

**Maryland-National Capital Park and Planning Commission
Office of the Inspector General**

**Manual Adjustments of Leave Accruals
Report Number: CW-001-2024**

November 8, 2023

Distribution:

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I. EXECUTIVE SUMMARY

A. Overall Perspective

The Maryland-National Capital Park and Planning Commission (Commission) is a bi-county agency serving Prince George's and Montgomery counties in Maryland. The Commission's staff includes career employees such as planners, park and recreation administrators, park police and administration staff. The Commission's organizational functions are conducted by several administrative departments within Central Administrative Services such as the Department of Human Resources and Management (DHRM) and Department of Finance (Finance).

DHRM delivers executive and operational leadership through corporate governance for the Commission. DHRM has four sections, including Corporate Budgeting, Corporate Human Resources, Corporate Policy and Management, and the Office of the Executive Director. Corporate Human Resources (HR) is led by the Corporate Human Resources Director. HR is organized into five divisions:

- Classification and Compensation
- Employee Health and Benefits
- Employee Labor and Relations
- Employment Records/Human Resources Information Systems
- Recruitment and Selection Services
- Learning and Organizational Development

Employment Records/Human Resources Information Systems (HRIS) safeguards and maintains employee records (physical and electronic). The Commission staff rely on HRIS to maintain the employee database, and to review, enter, authorize, and/or approve employee actions (e.g., hire, pay, terminate) in accordance with personnel policy and collective bargaining agreements. HRIS has several responsibilities to include custodianship of employee records, provision of ad hoc and regular employee-data reporting, and support and integration with existing timekeeping and payroll systems.

Finance is led by the Secretary-Treasurer who has the responsibility to provide corporate financial oversight and direct overall operations of the Department's divisions. Finance is organized into three divisions:

- Corporate Business Services and Finance Administration
- Corporate Accounting
- Corporate Procurement

Corporate Business Services and Finance Administration manages the financial systems (e.g., Kronos and Infor), Enterprise Resource Planning (ERP) Business Operations, and Corporate Payroll Operations (Payroll). Kronos is the timekeeping reporting system for Commission employees. Kronos allows

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employees to record hours worked, leave, and other labor-related charges in their timesheets for each pay period and timesheets are approved online. The Commission utilizes Infor as its ERP software that manages and integrates critical business functions such as purchasing, inventory, finance, budget, and human resources. The ERP Business Operations Section is charged with supporting the Infor financial system and overseeing the Infor Absence Management application (Absence Management) and Kronos timekeeping systems. The Absence Management Administrator is responsible for the creation and adjustment of leave accrual plans.

Commission Employee Leave Accruals

Commission merit system and covered/bargained employees are eligible for paid leave such as annual, sick, personal, and holiday leave. The Merit System Rules and Regulations Manual, in conjunction with the Municipal and County Government Employees Organization (MCGEO) and the Fraternal Order of Police (FOP) Bargaining Agreements are the primary sources of criteria establishing Commission employee policies, including employee leave accruals. Commission employees generally accrue annual and sick leave hours based on hours worked and the number of completed service years. (See Figure 1 for merit system employee annual and sick leave accrual rates).

Figure 1. Merit System Employee Annual and Sick Leave Accrual Rates

Leave Type	Length of Service	Accrual Hours Rate Per Pay Period ¹	Maximum Annual Accrual (hours)	Maximum Annual Accrual (days)
Annual	0 – 2.99	4.62	120	15
	3 – 14.99	6.16	160	20
	15 +	8.00	208	26
Sick	Ongoing	4.62	120	15

Assignment of Employee Leave Accrual Plans

HRIS manages employee information that is maintained in Infor. HRIS must conduct an action within Infor to process a newly hired or position conversion employee. Upon completion of the action, a PA100² job run occurs that updates the employee record which is used to process payroll. The system automatically assigns each employee to a leave accrual plan based on the data input into Infor. The assignment to a leave accrual plan involves Absence Management. Absence Management works in conjunction with Infor Human Resources to provide a rules-based solution for employee absence tracking and reporting. Absence Management relies upon HRIS for employee information such as the hire date and employee type (e.g., merit and appointed). Each leave accrual plan structure

¹Part-time Commission merit system employees shall accrue annual leave and sick leave on a pro-rated basis.

²The PA100 is a personnel action process and is not mandatory for updating employee records.

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consists of a set of rules (e.g., length of service, accrual rates, and eligibility rules). A set of rules must be attached to each employee type. Absence Management calculates mathematical adjustments to an employee's leave accrual balance based on the rules attached to each employee type, including accrual rates and recorded leave usage.

The establishment of appointed employees' leave accrual plans can vary depending on the Appointment Resolutions and Employee Agreements. These are the official hiring documents that specify whether appointed employees are approved to earn certain leave benefits based on negotiations that occurred during the hiring process. Management stated the Absence Management Administrator has responsibility for the establishment of leave accruals plans for appointed employees. To complete this set up accurately, Absence Management must receive the hiring documentation from HRIS in a timely manner to prevent manual leave accrual adjustments.

Manual Adjustments to Employee Leave Accrual

Once the system assigns an employee in a leave accrual plan, Payroll has the overall responsibility for processing adjustments of leave accruals. The Absence Management Administrator conducts two types of leave accrual adjustments: system and manual. A system adjustment occurs when an existing system procedure is in place. An example of a system adjustment is when the system processes annual leave carryover balances when an employee has exceeded their calendar year limits. The excess annual leave hours are transferred to the employee's sick leave balance.

A manual adjustment occurs when the Absence Management Administrator determines that a correction is required outside of the normal payroll process to ensure an employee's leave accrual rate and/or balance is corrected. Typically, either the employee or the employee's manager contacts Payroll to request a review of a specific leave balance. Once contacted, the Absence Management Administrator performs an analysis to determine if a leave accrual balance is inaccurate, and if required, Payroll will process a manual adjustment in Absence Management to correct the balance. Corrections to leave accrual balances made in Absence Management do not automatically flow to Kronos. When Payroll processes the bi-weekly payroll, the system updates leave balances. After payroll has been closed a process is run that sends the leave balance changes to a folder where the Kronos import interface obtains the file, and the Kronos Team runs the update process to update the balances in Kronos.

Employee leave accrual rates and/or balances may require manual adjustments for various reasons. Here are some examples:

- 1) Incorrect information captured during initial employee set up. HRIS is responsible for setting up new employees in Infor. During this setup, the

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employee is automatically assigned to various leave plans. The source documentation is typically generated from the NeoGov application. NeoGov is administered by the Human Resources Recruitment and Selection section. If the data in NeoGov is incorrect, the employee may be set up incorrectly.

- 2) Employee position conversion was processed untimely in Infor. Most errors due to retroactive processing are generally the result of late submission of documents from a Commission Department to HRIS. Errors occur when HRIS personnel do not understand the impact of processing a retro transaction and the subsequent required actions.
- 3) Incorrect Processing of Data in Infor. These types of errors typically occur when HRIS incorrectly processes position conversions. An example of this is discussed in Audit Recommendation #4, Define and Communicate Root Cause of Manual Adjustment.
- 4) Inadequate Documentation. Payroll may manually adjust an employee's leave balances if documentation supporting the adjustment is inadequate or unavailable³.

Note: The OIG was unable to complete a full analysis of the root cause of manual leave accrual adjustments. As a result, Audit Recommendation #5, Develop Metrics for Monitoring Operational Performance has been included in this report.

³ MC-004-2023 Management Advisory Review, Verification of Accrual, [REDACTED]

B. Audit Objective, Scope, and Methodology

Audit Objective

The objective of the audit was to evaluate internal controls for processing manual adjustments of leave accruals and to identify process improvements to help ensure employee leave accrual balances are accurate.

Scope

The scope for the Manual Adjustments of Leave Accruals audit included, but was not limited to, the following audit procedures:

- Reviewed designated departmental roles and responsibilities;
- Reviewed Commission Practices and Procedures;
- Reviewed Merit System Rules and Regulations Manual and the MCGEO and FOP Bargaining Agreements for employee leave accrual criteria;
- Reviewed Commission Resolutions, Employment Agreements, Appointment Resolutions, and Notices (i.e., moratoriums) affecting employee leave accrual balances;
- Interviewed HRIS, Payroll and ERP Business Operations personnel to obtain an understanding of operational procedures and processes;
- Obtained an understanding of the process of assigning and setting up accrual leave plans and manual adjustments for all employee types including, but not limited to, merit, appointed, seasonal/intermittent, and temporary contract employees;
- Performed detailed walkthroughs of the employee leave accrual plans and subsequent processing of manual leave accrual adjustments; and
- Tested a sample of transactions selected from various employee classes (merit, seasonal and appointed) to verify the accuracy and evidence of manual adjustments of leave accruals.

In addition, the audit scope was designed to identify possible fraud, waste, or abuse within the process(es) being audited.

The period covered in this review was January 1, 2019 - December 31, 2022.

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Methodology

During the course of the audit, we conducted interviews with Payroll Operations and ERP Business Operations management and staff to inquire about procedures used for processing manual adjustments of leave accruals to correct employee balances. We also interviewed HRIS personnel to inquire about procedures used for establishing employees in Infor. For our audit testing and analysis, we selected a sample of 25 leave adjustment transactions processed during the calendar years 2019 through 2022.

This audit was conducted in accordance with *Generally Accepted Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

C. Major Audit Concerns

The results of our evaluation and testing procedures indicated the following major audit concerns:

- **Roles and responsibilities for leave accrual plan set up for appointed employees are not appropriately segregated and documented.**

Roles and responsibilities for setting up leave accrual plans for appointed employees are inconsistent and undocumented. In addition, roles are not consistently segregated. Lack of segregation of duties increases the opportunity for fraud, waste, and abuse as well as potential processing errors. Inconsistent assignment of roles and responsibilities hinders root cause analysis of leave accrual errors.

- **There is no secondary review of manual adjustments to employee accrual balances.**

When employees self-identify an error in their leave, they must submit an inquiry to Payroll. The Absence Management Administrator conducts a review that includes an analysis to determine if a correction is required to adjust an employee's leave accrual rate or leave balance. If it is determined that a correction is needed, the Absence Management Administrator will make a manual adjustment in Absence Management and upload the data into Kronos.

We identified there is no secondary review of manual adjustments of leave accruals to verify the validity of the employee inquiry and the accuracy of the analyses conducted in support of the manual leave adjustment transactions.

- **Lack of Coordination between HRIS and Finance in Defining and Communicating Root Cause of Manual Adjustments**

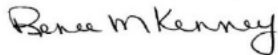
Issue: Most manual accrual adjustments are made after an employee identifies an error on their paystub. When OIG asked Payroll to identify the cause of the manual adjustments, we were told the errors were primarily attributed to incorrect processing of employee action forms by HRIS, and the cause of the adjustment is not captured. In addition, ERP Business Operations does not provide feedback to HRIS when manual accrual adjustments are made. During OIG's efforts to determine the root cause of manual leave adjustments, we identified opportunities to improve communications between HRIS and Payroll.

Additional information pertaining to this area can be found in the Detailed Commentary and Recommendations section of this report.

D. Overall Conclusions

The results of our evaluation and testing procedures indicate significant deficiencies in the internal controls for the Manual Adjustments of Leave Accruals audit as noted in the Major Audit Concerns section of this report. See the definition below.

We wish to express our appreciation to the Department of Finance and the Department of Human Resources and Management's personnel for the cooperation and courtesy extended during the course of our review.



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November 8, 2023

Conclusion Definitions

Satisfactory	No major weaknesses were identified in the design or operation of internal control procedures.
Deficiency	A deficiency in the design or operation of an internal control procedure(s) that could adversely affect an operating unit's ability to safeguard assets, comply with laws and regulations, and ensure transactions are properly executed and recorded on a timely basis.
Significant Deficiency	A deficiency in the design or operation of an internal control procedure(s) which adversely affects an operating unit's ability to safeguard assets, comply with laws and regulations, and ensure transactions are properly executed and reported. This deficiency is less severe than a material weakness, yet important enough to merit attention by management.
Material Weakness	A deficiency in the design or operation of an internal control procedure(s) which may result in a material misstatement of the Commission's financial statements or material impact to the Commission.

II. DETAILED COMMENTARY AND RECOMMENDATIONS

1. Ensure Roles and Responsibilities for Leave Accrual Plan Set Up for Appointed Employees are Appropriately Segregated and Documented

Issue: Roles and responsibilities for setting up leave accrual plans for appointed employees are inconsistent and undocumented. In addition, roles are not consistently segregated. An appointed employee may be placed in a generic leave accrual plan based on how their information was processed by HRIS. However, if the negotiated leave benefits defined in Appointment Resolutions and Employee Agreements are unknown or are more complex, ERP Business Operations management stated their section has the responsibility for the establishment of a leave accrual plan. The shift in responsibility for leave accrual plan set up is not documented.

Based on our interviews, ERP Business Operations has this responsibility because they have a better understanding of the complexities of Absence Management. In these cases, the Absence Management Administrator assumes an administrative role (e.g., leave plan set up) and a processing role in the leave accrual process. Per HRIS management, the HRIS team does not have access to the Absence Management application.

In addition, ERP Business Operations stated they often do not receive all pertinent supporting documentation detailing the negotiated leave benefits in Appointment Resolutions and Employee Agreements from HRIS. This information is necessary to help ensure leave accrual plans are set up accurately.

Criteria: Documentation of roles and responsibilities and the segregation of processing and administrative roles are strong internal controls. ERP Business Operations should not have the ability to set up an employee in a leave accrual plan, automatically adjust leave accrual balances through the payroll process, and make any necessary corrections to the leave balances. Documented roles and responsibilities also support succession planning.

Cause: ERP Business Operations personnel have the responsibility of assigning appointed employees to ad hoc leave accrual plans because of their knowledge of Absence Management. In addition, due to a demanding work environment, documenting roles and responsibilities has not been a priority.

Risk: Lack of segregation of duties increases the opportunity for fraud, waste, and abuse as well as potential processing errors. In addition, inconsistent assignment of roles and responsibilities hinders root cause analysis of leave accrual errors. Inaccurate and untimely input of employee information into Infor increases the number of retroactive transactions and manual leave accrual adjustments.

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Risk Level: High

Recommendation: We recommend Finance and DHRM management collaboratively define and document roles and responsibilities for leave accrual set up. In addition, we recommend Finance and DHRM management assess staff competencies and provide training to help ensure a proper leave accrual plan set up for all Commission employee types.

Management Response: DHRM and Finance have made significant progress in addressing the issue identified during the audit. Both DHRM and Finance have identified the actual root cause and have developed new procedures to resolve it. Our goal is to minimize and eliminate the need for future manual adjustments. These new procedures include the assignment of new roles and responsibilities between Finance and DHRM. Specifically, DHRM is responsible for assigning employees to the appropriate leave plan(s) and Finance is responsible for calculation of accruals, balances, and adjustments. Management in DHRM and Finance will collaborate on and implement continual staff training regarding absence management processes.

Expected Completion Date: November 2023

Follow-Up Date: May 2024

2. Conduct Secondary Review of Manual Adjustments

Issue: When employees self-identify an error in their leave, they must submit an inquiry to Payroll. The Absence Management Administrator conducts a review that includes an analysis to determine if a correction is required to adjust an employee's leave accrual rate or leave balance. If it is determined that a correction is needed, the Absence Management Administrator will make a manual adjustment in Absence Management and then upload the data into Kronos.

We identified that there is no secondary review of manual adjustments of leave accruals to verify the validity of the employee inquiry and the accuracy of the analyses conducted in support of the manual leave adjustment transactions.

Criteria: Secondary review of manual adjustments to employee records is a sound business practice and reduces errors and irregularities. Management should consider the potential for fraud when identifying, analyzing, and responding to risks.

Cause: ERP Business Operations management asserts there is no need to perform a secondary review because this essentially requires staff to perform the analyses twice. In addition, analyses are fully documented, employees receive copies of the analyses, and employees confirm the adjustments.

In addition to management's assertion regarding the lack of benefit of secondary review, it appears some of management's initial resistance can be attributed to the lack of available resources in Payroll coupled with insufficient reporting options. For example, there is not a report that identifies an exact count of manual leave accrual adjustments made during the audit period. Payroll provided the OIG with an Infor canned report, "Employee Transaction History Report," for the period of January 1, 2019, through June 30, 2022. The report was 3,444 pages long and did not provide a quantitative summary of processed manual adjustments by employee type.

Risk: The lack of a secondary review increases opportunities for errors and possible fraud. Errors may result in inaccurate payouts of leave balances upon employee separation and the risk that collusion can occur is possible. Although fraud was not identified, there is an inherent risk of fraud for all transactions that lack proper oversight to include secondary review.

Risk Level: High

Recommendation: We recommend Finance management implement internal procedures that require a secondary review of all manual adjustments of leave accruals transactions.

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Management Response: This raises concerns with a high-risk level attributed to the absence of a secondary review of manual calculations. It is crucial to emphasize that Finance strongly disagrees with this assessment, a stance substantiated by the absence of any errors or indications of fraudulent activity found within the OIG audit sample.

Several mitigating factors are in place, with multiple parties involved in every manual calculation, which effectively diminishes the risk to a potential collusion scenario. While, in a general context, a secondary review by management would be considered prudent, the presence of these robust mitigation measures significantly reduces the risk associated with our specific processes.

There appears to be less emphasis on solving the root cause problem of why a manual calculation is needed, while emphasis is being placed on the manual calculation which the audit reflected 100% accuracy in calculation.

Expected Completion Date: None

Additional Auditor Comment: It is the responsibility of management to weigh the possible additional costs of implementing our recommendations in terms of benefits to be derived and the relative risks involved. Although the OIG did not identify any exceptions in the manual leave accrual calculations completed by the Absence Management Administrator during audit fieldwork, the OIG does not consider the current mitigation process to be sufficient.

Inherently, manual adjustments to employee leave balances can include potential miscalculations due to employee error or fraudulent activities. The OIG places limited assurance on employee self-review and verification. The OIG also disagrees with management's statement, "There appears to be less emphasis on solving the root cause problem of why a manual calculation is needed." As stated in Recommendation #4, the OIG recommended HRIS and Finance management establish formal channels of communication to discuss the root cause of errors and how their respective department's operational processes impact each other."

The OIG will not conduct follow-up on this specific recommendation.

3. Maintain Documentation Supporting Manual Adjustments

Issue: ERP Business Operations does not maintain or have readily available access to documentation supporting manual adjustments of leave accruals for employees.

The OIG requested supporting documentation for 25 adjustments. We were informed the documentation for each manual adjustment was stored on the payroll directory (shared drive) and was readily available. It took ERP Business Operations approximately seven weeks to provide the OIG with some of the requested documentation. They were able to provide supporting documentation for 14 manual adjustments. However, ERP Business Operations stated the documentation for 10 adjustments did not exist because those adjustments were appropriately system generated. In addition, documentation for the remaining one adjustment had been archived.

Criteria: Sound business practices suggest that all manual adjustments of leave accrual transactions be supported with adequate documentation for authorization, justification, and sufficient details to provide a trail for internal review and future audit.

Cause: Per management, the delay in providing documentation supporting manual leave adjustments was due to:

- Payroll's limited staff constraint;
- Coordination between various personnel to obtain supporting documentation;
- Documentation did not exist; and
- Management required all supporting documentation be reviewed prior to distribution to the OIG to ensure it met the auditors' needs.

Risk: The lack of secondary review of manual leave adjustments (see Audit Recommendation #2) increases the opportunity for fraud, waste, and abuse. A change could be made to an employee's leave balance without any supporting documentation or management's knowledge.

In addition, management's ability to review the analyses of manual adjustments could be hindered due to lack of supporting documentation.

Issue Risk: Medium

Recommendation: We recommend Finance management strengthen internal procedures to require all manual adjustments of leave accrual supporting

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documentation to be maintained appropriately and be readily available upon request.

Management Response: Procedural changes addressing these audit findings were enacted before the audit's conclusion. We are confident that the existing procedures adequately fulfill the audit's recommendations, rendering additional changes unnecessary.

Expected Completion Date: March 2023

Follow-Up Date: May 2024

4. Define and Communicate Root Cause of Manual Adjustments

Issue: Most manual accrual adjustments are made after an employee identifies an error on their paystub. When OIG asked Payroll to identify the cause of the manual adjustments, we were told the errors were primarily attributed to incorrect processing of employee action forms by HRIS, and the cause adjustment is not captured. In addition, Payroll does not provide feedback to HRIS when manual accrual adjustments are made.

During OIG's efforts to determine the root cause of manual leave adjustments, we identified opportunities to improve communications between HRIS and Payroll. To better illustrate the lack of coordination between HRIS and Payroll for causes of manual adjustments, the OIG identified the following example within our sample testing:

An employee contacted Payroll on May 27, 2021, stating his/her paystub did not reflect any leave accruals for four pay periods from April 3, 2021, to May 15, 2021. The Absence Management Administrator conducted an analysis and determined HRIS processed a position change personnel action in Infor but did not correctly convert the employee status. As a result, the employee was not enrolled in the appointed employee annual leave accrual plan. This occurrence triggered Absence Management to apply an accrual end date to the employee's initial leave plan (merit employee).

On July 21, 2021, HRIS processed a second transaction to convert the employee from merit to appointed employee status. However, since the effective date of the position conversion was March 21, 2021, a retroactive transaction was required. The Absence Management Administrator had to process a second manual adjustment to correct the employee's annual leave balance for the accruals he/she missed as an appointed employee.

The OIG provided other examples of reasons employee leave accrual rates and/or balance may require manual adjustments on page 3 of this report.

Criteria: Without a full understanding of root cause, it is difficult to improve internal processes to reduce the number of required manual adjustments.

Cause: The root cause of the error was known by Payroll; however, the information was not communicated to HRIS. HRIS was unaware of the impact of processing the personnel action and how it affected the employee's annual leave accrual balance. Without defined roles and responsibilities (See Audit Recommendation #1) neither Finance nor DHRM discuss the cause of the errors that lead to manual adjustments.

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Risk: Limited communication between the two departments creates an environment where departmental operations may negatively impact each other's operational responsibilities.

Risk Level: Medium

Recommendation: We recommend DHRM and Finance management establish formal channels of communication to discuss the root cause of errors and how their respective departments' operational processes impact each other.

In addition, we recommend DHRM and Finance management assess staff competencies and provide training to facilitate the efficiency of operational processing and to assist in reducing the number of manual adjustments.

Management Response: DHRM and Finance have made significant progress in addressing the issue identified during the audit. Both DHRM and Finance have identified the actual root cause and have developed new procedures to resolve it. Our goal is to minimize and eliminate the need for future manual adjustments. These new procedures include the assignment of new roles and responsibilities between Finance and DHRM. Specifically, DHRM is responsible for assigning employees to the appropriate leave plan(s) and Finance is responsible for calculation of accruals, balances, and adjustments. Management in DHRM and Finance will collaborate on and implement continual staff training regarding absence management processes.

Expected Completion Date: November 2023

Follow-Up Date: May 2024

5. Develop Metrics for Monitoring Operational Performance

Issue: Payroll has not developed metrics to assist with measuring operational performance of the manual adjustments of leave accruals. Although the Infor generated Employee Transaction History Report captures all manual and system adjustments of leave accrual transactions, the report is not ideally structured to help management with tracking and analyzing transactional activity. Operational performance metrics will assist management by providing close to real-time feedback. For example, metrics may assist management with the following activities:

- Identifying and assessing critical issues so management can develop timely solutions;
- Determining which employee types account for most manual leave accrual adjustment transactions and investigating the causes;
- Determining the type of most frequently required adjustment transactions and investigating the root cause; and
- Continuous monitoring and developing meaningful reports for distribution to senior management to include categories of leave adjustments, number of manual and system adjustments, totals, etc.

Criteria: Some best practices for developing and implementing operational performance metrics include:

- Clearly define what to measure and why;
- Focus on metrics that are meaningful to operational needs and goals, and not just those where the data is easily captured and available;
- Spend time defining each key metric including the data sources, who owns the collection of the data, and who is responsible for the actual performance;
- Consider including metrics that define and capture operational error rates; and
- Define the frequency and reporting requirements to senior management.

Cause: Infor has limitations and cannot provide detailed analyses of manual leave accrual adjustment activities. In response to OIG's inquiry about implementing metrics, Payroll management stated they plan to implement a system using the Commission's On-Point application tool for tracking leave accrual review activities. Employees will be required to submit a ticket through

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OnPoint, which eliminates email requests. The tool will also assist with tracking the requests by various categories, including, but not limited to, department name, employee leave plan type, and the type of request.

Risk: Failure to develop and review operational performance metrics restrict management's ability to track and identify critical issues timely, which also negatively affects management's ability to implement corrective action before issues become major problems.

Recommendation: We recommend that Payroll management identify and develop performance metrics that assist in determining the operational effectiveness of the manual adjustment process of leave accruals. Payroll management should also distribute performance reports to senior management on a continuous basis to expedite and implement corrective actions.

Issue Risk: Medium

Management Response: Payroll is currently in the process of implementing OnPoint, a ticket tracking application designed to streamline the monitoring of payroll and leave-related matters. Upon its implementation, this system will enable the generation of metrics for assessing operational efficiencies.

Expected Completion Date: April 2024

Follow-Up Date: May 2024