



**Internal Audit Division
Finance Department
DeKalb County**

FIRE AND RESCUE

SPECIAL REVIEW HIRING and PAYROLL IRREGULARITIES COMPLAINT

SEPTEMBER 2016

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TRANSMITTAL MEMORANDUM

DATE: September 8, 2016
TO: Darnell D. Fullum, Chief of Fire and Rescue
FROM: Cornelia Louis, Deputy Director of Finance-Internal Audit
SUBJECT: Fire Rescue Department
RE: Hiring and Payroll Irregularities Complaint

Attached is the report of a Hiring and Payroll Irregularities review, which was conducted due to hotline complaints. The findings, conclusions, and recommendation were discussed with you on September 8, 2016.

We appreciate the cooperation and assistance we received from Fire and Rescue, Police Services, Human Resources, and Department of Innovation and Technology during the course of this review. If you have any questions about the audit or this report, please feel free to contact me at 404-371-2639.

Sincerely,

Cornelia Louis

cc: Appendix C



Table of Contents

GENERAL INFORMATION	2
PURPOSE AND SCOPE	3
FINDINGS, CONCLUSION AND RECOMMENDATION	4
FINDINGS	4
CONCLUSION	5
RECOMMENDATION	5
APPENDIX A – ACKNOWLEDGEMENTS	7
APPENDIX B – DEFINITIONS AND ABBREVIATIONS	8
APPENDIX C – DISTRIBUTION LIST	9



GENERAL INFORMATION

Internal Audit received an anonymous complaint regarding the hiring of a Payroll Personnel Technician Senior (PPTS). The complainant alleged that:

1. The hiring supervisor showed favoritism in hiring the PPTS and did not interview any other candidates;
2. The PPTS does payroll for the hiring supervisor and gave credit for hours that were not worked; and
3. The hiring supervisor would take time off for a second job saying she would make up the time later but did not.

1. Hiring

Positions in DeKalb County Government are generally filled on a competitive basis. "The chief executive shall adopt administrative procedures for the filling of a vacancy by selection on a competitive basis of a permanent employee, and for transfers and demotions. Selection shall be made by the department head and reported to the director who will notify the applicant."¹ Some positions are filled by transfers of existing employees. "A vacancy may be filled by the transfer of a permanent or probation employee from another position of the same class or a comparable class."²

"The only time an employee must be on a register is for a promotional opportunity. Transfers or demotions of merit-status employees can be made to open positions at any time, as long as a vacancy exists." (*H.R. Generalist Interview*)

2. Payroll

Employees are subject to working hour limitations with exceptions such as flexible work hours or a compressed workweek. "Flexible work hours allow an employee to work a schedule that differs from the normal start and stop time within specific limits dictated by the needs of the job. The flexible schedule is subject to management review and approval. A compressed work schedule involves working longer but fewer work days to complete a full 80 hours during each pay period (in less than 10 work days)."³ Whatever the work schedule, payroll procedures require all hours to be accurately recorded in the Kronos Time and Attendance system. "At the end of the work week, the pay clerk must account for any lost time by coding it appropriately (sick leave, annual leave, compensatory or blood time, etc.). For legal reasons, County records should only reflect employees as working when they are actually present on the job."⁴

¹ DeKalb County Code, Sec. 20-121

² DeKalb County Code, Sec. 20-123

³ H.R. Policy Document, August 2013

⁴ DeKalb County Kronos Policy



3. Outside Employment

Employment outside of the County government is allowed if it does not interfere with County work or entail a conflict of interest. "The County shall be entitled to the full-time services of all employees whose positions are on a full-time basis. The department head must approve all outside employment in advance. No outside employment which interferes with the employee's scheduled County work time shall be allowed, nor shall any outside employment be allowed which may create a conflict, or apparent conflict, between private interest of the individual and official county duties and responsibilities."⁵

PURPOSE AND SCOPE

The purpose of our review was to examine the facts obtained and determine if violation(s) of the County code or other policies exist.

We interviewed Fire Rescue, Police Support Services, Human Resources, and Department of Innovation and Technology personnel, reviewed payroll and time usage records, and reviewed building security reports.

⁵ DeKalb County Code, Sec 20-22
[Page 3 of 9]



FINDINGS, CONCLUSION AND RECOMMENDATION

FINDINGS

1. Improper Hiring

A Payroll Personnel Technician Senior (PPTS) position was advertised during the period of November 21, 2014 to November 24, 2014 to obtain a list of qualified applicants for any vacant PPTS vacancies that would be available within the following six months. Fifty-nine applicants were placed on the register for hiring.

When a PPTS position became vacant within the Fire Rescue Department in January 2015, an HR Generalist applied for the position. Although the advertisement period was closed, she was added to the register on January 29, 2015. The former HR employee was hired with an effective date of February 28, 2015. Candidates on the register were not interviewed. This was deemed a lateral transfer rather than an initial hiring and allowed by Section 20-123 of the Personnel Code (*see General Information*). However, HR procedures do not clearly address requirements for employee transfers. This transfer was a voluntary demotion with a reduction in salary of \$5,748. The PPTS does not report to the hiring supervisor.

2. Payroll Irregularities

A detail audit report of the payroll/time records of the hiring supervisor was reviewed for the period January 1, 2015 through June 3, 2015. The report revealed the hiring supervisor working a ten hours/day – Monday through Thursday schedule, as approved. In addition, the system's records of time punches for the hiring supervisor reviewed by Internal Audit and confirmed by Department of Innovation and Technology (DoIT) Programmer Analyst indicated no evidence of corrections or editing other than normal editing due to approved leave or work schedule changes.

The former PPTS, whose responsibilities were assigned to the former HR employee and who still works in the same office, stated staff was never asked to falsify or cover any time records by the hiring supervisor nor was she aware of any similar activity taking place with the current PPTS.

Building security information for May 2015, the period of the complaint, was unavailable due to a glitch in the system by the third party vendor, which deleted the information, according to Police Support Services. Ingress/ egress information was available for June 2015, but showed attendance to agree with the PPTS' normal schedule.

3. Outside Employment

The former PPTS stated she thought the hiring supervisor used to have a second job, but she was not sure if the PPTS still did. Staff stated that she was not aware of the hiring supervisor ever leaving work for the second job. An examination of the PPTS' personnel file showed no authorization for outside employment. In addition, we contacted the



Georgia Department of Labor (Unemployment Insurance Records) to determine if the PPTS had a second job, but we were unable to obtain that information.

CONCLUSION

Based upon a lack of evidence available, we cannot substantiate the complaints.

RECOMMENDATION

Although not included in the scope of this review, we recommend Police Services research the problem with the third party vendor handling building security information to insure that there will be no future deletions of information.

We further recommend that Human Resources update the lateral/employee transfers procedures/policy to include requirements such as interviewing candidates already on the register or documenting the justification for a transfer in lieu of hiring from the register.



Approvals:

Original Signed by:

Cornelia Louis

Cornelia Louis
Deputy Director of Finance
Internal Audit Division
Department of Finance
DeKalb County



APPENDIX A – ACKNOWLEDGEMENTS

We would like to take this opportunity to thank the management and staff of Fire and Rescue, the DeKalb Police Department, Human Resources, and the Department of Innovation and Technology for their assistance during this engagement.

Conducted by:

A. Murray Walters
Principal Auditor
Finance Department - Internal Audit Division

Reviewed by:

Cornelia Louis
Deputy Director of Finance
Finance Department - Internal Audit Division



APPENDIX B – DEFINITIONS AND ABBREVIATIONS

Acronyms and Abbreviation

PPTS - Payroll Personnel Technician Senior

HR - Human Resources Department

DoIT - Department of Innovation & Technology

Key Definitions

KRONOS – DeKalb County's payroll system.

HR Procedure Manual - Manual containing policies and procedures governing employment and other personnel matters in DeKalb County.

Building security information - A system of monitoring employees in specified locations by use of their ID card.



APPENDIX C – DISTRIBUTION LIST

This report has been distributed to the following individuals:

DeKalb County Board of Commissioners

Lee May, Interim Chief Executive Officer

Zachary L. Williams, Chief Operating Officer/ Executive Assistant

Dr. Cedric Alexander, Deputy Chief Operating Officer-Public Safety

Dianne McNabb, Interim Chief Financial Officer

Stacey Kalberman, Director-Board of Ethics

Bernita Ransom, Director of Human Resources