests to verify the effectiveness of internal controls, interviewing personnel, and reviewing support documentation provided. MUNIS and Kronos data were queried to identify specific characteristics which could be indicators of fraud or internal control weaknesses.

In planning and performing this audit, the internal control structure and elements of fraud were considered in order to determine the auditing procedures to be designed. For example, we tested for indicators of fictitious employees by searching for similar or identical names, addresses, or social security numbers and analyzing employees' direct deposit information. We also examined terminated employees within our audit scope to ensure that they were timely removed from the payroll system and thereby did not receive any unauthorized pay. To identify potential falsified wages, we checked whether sampled pay had been appropriately authorized. We reviewed user access to the City's financial and timekeeping systems to verify that access to these systems is appropriately granted to administer payroll activities.

Our findings and related recommendations are in the following sections of the report. The Payroll Department was given the opportunity to respond to the findings. The departmental responses are incorporated verbatim into the report following each finding and recommendation.

Finding/Recommendation Priority Ranking Definitions and Criteria

The OIA's assignment of a ranking to findings and recommendations is intended to provide guidance to management on how to prioritize corrective actions. We consider both the effect and the likelihood of unimplemented recommendations in our categories. The OIA classifies the priority levels to be considered by Management when addressing findings and implementing recommendations as follows:

High	Internal control weaknesses and compliance issues that that require immediate corrective action.
Moderate	Internal control weaknesses and compliance issues that require prompt corrective action. Short term action is appropriate, e.g., less than 90 days.
Low	Internal control weaknesses and compliance issues that warrant timely corrective actions. Action with 360 days is deemed appropriate.

FINDINGS AND RECOMMENDATIONS

Finding Number	Finding	Finding Description	Recommendations	Priority Ranking	Management Response
1.	The Payroll Department is still allowing e-mailed direct deposit changes	This is a prior issue discovered by the City's external auditors after performing the Fiscal Year 2020 audit with continuing applicability. There has been a significant increase nationwide of Direct Deposit fraud. The risks include gaining unauthorized access to financial accounts, obtaining personal information, or funds being sent to someone other than the actual employee who requested the change. An employee of the OIA requested an actual direct deposit change to test the process directly. The OIA employee was offered e-mail as an option for submitting a direct deposit bank account change form by a Payroll Department employee. Therefore, this issue has not been resolved as the process still needs to be corrected.	We recommend the Payroll Department perform the following: • Establish an HR and PR protocol ensuring that e-mailed requests are not processed. • Instruct employees to only send direct deposit change requests to the Payroll Department. HR employees should always direct employees to contact Payroll directly if the employee first contacts HR. • Verify each and every request by contacting the employee directly by phone or in person using HR contact information from Employee Master records. • Remove the Direct Deposit forms from public websites. Provide forms to employees directly by using formal contact information from Employee Master records. • Require employees to provide their previous direct deposit information if applicable (i.e., bank, routing	High	**Payroll Department Response:** The Payroll Department agrees with this finding and has started working on phasing out emailed direct deposit changes. The Payroll Department has notified the City's webmaster and the direct deposit form has been removed from the City's public website.

		The HR department rather than the Payroll Department occasionally receives direct deposit change requests. We observed one instance where a fraudulent direct deposit request received by the HR department via e-mail was not properly scrutinized and a form was forwarded to the employee to complete. In this instance it was fortunate that the form was sent to the actual employee's e-mail address as the e-mail address on the request was not valid. Based upon the format of the e-mail in the request it should have immediately been dismissed as fraudulent. The City's internal employee website needs updating as the Payroll page still includes an outdated Kronos message that the application is unavailable; however, Kronos was back online 1/31/22. It also lacks contact information (i.e., "please contact the Human Resources Department" but no contact info; Direct Deposit contact is an employee who retired 12/4/2021). The direct deposit form is available on the City's public website.	number, and account number) as a verification procedure. • Supervisors should approve Direct Deposit Forms. • Send e-mail notifications to alert an employee if their information has changed. • Forward fraud attempts to the Internet Crime Complaint Center, which is monitored by the Federal Bureau of Investigation. • As a long-term goal, we recommend working with MUNIS Consultants to discuss utilizing the Direct Deposit change functionality within Employee Self Service (ESS). This would allow employees to make Direct Deposit changes directly and would eliminate the use of paper forms.		

| 2. | Numerous payroll payments were made after employees were terminated | We found the following instances where payments were made to employees subsequent to the termination date that is listed in the employee's master file:

Summary of Payments made after termination during our testing period:

0 - 30 days — 120 — $ 272,301
31 - 60 days — 80 — 183,939
Over 60 days — 21 — 244,616
221 — $ 700,856

All of these payments were researched and noted as valid per the Payroll Director and most were for items such as settlements, retroactive payments, contractual payments to teachers electing to be paid over 26 pay periods rather than 22, and various other adjustments.

Paychecks cannot be generated for inactive terminated employees unless the system is overridden. Each Payroll employee who makes these changes (overrides) is unilaterally and simultaneously processing the entry and scheduling the payment. We noted no supervisory approval of these changes. This creates the risk that unauthorized | We recommend that the Payroll Department develop an internal supervisory approval process for all manual adjustments (overrides) made for terminated employees. Payments made after termination should only be processed with supervisory approval. | **High** | **Payroll Department Response:**
It is common practice to pay out monies earned to employees after they are terminated to effectively avoid overpayments. However, the Payroll Department will ensure a process is in place for supervisory approval and separation of duties. |

		payments could be made to terminated employees.			
3.	Some payments in MUNIS were recorded without any hours and/or hourly pay rates noted	We noted during testing that some payroll amounts did not have any hours corresponding with that record. Specifically, we found 106 instances associated with $117,326 in payments. This test was developed to look for manual payroll changes where regular, OT, vacation or sick time was paid but no hours are noted in MUNIS. This creates the risk of payment for overridden hours added with no transparency, unauthorized hours, or incorrect calculations.	We recommend that the Payroll Department develop an internal supervisory approval process for all manual adjustments (overrides). Furthermore, we recommend that Payroll research the functionality in the most recent MUNIS upgrade to determine if the appropriate hourly rate and hours can be included in manual payments for transparency and review.	**High**	**Payroll Department Response:** The Payroll Department agrees that hours and/or hourly rates should be included in payments when applicable. However, some payments, such as stipends, are paid as flat amounts and hours and/or pay rates do not apply. Last year, the Payroll Department implemented changes to how pay adjustments are recorded to include hours, pay rate, and pay code information when applicable.
4.	Some management approvals in Kronos are made by Payroll and HR staff	There were over 13,000 management approvals made in Kronos during the analysis period by Payroll and HR staff for other departments. Management approvals should not be routinely performed by Payroll or HR staff. An approval is an electronic signature that confirms all actions on the timecard are valid, true, and accurate. The person approving the timecard is verifying that they have direct knowledge of the time worked and leave	We recommend that Payroll perform the following: • To help to ensure more management approvals are performed by supervisors rather than by Payroll staff, formalize the policies and processes for payroll, including delineating responsibilities between managers, employees, timekeepers, and the Payroll Department. For example, supervisors are responsible for confirming the accuracy of employee hours, timekeepers confirm the approval statuses and	**High**	**Payroll Department Response:** Many of these approvals are related to employees on leave, whose timecards are approved by HR and Payroll because the school or department can no longer determine the hours. Segregation of duties are in place between HR and Payroll to ensure both departments are involved in the approval process.

		taken for the pay period. There is a risk that Payroll employees, may not have sufficient knowledge to appropriately question and approve the time being submitted as accurate or could change time without the employee's or supervisor's knowledge. The responsibility for supervisors to approve their employees' time should not be shifted to Payroll employees merely because of convenience or expediency.	the accuracy of imported data, and Payroll performs final procedures and tests to determine whether the information provided is reasonable and complete before moving the time data for processing. • Send updated policies to employees and managers. • The Payroll Department's internal processes and procedures for SPS time entry and approvals for employees on leave should be formally documented including internal review procedures and segregation of duties practices. Payroll employees performing approval functions should be occasionally rotated.		The Payroll Department agrees that all other approvals should be made by the appropriate supervisor and will reinforce responsibilities with schools and departments.
5.	Various Sick and Vacation hour discrepancies during Kronos outage period	There was a nationwide Kronos outage from 12/11/2021 through 1/31/2022. During that outage, the City began utilizing a manual process of capturing and entering time records for payroll processing in MUNIS. We found 1,065 instances where 5,708 Sick and Vacation hours recorded per Kronos Accrual Detail reports differed from hours paid as shown in MUNIS. This creates a risk of improper accrual balances or payments to employees.	We recommend that the Payroll Department work collaboratively with both HR Departments to research the Kronos Sick and Vacation instances found and make appropriate corrections to resolve if necessary.	**High**	**Payroll Department Response:** The Payroll Department has worked with HR to track changes, reconcile, and update Kronos by making necessary adjustments. However, hours paid during the outage cannot be altered in MUNIS.

6. Employee responsibilities related to the payroll process could be improved:					
6a.	No Kronos Management Approval for some employees	Three employees did not have their supervisors approving their time during our analysis period in Kronos which creates a risk of potential time manipulation.	We recommend that departmental management and supervisors review and approve the instances identified by the OIA.	**High**	**Payroll Department Response:** The Payroll Department agrees with this finding and will follow up with the appropriate personnel.
6b.	User assigned permissions for changes to pay rates need to be corrected for some employees	The City and School Human Resources Departments are responsible for entering, approving, and posting employee pay rate changes. We found 21 instances where the system permissions for the ability to change and post employee pay rates were assigned to inappropriate positions. This can inadvertently occur due to employee turnover and the copying of roles and permissions from prior employees. For example, we noted inappropriate permission rights were given to a teacher and another a benefits only employee.	We recommend the City's IT department restrict permissions for changes to pay rates to only authorized HR employees.	**High**	**Payroll Department Response:** The Payroll Department agrees with this finding and will work with HR and IT to make the necessary changes.
6c.	Kronos sign-offs were performed by non-payroll staff	We noted three non-Payroll employees who entered sign-off and or removed sign-off entries during our analysis period. When the timecard is complete and ready for submission to Payroll, a final sign-off ensures	We recommend that the Payroll Department perform the following: • Strictly monitor this permission. • Restrict final sign-offs feature and removals to only Payroll staff. • If the sign-off needs to be removed for historical changes to be made,	**Moderate**	**Payroll Department Response:** The Payroll Department agrees with this finding and will work with HR to make the necessary changes.

		the timecard is safe from further edits and approvals. This prevents additional timecard edits from being made. Once Payroll signs off on a timecard, it cannot be edited by employees or managers unless the sign off is removed. If the user has rights to access the sign-off feature and remove the sign-off feature, the user can sign-off on employee information, including changes made, for the previous pay period. Typically, only Payroll managers are given access to the sign-off feature.	Payroll staff should remove the Sign-off and monitor accordingly rather than giving the sign-off removal permission to another department. • Research Kronos functionality to possibly implement workflow notifications to the employee that the timecard was adjusted, by whom, when, and where to view the change.		
7. Segregation of duties issues could be improved:					
7a.	Importing pay rate changes needs improvement	One payroll employee did make numerous pay rate changes via importing files into MUNIS which is a segregation of duties issue. Payroll employees should not make pay rate changes as they have the ability to also enter/approve transactions and generate payroll payments. Although the changes were part of an import, this is a function of HR and not Payroll. Additionally, one HR employee made a pay rate change for themselves; however, the change was also part of an imported change file.	We recommend the following: • Restrict changes to pay rates, including imports, to only authorized HR employees. • Supervisors attach approval for employees running imports that include their own changes. • HR employees scan and attach supporting documentation to pay change actions; approvers only approve the action if the proper backup documentation is attached for review.	**Moderate**	**Payroll Department Response:** The Payroll Department agrees with this finding and will work with HR to make the necessary changes.

		We also noted that there was no supporting documentation attached in the system to the changes made to pay rates.		
7b.	Entries in MUNIS and in Kronos were made by the same Payroll employee	Other than entries for comments and for sign-offs (which were anticipated) there were over 60,000 time entries made by Payroll staff into Kronos during our test period. We were advised by the Payroll Director that this is a common practice as supervisors cannot make changes after the payroll is approved and the Payroll department must then make the changes. We sampled the MUNIS changes for two payroll runs and noted eight instances where entries were not only made by Payroll staff in MUNIS but also in Kronos. Performing both Kronos time entries and MUNIS changes for employees creates a segregation of duties issue. This creates the risk that Payroll staff could make unauthorized changes to both MUNIS payroll entries and to Kronos time entries. These changes made solely by Payroll employees could also be completed without the	For changes made after management approval has already been made, where possible, we recommend that the management approval should be removed, the appropriate Kronos change is made, and then the manager should approve again rather than Payroll employees solely performing all of these steps. Alternatively, differing Payroll employees could make the changes to Kronos and MUNIS respectively. Research Kronos functionality to possibly implement workflow notifications to the employee that the timecard was adjusted, by whom, when, and where to view the change.	**Moderate**	**Payroll Department Response:** The Payroll Department agrees with this finding and will reinforce responsibilities with schools and departments and ensure segregation of duties. Incomplete or erroneous timecards will be returned to approvers to resubmit when possible.

		knowledge of the employee or their supervisor.			
7c.	Some Payroll employees were noted as making their own Direct Deposit changes	We noted four employees made a direct deposit bank account change for themselves. These instances may indicate a lack of approvals, segregation of duties issues, or incorrect permission issues.	We recommend that the Payroll Department develop an internal policy to prohibit employees from entering changes for their own records as well as a policy requiring oversight and approval entries for payroll staff.	**Moderate**	**Payroll Department Response:** The Payroll Department agrees with this finding and has implemented controls to prohibit staff from making their own direct deposit changes.
8.	HR departments are currently creating duplicate employee records for some employees and also for retirees in the City's accounting system	In our analysis period there were 2,428 employees with a second employee master record, 29 with three employee master records, and one employee with four employee master records.

A best practice is to create one unique employee number/record in an accounting system. Any additional employment or job status changes should be made to the employee's master and/or salary record in lieu of creating additional employee master records.

The creation of multiple employee master records adversely affects the ability to quickly and accurately query data, calculate projections, and | This is a prior recommendation from our Life and Health Insurance audits with continuing applicability. We recommend that both HR departments develop a process for correcting existing duplicate employee master records and for entering future records that ensures each is unique, accurate, and consistent.

Additionally, the HR department should consider contracting with Tyler Technologies to obtain a short-term onsite MUNIS consultant that is proficient in the Human Resources/Payroll module to:

- observe current processes, how MUNIS is currently used in the HR department, and advise the department as to best practices .
- identify where MUNIS functionality can be optimized or where the addition of more data fields may be needed.
- identify training that may be needed to achieve recommendations. | **Moderate** | **City HR Response:** The City HR department does not enter retiree profiles into Munis. This is done through the Benefits department, they would need to be involved in this process/update. As for limiting any duplicates that are entered outside of retirees, we already have a process to avoid these issues. When entering a new hire/rehire, we are notified if the social security number is already in use. If it is, we stop the entry and enter with their previous profile/ID number. We will run a report to see the current duplicates, again outside of retirees, and make any needed corrections. As far as accuracy with records, the information we enter is only as good as what is given to us by employees. We do our best to double check information and ID's but human error does happen and |

		also creates the risk that an employee could erroneously be paid more than once in a pay period.			we make all edits as soon as we become aware of them. **SPS HR Response:** SPS HR agrees with the above response and will research functionality in MUNIS to combine records to clean up outstanding issues.
9.	There are name discrepancies for employee and retiree data.	In analyzing the duplicate employee master records, we noted 99 employee records that contain potential spelling errors within the employee's first and/or last names. Two instances had different employees with the same SSN. This is a data integrity obstacle that could impede the City's ability to perform accurate technology assisted reconciliations or reporting.	We recommend that both HR Departments research and resolve the name discrepancies identified by the OIA. A process should also be developed for secondary reviews of key tasks and of data entered to mitigate discrepancies and to ensure data integrity, especially when changes are made due to marriage or retirement.	Low	**City HR Response:** We have adopted a process of verifying the ID at the step of entering actions into Munis to assist with data entry. We also no longer use handwritten hiring forms with our departments, all forms on typed which helps with spelling accuracy. **SPS HR Response:** SPS HR agrees with the above response. We are now using an onboarding system to bring in the information.
10.	Some employees had an active status in MUNIS but did not receive any pay during the analysis period	We found 43 instances where employees were listed as "active" per employee master records at the end of our analysis period who did not have payroll earnings during our analysis period [07/01/2021 - 04/30/2022].	We recommend that both HR Departments research and resolve instances identified by the OIA for active employees with no pay to ensure validity of employee master records and to prevent inadvertently paying inactive or terminated employees.	Low	**City HR Response:** There are a number of reasons why an employee may go without pay from an unpaid LOA to being in their probationary period with no accruals. We start our separation process the minute we are aware that an employee has left the city,

				we do our best to cut down on the lag time with communication from the departments and forms needing to be signed. In collaboration with payroll we have set up audits to ensure timecards are filled out even when employees are not paid, to accurately audit the number of employees that are active but not on payroll, kronos should be utilized as well. We have also started receiving weekly reports of all employees on an unpaid status from payroll so we can take the needed steps. **SPS HR Response:** SPS HR agrees with the above response. We have implemented audits for monitoring time entry.
Other Matters for Management's Consideration		The administration of the 403(b) plan for Springfield Public Schools is currently handled by the Payroll Department. The administration of the plan is not a payroll function. To properly align responsibilities, we recommend that Management should consider migrating this responsibility to the City Benefits Department or to the SPS HR department.	Low	