



DeKalb County

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Department of Finance

Internal Audit and Licensing

DATE: December 14, 2010

TO: Commissioner Jeff Rader, Chair, Audit Committee
Joel Gottlieb, Interim Finance Director

FROM: Acting Deputy Director of Finance, Internal Audit & Licensing

SUBJECT: 2010 Memorial Day and Fourth of July Unpaid Holidays

General Information

On February 23, 2010, the Board of Commissioners (BOC) amended DeKalb County Code Section 20-164 to provide that the seven remaining holidays in 2010 would be unpaid holidays.

Purpose and Scope

At the request of the BOC, Internal Audit performed a review to determine countywide payroll compliance with the unfunded holidays, Memorial Day 2010 and Fourth of July 2010, as intended by the BOC. There were concerns the furloughs were not properly reflected in the employee payroll.

Internal Audit obtained a listing from Human Resources of all departments and employees that showed possible violations of the above pay conditions. All departments on the list were requested to provide a schedule of employees who worked on either holiday and asked if that work day was due to normal scheduling or circumstances (to be explained) and how the hours worked were handled for pay purposes. In addition, Payroll and Human Resources personnel were questioned as to the method of pay reduction due to the furloughs.

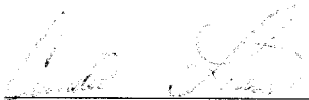
Our review was conducted in accordance with Generally Accepted Auditing Standards and included such tests of records and other auditing procedures as were considered necessary under the circumstances.

Results

As each holiday occurred one day in a pay period (ten days), the system was set to reduce each employee's pay rate by 10% for the two pay periods, thereby paying each employee the equivalent of nine days pay. For employees who normally work other than a normal eighty hour pay period, the procedure was for the departments' payroll personnel to insure that any extra time incorrectly paid at the lower rate was paid correctly with an off-cycle check. We found that this procedure resulted in pay reductions in accordance with the holiday furlough intentions of the Board.

Employees required to work on a holiday would be paid a regular day's pay and may be given comparable time off at a subsequent date, in accordance with DeKalb County Code Section 20-42. Those who worked on either of the holidays were found to have been either normally assigned due to job function or to have worked due to emergencies. Their pay for those days was found to have also been handled in accordance with the Board's intentions.

On September 19, 2010, the holiday pay for subsequent holidays in 2010 was restored but employees were required to take four furlough days. A furlough pay code was established for these days that denoted time as being "unpaid".



Cornelia Louis

Cc: Members, DeKalb County Commission
W. Burrell Ellis, Jr., Chief Executive Officer
Richard Stogner, Chief Operating Officer/Executive Assistant
Morris Williams, BOC Chief of Staff
J. Jay Vinicki, BOC Research Director
Reginald Banks, Interim Director of Human Resources