

2025 Moss Adams Report - Payroll Internal Controls Review		
TIMECARD APPROVALS		
No.	RECOMMENDATION	STATUS
1.A	Establish an approval process for timecards that requires both employee and supervisor approvals prior to processing	The ERP and Payroll teams met with each department to assign Time and Attendance employee roles and to build time approval workflows. These workflows were built to establish a standardized process where employees submit their time, the supervisor approves, then the department timekeepers review and conduct a final audit before it is submitted to payroll. In September of 2024, overtime rules were deleted from the Time and Attendance module. The Payroll team is working with MUD to build overtime rules and final testing on 4/10, 5/40 and 12 hour shifts are being conducted. 9/80 schedule is still in testing phase. Once these are all implemented and we confirm accuracy, overtime rules will be built in for all other departments to allow appropriate workflow approvals for all employees.
1.B	Establish documented policies and procedures to ensure timecards are re approved after any corrections.	The existing Directive FIN-04 Payroll Timesheets, will be amended to include updates that align with our system, processes, and procedures. Payroll is actively working with Tyler MUNIS to have the system notify departments when employees make changes after approvals are complete. Training will be conducted once procedures are finalized to ensure appropriate audits are conducted prior to payroll processing to make sure employees are paid accurately.
1.C	Conduct staff training and regular audits to enhance compliance and accuracy in timekeeping practices.	The Payroll team has been trained and continues to seek assistance from Tyler Munis representatives, consultants, and the ERP team. Standard Operating Procedures have been created and are regularly updated as updates to processes arise. One key audit implemented includes a daily review in Time and Attendance to ensure all accrual and benefit integrations are completed as scheduled, along with verification that separated employees are properly marked inactive in Time and Attendance, ensuring they are no longer visible to departments. The Payroll team is now holding meetings with the department timekeepers after each payroll is processed to review, discuss, and address concerns and/or errors. A pre audit is performed prior to payroll processing to try to catch incorrect information before payroll is processed. The Payroll team will continue to build standard operating procedures and create and update existing End User Guides to hold regular training with departments.
INACTIVE EMPLOYEES		
No.	RECOMMENDATION	STATUS
2.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.	Bi-weekly audits are conducted for employees who have officially separated from the City to confirm they are marked inactive in the Time and Attendance Module. Payroll is working on confirming the system is integrated to update Time and Attendance when personnel actions for separations are processed.
2.B	A process should be implemented on a go-forward basis to ensure employee status is promptly updated upon termination of employment.	Bi-weekly audits are conducted for employees who have officially separated from the City to confirm they are marked inactive in the system. Payroll has been added to the personnel action workflow to ensure proper actions are taken in a timely manner. In addition, Payroll is developing a standard operating procedure on quarterly audits to confirm employees who have not received a paycheck should remain in active status or need a personnel action processed.
POLICIES AND PROCEDURES		
No.	RECOMMENDATION	STATUS
3.A	The City should develop a comprehensive set of payroll and timekeeping policies and procedures that clearly outline workflows, approval protocols, and correction procedures.	Official Timekeeping policies and procedures will be finalized and distributed once overtime rules are set in place.
3.B	Create detailed Standard Operating Procedures and implement 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.	The ERP team, Payroll, and consultants have all contributed to developing Standard Operating Procedures and are currently in progress. These cover tax payments, tax reporting, bi-weekly payroll processing, annual tasks, duties performed at each desk, and addressing emergent issues we may encounter. The Payroll team has been created an annual task calendar, outlined duties performed, established backups, and have been crossed-trained on all duties performed.
SEGREGATION OF DUTIES		
No.	RECOMMENDATION	STATUS

4	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.	Attachment A includes a list of duties and responsibilities per division to ensure there is a separation of duties. The City Manager's Office will make decisions pertaining to the transition of Payroll.
PAYROLL MISALLOCATION AND POSTING DELAYS		
No.	RECOMMENDATION	STATUS
5.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.	Since the transition, Payroll has posted payroll to the General Ledger (GL) via the Tyler MUNIS system functionality. The previous method involved manually importing payroll records to hit the GL. In working with the vendor, Robert Half, it was identified that the majority of the errors were due to incorrect project strings. ASD and HR have been trained on how to identify and correct errors so payroll can be posted to the GL in a timely manner. It was recommended to revisit who has access in the system to create activity and project strings to minimize errors in the system. ASD AP Division has oversight of activity codes and projects strings and can work with Tyler MUNIS on reviewing centralized oversight and creating automated funding limit alerts.
5.B	The City should conduct regular review of available codes and remove inactive codes from those available to employees for entry.	Payroll is reviewing each provision within the Memoranda of Understanding (MOUs) and confirming accuracy against all pay codes that are built in the Tyler MUNIS system. To date, payroll has reviewed all pay codes for Operations & Maintenance, Trades & Maintenance, and Water Supervisory units. The review of the remaining Memoranda of Understandings is ongoing and payroll will continue to confirm accuracy for all pay codes that are available to employees.
PROCESS IMPROVEMENT OPPORTUNITIES		
No.	RECOMMENDATION	STATUS
1	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.	Per the Interim Budget Officer: The Budget Office currently does not process any manual calculations in the salary projection module. All fields are accessible.
1	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.	The Budget Office currently does have Standard Operating Procedure checklists in place, which are provided to departments via training to ensure consistency and accuracy (for salary projections). The City has adopted 3 rounds of data validation during Budget Development. Data entry is all system generated. City staff monitor and evaluate the module.
2	To address accuracy concerns, the City should implement a position control management system which would include standardized data entry protocols and validation checks. 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.	Per the Interim Budget Officer: The Budget Office created an additional process (position control requests log) that should help minimize errors and ensure consistency in the information submitted by departments.
		The City's position control management system is validated at the department, payroll and budget levels. The position control system is integrated with payroll.