



FINAL REPORT

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# City of Stockton

## PAYROLL INTERNAL CONTROLS REVIEW

May 2, 2025

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## I. EXECUTIVE SUMMARY

Moss Adams LLP (Moss Adams), internal auditor for the City of Stockton (the City), conducted a review of the City's payroll internal controls. The project was included in the fiscal year (FY) 24–25 internal audit work plan and was initially focused solely on evaluating internal controls related to the payroll process. However, in collaboration with the City Manager's Office, the scope was expanded to encompass an examination of the communication between the Human Resources (HR) and Administrative Services (ASD) Departments, as well as an assessment of the system interactions between ExecuTime and Tyler Munis (MUNIS). The project was conducted between November 2024 and April 2025 and involved an assessment of the controls and processes related to payroll management; however, it is important to note that issues in obtaining necessary information contributed to delays that extended the timeline beyond our initial projections of November 2024 through February 2025.

Our procedures included evaluating compliance with best practices, reviewing payroll documentation, and analyzing the effectiveness of certain aspects of the new payroll Enterprise Resource Planning (ERP) module, ExecuTime. We conducted interviews with key City employees involved in payroll recording, processing, approval, and oversight to gain insights into the operational workflow. Additionally, we assessed the adequacy of documentation related to payroll transactions to evaluate for adherence to City guidelines as well as to identify any inefficiencies or discrepancies within the payroll system.

As part of our review, we assessed the documentation provided by the City that demonstrates adherence to payroll internal controls for:

- **Adherence to Best Practices:** We reviewed payroll documentation to assess the appropriateness of transactions and evaluated the overall review and approval process along with completeness and accuracy of documentation related to payroll processing.
- **Compliance with Applicable Policies:** We requested relevant City policies and procedures (P&Ps) related to payroll processing. Per inquiry of the HR Department, there were no documented payroll policies and procedures; however, we obtained an understanding of City guidelines and processes via interviews.
- **Detection of Inefficiencies and Risks:** We identified potential inefficiencies and discrepancies within the payroll system.

This engagement was performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants (AICPA). Accordingly, we provide no opinion, attestation, or other form of assurance with respect to our work or the information upon which our work is based. This report was developed based on information gained from our document reviews, interviews, and analyses of provided documentation. The procedures we performed do not constitute an examination in accordance with generally accepted auditing standards or attestation standards.



## A. OBJECTIVES

Our objective for this engagement was to assess the effectiveness of payroll internal controls related to the City's payroll management system, with a focus on the period from November 2024 to April 2025. Specifically, we assessed:

- The extent to which payroll documentation and processes complied with best practices, reviewing the appropriateness of payroll transactions and the integrity of the overall review and approval process.
- The completeness and accuracy of documentation related to payroll processing, including timekeeping records, approval workflows, and supporting documentation, to ensure compliance with relevant regulations and best practices.
- The identification of potential inefficiencies and discrepancies, within the payroll system, including an evaluation of the effectiveness of select aspects of ExecuTime.

Based on the outcomes of the assessment procedures performed to evaluate these objectives, we developed best practice recommendations aimed at enhancing compliance with payroll best practices, as well as implementing process improvements and stronger internal controls within the payroll process.

## B. CONCLUSIONS

We identified five findings that are highlighted in the following table.

FINDINGS AND RECOMMENDATIONS		
1.	<b>Finding</b>	Two out of 20 timecards tested revealed issues related to review and approval.
	<b>Recommendation</b>	<ul style="list-style-type: none"> <li>A. Establish an approval process for timecards that requires both employee and supervisor approvals prior to processing</li> <li>B. Establish documented policies and procedures to ensure timecards are reapproved after any corrections.</li> <li>C. Conduct staff training and regular audits to enhance compliance and accuracy in timekeeping practices.</li> </ul>
2.	<b>Finding</b>	Two out of 20 timecards tested revealed issues related to employee status.
	<b>Recommendation</b>	<ul style="list-style-type: none"> <li>A. The City should consider conducting a review of the Executime system to ensure that employee statuses are accurately updated to reflect active or inactive status, particularly for those who are no longer employed.</li> <li>B. A process should be implemented on a go-forward basis to ensure employee status is promptly updated upon termination of employment.</li> </ul>
	<b>Finding</b>	There are no documented policies, standard operating procedures (SOPs), or forms related to payroll and timekeeping processes, leading to ambiguity in



FINDINGS AND RECOMMENDATIONS	
3.	procedures and increasing the risk of inconsistencies and errors in payroll processing.
	<p><b>Recommendation</b></p> <p>A. The City should develop a comprehensive set of payroll and timekeeping policies and procedures that clearly outline workflows, approval protocols, and correction procedures.</p> <p>B. Creating detailed SOPs and implementing training programs for staff will ensure clarity in roles and responsibilities, while establishing a process for regular review and updates will help maintain compliance with regulations and adapt to changing needs.</p>
4.	<p><b>Finding</b></p> <p>The transition of payroll oversight to the HR Department has created a lack of segregation of duties, allowing HR personnel to make changes to employee pay, set up new employees, and process payroll, which increases the risk of errors and fraud.</p>
	<p><b>Recommendation</b></p> <p>To mitigate these risks, the City should reinstate payroll oversight within ASD and implement internal controls to clearly separate responsibilities between HR and ASD.</p>
5.	<p><b>Finding</b></p> <p>Departments have the autonomy to determine how payroll is charged to project strings which can lead to potential misallocations and confusion when expenditures revert to the “home” fund account. Additionally, delays of up to five months in posting General Ledger (GL) entries due to these misallocations negatively impacted financial reporting and grant compliance for EDD and the Public Works Department.</p>
	<p><b>Recommendation</b></p> <p>A. The City should establish centralized oversight for payroll charges and provide training on the correct use of activity codes and project strings, along with automated alerts for approaching funding limits.</p> <p>B. The City should conduct regular review of available codes and remove inactive codes from those available to employees for entry.</p>

## C. COMMENDATIONS

Although the focus of this review was to assess the effectiveness of payroll internal controls, it is important to highlight areas that were operating effectively. The City should be commended for the following accomplishments:

- **Commitment to Process Improvement:** Throughout our review, City staff demonstrated a strong commitment to improving payroll processes. Their proactive approach in seeking out best practices and willingness to engage in meaningful discussions about potential enhancements reflects a genuine desire to streamline operations and make the payroll system more efficient.
- **Focus on User Experience:** It was evident that all staff members involved were focused on creating a user-friendly payroll experience. Their efforts to simplify processes and make them more accessible to employees demonstrate a commendable commitment to enhancing the overall experience for all stakeholders involved in payroll management.

We would like to thank the City's employees and management for their time and cooperation during this Payroll Internal Controls Review.



## II. BACKGROUND, SCOPE, AND METHODOLOGY

### A. INTRODUCTION

Moss Adams was contracted by the City to perform a review of payroll internal controls. This review assessed the effectiveness of the City's payroll management processes, including the recently implemented payroll ERP module (ExecuTime), and compared the current payroll practices to best practices. The review was conducted between November 2024 and April 2025.

### B. BACKGROUND

The City's payroll system is designed to ensure that all employees are compensated accurately and in a timely manner for their work. To support effective payroll management, the City has implemented a series of internal controls and processes. These controls are intended to provide a structured framework for managing payroll operations, ensuring compliance with relevant regulations and best practices, and facilitating the efficient processing of payroll transactions. In order to assist with applying these controls and processes, in January 2023 the City implemented ExecuTime, a workforce management software solution designed to streamline time and attendance tracking, scheduling, and payroll processes. It offers features such as employee time tracking, automated scheduling, leave management, and reporting capabilities.

Historically, payroll operations were the responsibility of ASD. During our review, the oversight of payroll was transitioned from the ASD to the HR Department. This change significantly impacted our scope and necessitated a modification of our testing approach. With HR now responsible for payroll processing, we reassessed our evaluation of internal controls to account for the potential risks associated with this shift, particularly concerning the segregation of duties.

The HR Department is currently responsible for the accurate and timely payment of employee wages, ensuring that all payroll-related expenditures are justified, properly documented, and aligned with the City's financial management practices. The HR Department is responsible for ensuring that adequate internal controls are established and implemented within the payroll function; however, the City does not have documented policies and procedures related to the payroll function.

A critical aspect of the payroll system involves the correct coding of City grant-related payroll and timekeeping. Employees working on grant-funded projects must accurately record their time and expenses, using specific project codes designated for each grant. This coding is essential for tracking grant expenditures and ensuring compliance with grant requirements. The payroll system is configured to facilitate the entry of these codes, allowing for proper allocation of labor costs to the respective grants.

Our objective for this engagement was to assess the effectiveness of payroll internal controls related to the City's payroll management system, with a focus on the period from November 2024 to April 2025. Specifically, we assessed:



- The extent to which payroll documentation and processes complied with best practices, reviewing the appropriateness of payroll transactions and the integrity of the overall review and approval process.
- The completeness and accuracy of documentation related to payroll processing, including timekeeping records, approval workflows, and supporting documentation, to ensure compliance with relevant regulations and best practices.
- The identification of potential inefficiencies and discrepancies within the payroll system, including an evaluation of the effectiveness of select aspects of ExecuTime.

Based on the outcomes of the assessment procedures performed to evaluate these objectives, we developed best practice recommendations aimed at enhancing compliance with payroll best practices, as well as implementing process improvements and stronger internal controls within the payroll process.

## C. SCOPE AND METHODOLOGY

To obtain an understanding of the processes and controls related to payroll management, we conducted interviews with key personnel from both the ASD and the HR Department. The employees we interviewed held designated responsibilities related to payroll processing, including transaction approval, timekeeping oversight, and compliance with payroll best practices. In addition, we inquired as to whether there were documented City policies and procedures related to the payroll function and specifically grant-related payroll coding. Upon inquiry with City staff, we determined that there are no documented policies and procedures in place. However, we were able to gain a comprehensive understanding of the processes through our interviews with relevant personnel.

In addition to our interviews, we performed the following detailed testing and analysis procedures:

- **Walkthroughs:** We performed the following walkthroughs with City staff to enhance our understanding of time entry processes and to observe how time entries in ExecuTime reconcile with MUNIS, the City's ERP system.
  - **Economic Development Department (EDD):** This walkthrough involved cross-referencing the hours worked and applied project strings and account codes as recorded in both systems (ExecuTime and MUNIS) to gain an understanding of the time entry process and how potential entry errors may occur. In addition to this walkthrough, we performed the following with EDD:
    - A second meeting was held with EDD to gain an understanding of how the Finance Action Order Form (FAOF) is completed and the process for submitting payroll corrections for project string errors.
    - We reviewed provided FAOFs prepared by EDD for the pay period ending July 31, 2024, along with the spreadsheet "Corrections to PPE 07.31.24" to gain an understanding of common errors.
  - **Public Works Department:** This walkthrough involved cross-referencing the hours worked and applied project strings and account codes as recorded in both systems (ExecuTime and MUNIS) to gain an understanding of the errors the Public Works Department was seeing related to time entry and reporting, specifically as it relates to Public Works project management.



- **Timesheet Testing:** To assess payroll controls, we selected a judgmental sample of 20 employees from a listing of active employees in FY24, which included employee department, start date, and termination date (if applicable) to review timecards for the pay period ending December 14, 2024.
  - We assessed whether each timecard had the necessary approvals from both the supervisor and the employee. This involved reviewing the timecards to confirm that all entries were authorized in accordance with established approval requirements.
  - We evaluated whether employees were appropriately listed as “active” by reviewing a selection of timecards provided for employees from the active employee listing.
  - We intended to test the data entry by employees into ExecuTime and the corresponding output in MUNIS. However, the timesheets provided for our review lacked essential project strings and activity codes. Although we requested additional information to facilitate our testing, we encountered delays in receiving the necessary data due to time constraints on the project and significant turnover among City employees. As a result, we were unable to complete this aspect of our testing.



### III. FINDINGS AND RECOMMENDATIONS

#### Timecard Approvals

<b>1.</b>	<b>Finding</b>	Two out of 20 timecards tested revealed issues related to review and approval.
	<b>Recommendation</b>	<ul style="list-style-type: none"> <li>A. Establish an approval process for timecards that requires both employee and supervisor approvals prior to processing</li> <li>B. Establish documented policies and procedures to ensure timecards are reapproved after any corrections.</li> <li>C. Conduct staff training and regular audits to enhance compliance and accuracy in timekeeping practices.</li> </ul>

Effective payroll management requires that all timecards receive appropriate approvals from both employees and supervisors prior to processing. This practice is essential for ensuring accountability and accuracy in timekeeping, which supports compliance with internal policies and applicable regulations. Moreover, any changes made to approved timecards should not negate previous approvals; instead, there should be a clearly defined process for re-approving timecards following any modifications.

In our review of 20 timecards, we identified issues regarding the approval process. Specifically, one timecard lacked evidence of both supervisor and employee approval, raising concerns about compliance with City-communicated payroll procedures. Additionally, another timecard was found to be missing both employee and supervisor approvals, with subsequent time corrections made after the initial approval. These corrections effectively removed the approvals, as indicated by system screenshots showing modifications labeled "Removed Approval." Such lapses in the approval process compromise the integrity of timekeeping and payroll accuracy.

The issues identified stem from the absence of clearly documented guidelines for handling time corrections and the failure to enforce approval protocols have contributed to these discrepancies. Additionally, insufficient training for staff involved in the timekeeping process may have led to misunderstandings regarding the importance of maintaining approvals after modifications.

These findings could result in unauthorized payments and inaccuracies in payroll processing, undermining the City's financial integrity. The lack of proper approvals increases the risk of errors in timekeeping, which can lead to employee dissatisfaction and potential legal ramifications for noncompliance with labor regulations. Furthermore, these lapses may impact public trust in the City's payroll management practices.

To address these issues, it is recommended that the City implement a robust approval process for timecards that ensures all entries are approved by both employees and supervisors before processing. Additionally, the City should establish clearly documented policies and procedures that require timecards to be reapproved after any corrections are made, along with a procedure for re-approval following modifications. Providing training for staff on the importance of maintaining timecard



approvals and implementing regular audits of the timekeeping process will further enhance compliance and accuracy. By taking these steps, the City can strengthen its payroll controls and ensure accountability in its timekeeping practices

## Inactive Employees

<b>2.</b>	<b>Finding</b>	<b>Two out of 20 timecards tested revealed issues related to employee status.</b>
	<b>Recommendation</b>	<p><b>A. The City should consider conducting a review of the ExecuTime system to ensure that employee statuses are accurately updated to reflect active or inactive status, particularly for those who are no longer employed.</b></p> <p><b>B. A process should be implemented on a go-forward basis to ensure employee status is promptly updated upon termination of employment.</b></p>

The City should ensure that employee statuses within the ExecuTime system are accurately maintained to reflect whether employees are active or inactive. This includes conducting regular reviews and updates of employee records, particularly for those who are no longer employed, to prevent unauthorized timecard submissions. Adherence to these criteria is essential for maintaining the integrity of the payroll system.

During our review of timecards, two of the 20 timecards tested revealed discrepancies related to employee status. Specifically, these timecards were blank and were provided for employees who were no longer employed by the City, indicating that their statuses had not been accurately updated in the system. This oversight raises concerns about the integrity of the payroll process, as it suggests that inactive employees may still be able to submit timecards, potentially leading to unauthorized payments and financial discrepancies.

The issues identified with employee status can be attributed to a lack of systematic processes for updating the ExecuTime system when an employee's status changes. This may result from inadequate training for staff responsible for maintaining employee records or a failure to implement timely updates following employee terminations or status changes.

The failure to accurately update employee statuses increases the risk of potential unauthorized payments to inactive employees, which can lead to financial losses for the City. Additionally, this oversight can create compliance issues with labor regulations, potentially exposing the City to legal ramifications. Ultimately, the integrity of the payroll system could be compromised, which can undermine trust in the City's financial management practices.

To address this issue, the City should consider conducting a comprehensive review of the ExecuTime system to ensure that employee statuses are accurately updated to reflect active or inactive status, particularly for those who are no longer employed. Implementing a systematic process for regular audits of employee records and providing training for staff responsible for maintaining these records will help prevent future discrepancies and enhance the overall reliability of the payroll system.



## Policies and Procedures

<b>3.</b>	<b>Finding</b>	There are no documented policies, standard operating procedures (SOPs), or forms related to payroll and timekeeping processes, leading to ambiguity in procedures and increasing the risk of inconsistencies and errors in payroll processing.
	<b>Recommendation</b>	<p><b>A. The City should develop a comprehensive set of payroll and timekeeping policies and procedures that clearly outline workflows, approval protocols, and correction procedures.</b></p> <p><b>B. Creating detailed SOPs and implementing training programs for staff will ensure clarity in roles and responsibilities, while establishing a process for regular review and updates will help maintain compliance with regulations and adapt to changing needs.</b></p>

Best practices in payroll and timekeeping management instruct organizations to have comprehensive and clearly documented policies and procedures in place. These documents should outline workflows, approval protocols, and correction procedures to provide staff with clear guidance on their roles and responsibilities. Establishing such documentation is essential for ensuring consistency, accuracy, and compliance with applicable laws and regulations. Additionally, organizations are expected to regularly review and update these policies to reflect changes in regulations, technology, or operational needs, thereby maintaining an effective and efficient payroll system.

During our interviews and upon request, we were informed by City employees there are no documented policies, SOPs, or forms related to payroll and timekeeping processes. The absence of documented policies, SOPs, and forms related to payroll and timekeeping processes has created significant ambiguity in the execution of these critical functions.

The lack of documented policies and procedures can be attributed to a failure to prioritize the development of formal guidelines for payroll and timekeeping processes. This oversight may stem from resource constraints, insufficient training, or a lack of awareness regarding the importance of documentation in maintaining effective internal controls. As a result, staff have been left to navigate payroll and timekeeping tasks without the benefit of standardized protocols, leading to confusion and inconsistencies.

Without clear guidelines, employees may lack the necessary direction to perform their duties effectively, leading to inconsistencies and errors in payroll processing. This lack of documentation can result in varied interpretations of procedures among staff, which increases the risk of mistakes, miscommunication, and noncompliance with regulatory requirements. The absence of documented policies and procedures increases the likelihood of errors in payroll processing, which can have serious implications for both employees and the City. Inaccurate payroll can lead to incorrect compensation, employee dissatisfaction, and potential legal issues. Additionally, the lack of clear guidelines can result in regulatory noncompliance, exposing the City to fines and penalties. Ultimately, the integrity of the payroll and timekeeping systems could be compromised, which can undermine public trust and the overall effectiveness of the City's operations. Furthermore, the



absence of standardized forms and procedures can hinder the City's ability to maintain accurate records and ensure accountability in payroll and timekeeping practices.

To address this issue, the City should develop a comprehensive set of payroll and timekeeping policies and procedures that clearly outline workflows, approval protocols, and correction procedures. This documentation should include the creation of detailed SOPs to provide step-by-step instructions for staff involved in these processes. Implementing training programs will ensure that employees understand their roles and responsibilities, while establishing a process for regular review and updates will help maintain compliance with regulations and adapt to changing needs. By taking these steps, the City can enhance the reliability and efficiency of its payroll and timekeeping functions.

## Segregation of Duties

<b>4. Finding</b>	<b>The transition of payroll oversight to the HR Department has created a lack of segregation of duties, allowing HR personnel to make changes to employee pay, set up new employees, and process payroll, which increases the risk of errors and fraud.</b>
<b>Recommendation</b>	<b>To mitigate these risks, the City should consider reinstating payroll oversight to within ASD and implement internal controls to clearly separate responsibilities between HR and ASD.</b>

Effective internal control principles dictate that no single department should have overlapping responsibilities that could lead to conflicts of interest or errors. Best practices in payroll management require a clear separation of duties between those setting up new employees and making adjustments to pay and those processing payroll to ensure that different individuals are responsible for distinct aspects of the payroll process. This separation is essential for maintaining accountability, preventing fraud, and ensuring compliance with applicable laws and regulations. Organizations are expected to establish documented policies and procedures that outline the roles and responsibilities of each department involved in payroll processing, thereby fostering a transparent and reliable payroll system.

The transition of payroll oversight to the HR Department has resulted in insufficient segregation of duties, which is a critical component of effective internal controls. This change allows HR personnel to have the authority to modify employee pay, set up new employees, and process payroll transactions. Such overlapping responsibilities create an environment where errors can occur without adequate checks and balances, and they also increase the risk of fraudulent activities. The lack of a clear division of responsibilities can undermine the integrity of the payroll system and could raise concerns about accountability within the process.

The shift in payroll oversight to HR, without implementing adequate internal controls and clearly defined roles, has led to this lack of segregation of duties. This decision may have been to streamline processes or improve efficiency; however, it has inadvertently created an environment where critical checks and balances are missing. The absence of a structured framework for delineating responsibilities between HR and ASD has contributed to the current situation, where HR personnel have the ability to set up new employees, edit employee pay rates, and process payroll.



The absence of proper segregation increases the likelihood of payroll inaccuracies and fraud, which can have serious financial implications for the City. Errors in payroll processing can lead to incorrect employee compensation, resulting in employee dissatisfaction and potential legal ramifications. Ultimately, the integrity of the payroll system could be compromised, undermining public trust and the City's reputation.

The City should consider reinstating payroll oversight within ASD, where robust financial controls can be effectively implemented. This move would ensure that payroll processing is handled independently from HR functions, thereby establishing a clear segregation of duties. Additionally, the City should implement internal controls that clearly delineate responsibilities between HR and ASD, ensuring that no single department has the authority to set up new employees, edit employee pay rates, and process payroll. By adopting these measures, the City can enhance the accuracy and reliability of payroll processing while reducing the risk of errors and fraud.

## Payroll Misallocation and Posting Delays

<b>5. Finding</b>	<b>Departments have the autonomy to determine how payroll is charged to project strings which can lead to potential misallocations and confusion when expenditures revert to the “home” fund account. Additionally, delays of up to five months in posting GL entries due to these misallocations negatively impacted financial reporting and grant compliance for EDD and the Public Works Department.</b>
<b>Recommendation</b>	<ul style="list-style-type: none"> <li><b>A. The City should establish centralized oversight for payroll charges and provide training on the correct use of activity codes and project strings, along with automated alerts for approaching funding limits.</b></li> <li><b>B. The City should conduct regular review of available codes and remove inactive codes from those available to employees for entry.</b></li> </ul>

The City should ensure that payroll allocations to project strings are managed in accordance with established policies and procedures. This includes maintaining accurate records of funding sources and ensuring that all payroll charges are appropriately allocated to the correct project codes. Adherence to these criteria is essential for accurate financial reporting and effective budget management.

The current situation revealed that the lack of standardized procedures for charging payroll to project strings has led to inconsistencies and potential misallocations. The automatic reversion of expenditures to the home fund when project strings are underfunded creates confusion in the time entry process. Employees may inadvertently enter time using both activity and project codes, resulting in one code superseding the other and diverting funds incorrectly. Additionally, delays of up to five months in posting GL corrections related to these payroll issues has compounded these issues, negatively impacting financial reporting and grant compliance, particularly for the Economic Development Department (EDD) and the Public Works Department. As an example, for the pay period ending July 31, 2024, EDD had to submit eight FAOFs representing numerous account coding corrections.



The issues identified arose from the lack of a standardized verification process. Without clear guidelines and oversight, employees and departments may not consistently apply the correct project codes, leading to errors in fund allocation. These findings could result in inaccurate financial reporting and budgetary discrepancies, potentially impacting the City's ability to manage its resources effectively. Additionally, the misallocation of funds may lead to compliance issues with grant requirements. These errors specifically hindered EDD's ability to draw down funds from the U.S. Department of Housing and Urban Development (HUD) and created project management challenges for the Public Works Department due to the significant delays in correction processing.

These findings could result in additional inaccurate financial reporting and budgetary discrepancies, potentially impacting the City's ability to manage its resources effectively. Additionally, the misallocation of funds may lead to further compliance issues with grant requirements and hinder the City's financial planning efforts.

To mitigate the risk of misapplying payroll allocations, the City should consider the following actions:

- Establishing centralized oversight to review and approve payroll charges to project strings.
- Providing comprehensive training for departmental staff on the proper use of activity and project codes to ensure accurate entries.
- Implementing automated alerts to notify departments when project strings are approaching their funding limits.
- Conducting regular reconciliations of payroll charges against project budgets to identify discrepancies promptly.
- Developing clear guidelines for charging payroll to project strings to enhance accuracy and reduce the likelihood of misallocations.
- Conduct regular review of available project strings and activity codes and remove inactive codes from those available to employees for entry.

Implementing these measures will help ensure that departments accurately report their time to the correct activity codes and project strings, which is essential for reflecting what individual employees are working on. This focus on precise payroll allocations will support accurate allocation of payroll costs and help ensure grant compliance. By safeguarding the integrity of payroll internal controls, the City can demonstrate accountability in its financial management practices.



## IV. PROCESS IMPROVEMENT OPPORTUNITIES

Moss Adams identified process improvement opportunities resulting from this review that did not rise to the level of a finding. The table below summarizes these opportunities for the City's consideration.

CATEGORY	PROCESS IMPROVEMENT OPPORTUNITIES
<p><b>1 Salary Projection Module</b></p>	<p>Based on interviews with ASD and HR, the salary projection module in MUNIS does not appear to be utilized effectively, which prevents the Budget Office from using fields necessary for automatic calculations of step increases. This has resulted in manual calculations and increased reliance on departments for accurate data.</p> <p>To improve the effectiveness of the salary projection module in MUNIS and reduce reliance on manual calculations, the City should provide training for Budget Office staff and relevant departments on utilizing the module effectively, focusing on automatic calculations of step increases. A review of the MUNIS system configuration is necessary to ensure all required fields are accessible, with support from IT to address any technical barriers.</p> <p>Additionally, SOPs should be established for data entry and reporting to ensure consistency and accuracy. Implementing data validation processes will enhance the accuracy of departmental submissions, while exploring options for automated calculations will further streamline the process. Finally, regular monitoring and evaluation of the module's usage will help identify ongoing issues and areas for improvement. By adopting these measures, the City can enhance the utilization of the salary projection module and improve overall budget accuracy.</p>
<p><b>2 Position Control Tracking</b></p>	<p>Position control refers to the management and tracking of authorized positions within an organization, including details such as job titles, department assignments, and funding sources. It is essential for ensuring that staffing levels align with budgetary constraints and the City's needs. Per interviews with ASD and HR, there have been delays and communication errors in position control changes.</p> <p>While the implementation of an Excel tracking system for position control requests has appeared to improve communication between departments, concerns remain regarding the accuracy of the information provided and the potential for errors in payroll processing due to employee positions, and therefore pay rates, not being accurate. To address these accuracy concerns, the City should implement a position control management system which would include standardized data entry protocols and validation checks.</p> <p>These measures should help minimize errors and ensure consistency in the information submitted by departments. Additionally, transitioning to a more integrated software solution that connects position control with payroll processing could enhance data accuracy and streamline operations. By adopting these improvements, the City could significantly enhance the reliability of position control information and reduce the risk of payroll errors, ultimately supporting better decision-making and resource allocation.</p>

