

November 3, 2025

Larry C. Jacobs, Deputy Director,
Risk Management & Employee Services, Finance
1300 Commerce Drive
Decatur, GA 30030

RE: 2nd Follow-up Report on the DeKalb County Payroll Processes Audit Report No. 2021-018-FN

Dear Mr. Jacobs,

As required by DeKalb County, Georgia – Code of Ordinances/Organizational Act Section 10A - Independent Internal Audit (I), the Office of Independent Internal Audit (OIIA) has completed a follow-up of the audit noted above. I have attached OIIA's report on the status of management actions taken to address the finding contained in the referenced audit report. The conclusions in this follow-up report are limited to the status of the implementation and not the effectiveness of the completed action plans, which may be assessed in a future audit.

Status of Audit Findings

Based on our review of management responses to Findings 1 through 4, we concluded that these findings cited in the audit report are "Closed" as shown in Figure 1 below:

Figure 1 - Status of Management Action Plans

No.	Report Finding	Status of Management Action Plans January 2025	Status of Management Action Plans November 2025
1	LSA Exempt Employees Inappropriately Received Overtime (OT) Payments	Partially Complete	Closed
2	Terminated Employees Owe Retention Incentive Bonuses	Complete Pending OIIA Verification	Closed
3	COVID Incentive Pay Was Incorrectly Calculated.	Closed	
4	User Departments Not Always Compliant with Standard Operating Procedures	Partially Complete	Closed

Please contact me if you require additional information.



Office of Independent Internal Audit

LAVOIS CAMPBELL, CHIEF AUDIT EXECUTIVE

FINAL

Regards,

Lavois Campbell

Lavois Campbell, CIA, CISA, CFE, CGA-CPA

Chief Audit Executive

Attachment: Audit Findings Status Update Form

cc: Lorraine Cochran-Johnson, Chief Executive Officer

Zachary L. Williams, Chief Operating Officer/Executive Assistant

Robert Patrick, Board of Commissioners District 1

Michelle Long Spears, Board of Commissioners, District 2

Nicole Massiah, Board of Commissioners District 3

Chakira Johnson, Board of Commissioners District 4

Mereda Davis Johnson, Board of Commissioners District 5

Ted Terry, Board of Commissioners, District 6

LaDena Bolton, Board of Commissioners, District 7

Tanja Christine Boyd-Witherspoon, Chairperson

Adrienne McMillion, Vice Chairperson

Gloria Gray, Member of Audit Oversight Committee

Lisa Earls, Member of Audit Oversight Committee

Michael Lopata, Audit Oversight Committee

Petrina Bloodworth, Audit Oversight Committee

William "Bill" Linkous, County Attorney

Leah Davis, CEO's Chief of Staff

Barbara H. Sanders, County Clerk, Central Staff, Board of Commissioners

Pamela Dennis, Payroll Services Manager

Dianne McNabb, Chief Financial Officer

DeKalb County Government			
Office of Independent Internal Audit			
Date: 10/4/2025		Prepared by: Lawrence Clark	
Audit Findings Status Update Form			
Status Date	Report #	Report Title	
10/4/25	IA-2025-306-FN	Audit of DeKalb County Payroll Process	
Contact Person	Title	Phone No.	Email Address
Benita Ransom	Director of Human Resources	404-687-3588	bcransom@dekalbcountyga.gov
Activity	Accountability	Schedule	
Overtime Payment	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
	Human Resources	No	N/A
Finding		Finding Detail	
No.	1		
Date	11/22/24		
Finding		FLSA Exempt Employees Inappropriately Received Overtime (OT) Payments Were Not Utilized.	
Recommendations		<p>We recommend the following:</p> <p>1) In addition to the instances identified by our audit, Payroll, Finance management should review, including but not limited to, January 2020 through November 2021 pay periods, to identify any additional instances of overpayments that exempt employees may owe the County. Payroll management should work with the user departments to implement measures to recover the overpayments.</p>	
Management Response		<p>Payroll, Finance Management:</p> <p>Exempt employees that received overpayments will be notified and given the opportunity to determine a repayment plan via payroll deduction. The deduction amount will be limited as to maintain the minimum wage rules. Pending legal review.</p> <p>(It was determined that the Exempt OT was approved by the Department and paid according to FLSA guidelines pertaining to special circumstances for exempt employees.)</p> <p><u>Estimated timeline to implement action plan:</u></p> <p>Communications are to be sent in July with deductions starting in August.</p>	
Management Response		<p>DoIT Management:</p> <p>While we concur with the recommendation, it is not feasible. Kronos is driven by pay rules and not by classification. There is not a field in the Kronos demographic section for classification. We contacted the vendor about the feasibility of installing application controls, and they have indicated that it is not possible. The system has been fixed so it cannot receive overtime payments. Tighter policies will be reviewed when Kronos is modernized in 2024.</p> <p>With the implementation of CV360, the system prevents exempt employees from inappropriately receiving overtime payments. We will begin our Kronos modernization project in 2024 and will investigate the feasibility of implementing tighter controls at such time. In the interim, we have devised two new reports that will assist in identifying problems:</p> <p>Defer to Finance</p> <ul style="list-style-type: none"> A report will be generated in Kronos to identify all exempt employees using pay code 002, which is for overtime. This report will be automated and sent via email to the Payroll Manager every Monday and Tuesday at 8 am. The payroll team will then verify that the employees are approved to receive overtime. Additionally, a quarterly audit report will be created, including employee details, job codes, FLSA status, and pay rule assignments. This report will be emailed to the HRIS Manager, who will review and confirm the information. <p>We also agree that the payroll policy needs to be revised, and Finance has agreed to do so. We will also remove the Kronos Policy from HR intranet site as this policy is obsolete. Larry Jacobs concurs with this option.</p> <p><u>Estimated timeline to implement action plan:</u></p> <p>The system has been fixed so it cannot receive overtime payments. Tighter policies will be reviewed when Kronos is modernized in 2024.</p>	
Management Response		<p>HR Management:</p> <p>HR concurs with audit suggestions where feasible, as stated in DoIT's response. HR has removed the outdated Kronos policy from the HR policies page and will incorporate relevant wording into appropriate sections of the Administrative Procedures manual to address comp time. Additionally, HR will continue to remind department leaders and admin staff regarding the proper method to track comp time for exempt employees in our training sessions and policy council meetings.</p> <p><u>Estimated timeline to implement Action plan:</u></p> <p>HR will incorporate updated wording in the Administrative Procedures Manual by 4th quarter 2023 or the next time the Admin Procedures are updated and published.</p>	
For OIIA Use Only			
1st Status Update - 01/28/25		Management Status Update and OIIA Comments	
	Open	Justification for status change:	
	Management/Agency Assumes Risk	The OIIA has obtained and reviewed the updated administrative policy on the HR Intranet page and noted the incorporation of relevant information regarding compensatory time. Finding will be closed once other parts of the finding are complete.	
X	Partially Complete	The OIIA has obtained evidence that management is receiving the quarterly audit report, however they have identified discrepancies to DoIT who is currently working with departments to adjust their KRONOS rules to match CV360. Finding will be closed upon evidence that	
	Complete Pending Verification by OIIA		
	Closed		
2nd Status Update - 10/08/25		Management Status Update and OIIA Comments	
	Open	Justification for status change:	
	Management/Agency Assumes Risk	Based on the information and supporting documentation provided by Payroll/Finance and DoIT/HR, the conditions identified in the original finding have been addressed. Payroll has confirmed that the repayment requirements for the incentive bonus were communicated through the CEO's memo distributed via Z-DeKalb and departmental channels, fulfilling the communication control element. Additionally, the migration to CV360 has automated direct deposit enrollment, eliminated the use of paper forms, and mitigated the related control risk. Regarding Kronos rule adjustments, DoIT/HR confirmed that full automation between CV360 and Kronos remains infeasible due to system design limitations; however, compensating controls are in place through quarterly monitoring and manual review to ensure alignment. As such, while full automation is not technically possible, sufficient procedural and oversight controls exist to address the intent of the recommendation.	
X	Closed		

DeKalb County Government				
Office of Independent Internal Audit				
Date: 10/4/2025		Prepared by: Lawrence Clark		
Audit Findings Status Update Form				
Status Date	Report #	Report Title		
10/4/25	IA-2025-306-FN	Audit of DeKalb County Payroll Process		
Contact Person	Title	Phone No.	Email Address	
Pamela Dennis	Payroll Services Manager	404-371-2460	ppdennis@dekalbcountyga.gov	
Activity	Accountability	Schedule		
Retention Incentive Bonuses	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made	
	Finance	No	2nd Quarter 2025	
Finding		Finding Detail		
No.	2			
Date	11/22/24			
Finding		Terminated Employees Owe Retention Incentive Bonuses		
Recommendations		<p>We recommend that Payroll, Finance management collaborate with the County's Law Department (Law) to determine if the outstanding funds are recoverable. If applicable, Payroll management should work with impacted user department management to help ensure all outstanding amounts owed to the County are fully recovered.</p> <p>HR management should consult with Law to implement a policy requiring employees to sign a "consent to repay" agreement for funds owed to the County or for unrecovered County property. For example, consider whether employees can sign a "consent to repay" agreement during onboarding and or prior to accepting any future retention bonus payments.</p>		
Management Response		<p>Payroll, Finance Management A memo was sent to Legal requesting guidance on this issue. See response to Finding 1. <u>Estimated timeline to implement action plan:</u> 4th Quarter 2023, pending Law review and concurrence.</p> <p>HR Management HR agrees that it would be helpful to have employees sign that they agree to repay funds that are owed to the County, including any overpayment, or and incentives, tuition reimbursement, etc., that require a service commitment which is not fulfilled. Since recovering money for excess payment in payroll, pay incentives, or for missing county equipment is a function of the payroll department, HR suggests that additional wording be added to the direct deposit form completed by all new employees that clearly specifies that employees understand they must pay back any funds that were incorrectly provided to them or for which they owe due to not completing specific work requirements, including equipment turn-in. Suggested wording has been provided to Finance/Payroll for inclusion in the Direct Deposit Form. Estimated timeline to implement action plan: 4th Quarter 2023 pending Law review and concurrence.</p>		
January 30, 2025 Update		<p>Details of Status: The OIIA has reviewed the inventory checklist which outlines a listing of all equipment owed upon employee separation, however OIIA has not received a copy from management that contains the response from the Law Department regarding the recoverability of all outstanding amounts owed to the County (i.e., implementing a policy requiring employees to sign a "consent to repay" agreement). Status will be updated to "Closed" once the memorandum from the Law Department is received by OIIA.</p>		
For OIIA Use Only				
1st Status Update - 01/28/25		Management Status Update and OIIA Comments		
<input type="checkbox"/>	Open	The OIIA has reviewed the inventory checklist, which outlines a listing of all equipment owed upon employee separation; however, OIIA has not received a copy from management that contains the response from the Law Department regarding the recoverability of all outstanding amounts owed to the County (i.e., implementing a policy requiring employees to sign a "consent to repay" agreement). Status will be updated to "Closed" once the memorandum from the Law Department is received by OIIA.		
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input checked="" type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			
2nd Status Update - 10/8/25		HR Management confirmed that employees now enter their direct deposit information directly into CV360 via the employee self-service module, and that the Payroll Section no longer uses paper direct deposit forms. As a result, the suggested repayment acknowledgment wording initially proposed for the Direct Deposit Form is no longer applicable. This status will be updated to "Closed" once all other issues have been cleared.		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input type="checkbox"/>	Complete Pending Verification by OIIA			
<input checked="" type="checkbox"/>	Closed	The Deputy Director of Finance and Risk Management stated in his conversations with the Legal Department that Legal does not consider the matter of retention bonuses owed to the County to be a legal issue, but a business decision within the discretion of Finance and the user departments. it was further stated that the potential cost would likely outweigh the benefits of any recoveries.		

Dekalb County Government

Office of Independent Internal Audit

Date:

Prepared by:

Audit Findings Status Update Form

Status Date	Report #	Report Title	
6/15/2023	2021-018-FN	Audit of DeKalb County Payroll Processes	
Contact Person	Title	Phone No.	Email Address
Pamela Dennis	Payroll Services Manager	404-371-2460	ppdennis@dekalbcountyga.gov
Activity	Accountability	Schedule	
Standard Operating Procedures	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
	Payroll	No	N/A
Finding		Finding Detail	
No.	4		
Date	11/20/24		
Finding		User Departments Not Always Compliant With Standard Operating Procedures	
Recommendations		<p>We recommend that the Payroll and Finance management collaborate with UD payroll coordinators to:</p> <ul style="list-style-type: none"> Update the current Payroll Policy Manual to reflect the current processes and the impact of the CV360 implementation, and provide ongoing training on the updated Payroll Policy Manual. Update the Payroll Policy Manual to require the documentation of UD standard operating procedures and cross-training of backup UD payroll coordinators on payroll functions processes, including but not limited to training on the separation of conflicting duties, eligibility for overtime payments based on FLSA employee classification, and appropriate use of Kronos pay codes. 	
Management Response		<p>Payroll, Finance Management: Finance concurs with this finding. Updates to the payroll manual have begun. The updates are driven by current and evolving CV 360 system requirements and input from UD payroll coordinators. The updated Payroll Policy Manual currently includes UD SOP's. The updated Payroll Manual points users to the Learning portal in CV 360 to address specific payroll functions and new processes. The updated manual will more clearly outline the separation of duties. OT payments are initiated at the department level. The updated Payroll Manual will provide detail on the correct use of the pay codes. In our view, eligibility for OT is determined outside of the payroll function.</p> <p>Estimated timeline to implement action plan: Updating the Payroll Manual is an ongoing function. The document is not intended to be static. Critical operational updates will be made on a monthly basis.</p>	
January 30, 2025 Update		<p>OIIA has received and reviewed the Payroll Policy Manual and noted it was updated to reflect current processes except cross-training and segregation of duties. We also received and reviewed the PC training documentation. There was no mention of cross-training or however responsibilities for specific payroll duties were identified and clearly segregated. Once OIIA receives an updated Policy Manual which addresses cross-training and segregation of duties, the status will be updated to "Closed".</p>	
1st Status Update -1/8/2025		Management Status Update and OIIA Comments	
<input type="checkbox"/>	Open	<p>Justification for status change: OIIA has received and reviewed the Payroll Policy Manual and noted it was updated to reflect current processes except cross-training and segregation of duties. We also received and reviewed the PC training documentation. There was no mention of cross-training or however responsibilities for specific payroll duties were identified and clearly segregated. Once OIIA receives an updated Policy Manual which addresses cross-training and segregation of duties, the status will be updated to "Closed".</p>	
<input type="checkbox"/>	Management/Agency Assumes Risk		
X	Partially Complete		
<input type="checkbox"/>	Complete Pending Verification by OIIA		
<input type="checkbox"/>	Closed		
2nd Status Update - 10/8/2025		Justification for status change:	
<input type="checkbox"/>	Open	<p>The issuance of the updated Payroll Manual satisfies the documentation component of the recommendation. The updated Payroll Manual documents cross-training of Payroll Coordinators and segregation of duties. This status will be noted as Closed.</p>	
<input type="checkbox"/>	Management/Agency Assumes Risk		
<input type="checkbox"/>	Partially Complete		
<input type="checkbox"/>	Complete Pending Verification by OIIA		
X	Closed		