



# Wicomico County, Maryland

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### **Internal Auditor's Consultation Report**

The County Council and County Executive of Wicomico County, Maryland:

The Office of the Internal Auditor (IA) has conducted a study of the Wicomico County time keeping system. Wicomico County is in the process of implementing a new interactive, biometric system called Timekeeper. The purpose of the study was to gain an understanding of the new system, map the system, gain feedback information from departments using the system, and evaluate thoughts and concerns from selected departments not currently using the new system. Additionally IA reviewed time and attendance along with other selected policies currently in effect for Wicomico County.

The attached document was created for the County Executive, and the County Council to assist in their understanding of the new timekeeping system and to relate the new system to current policies. IA recommends further testing of the system in a more formal audit setting after the new system has been successfully implemented. The material contained in the outline should be shared with outside interests only at the discretion of the Council and Executive.

Respectfully submitted,

J. Stephen Roser, CPA  
Internal Auditor

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## Consultation Report

### Background

The original objectives of the Time and Attendance Audit as outlined in the FY2012 Annual Audit Plan called for (among other things) testing of the policies and procedures related to time and attendance data input, processing, and output. Additionally, the original Audit Plan involved scope and methodology that included evaluation of segregation of duties, security access to the system, payroll updating, and paycheck distribution.

In an initial interview with the Human Resources director, IA learned that Wicomico County is in the process of implementing a new system of time keeping. The new system involves the installation of the Timekeeper System. Based on the information obtained in that interview, IA recommended (and Council approved) fundamental changes to this engagement. Specifically, the Time and Attendance Audit was changed to a Time and Attendance Consultation. For the purposes of internal auditing, the major difference between an Audit and a Consultation is that a Consultation is more focused and generally does not offer a formal opinion on the part of the auditor. We made the change for two reasons:

1. It is not efficient and effective (and therefore not in the county's interest) to perform extensive testing on a system undergoing a major overhaul. Many of the processes slated for testing will become obsolete, or will change to a large degree as the county implements the new system.
2. Some of the testing necessary to satisfactorily evaluate the county payroll system is very technical in nature. The Wicomico County Office of the Internal Auditor (along with most accounting professionals) does not possess the internet technology expertise necessary to perform a competent systems evaluation.<sup>1</sup> According to IIA Standard 1210.A1: "The Chief Audit Executive must obtain competent advice and assistance if the internal auditors lack the knowledge, skills, of other competencies needed to perform all or part of the engagement".

The focus of the consultation is primarily on the Timekeeper System, its installation progress, and its relationship to systems and procedures already in place. Timekeeper is a biometric, interactive, computer driven system for tracking time of hourly, non-exempt<sup>2</sup> personnel.

### Objectives

The objectives of the consultation are to:

1. Review and evaluate time and attendance policies currently in effect
2. Develop an understanding of the new time keeping process and evaluate

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<sup>1</sup> At some point, it may become necessary to involve an outside agent in possession of the software and the requisite skills for performing some of the electronic testing of our payroll system. IA will include an investigation of the need for such an agent and associated costs ancillary to any future audit plan proposal.

<sup>2</sup> "Non-exempt" refers to employees covered under the Fair Labor Standards Act (FLSA) of 1938 subsequently amended numerous times. It is also referred to as the Wage and Hour Bill.

## Scope

This engagement is a consultation with primary focus on understanding the Timekeeper System. The scope is otherwise open ended. Observations and Inquiries with appropriate personnel were conducted, as well as examination of various documents:

- MUNIS time and attendance module desk procedures guide
- Field Interviews with:
  - Information Technology
  - Sheriff's Office
  - Department of Corrections
  - DPW – Roads Division
  - DPW – Solid Waste Division
  - Human Resources
- Timekeeper process documentation
- Selected working papers from the county's external auditor
- Policies and Procedures Manual

## Overview

### Personnel Manual

The current Personnel Manual for Wicomico County is a twenty-seven chapter document that governs the authority, policy, objective, scope, and administrative procedures. It is considered general information and does not attempt to explain every County policy, rule, or benefit. The County Personnel Manual Chapter One §106 allows for changes to policies. Article VI of the County Charter contains Personnel Provisions. Among numerous other provisions, it establishes a County Personnel Board which:

1. Serves as a grievance review board to hear and decide appeals on personnel actions
2. Serves as an advisory board and reports to the Executive and the Council periodically on the operation of the personnel system

Wicomico County has a large, diverse work force. Work rules in chapter nine appear to be necessarily vague. IA understands that management may be in the process of changing the manual for various reasons. We recommend that any changes to the personnel manual incorporate the new Timekeeper System.

### Timekeeper System

Timekeeper System drastically changes the way Wicomico County controls time and attendance for non-exempt workers. The orientation for new hires now includes setup for timekeeper. The County records the new employees' handprint and presents an orientation tutorial in departments using Timekeeper. A

Timekeeper kiosk<sup>3</sup> replaces the traditional time clock. The screen on the kiosk is interactive and employees may access:

- Accruals
- Balances
- Requests for leave
- One-way messages

Exempt employees and other special categories (e.g. ferry operators) cannot use the Timekeeper System<sup>4</sup>. Requests for leave from employees appear electronically in calendar format on supervisors' computers. Supervisors may approve or disapprove requests for leave. The information goes to the next level of supervision for approval and eventually back to the employee on a one-way message. Managers can view information concerning time available, accruals, schedules, etc. during the approval process. MUNIS updates the information in Timekeeper daily. A screen shot of the editing module from Timekeeper appears in Appendix III. Upper management, through IT, assigns managers and supervisors different levels of access and control within various pre-defined security levels depending upon need.

Department of Corrections and DPW – Roads Division currently use Timekeeper. The County established the DOC system in July 2011. Other departments slated for conversion are:

- DPW – Solid Waste Division
- EMS
- Parks
- WYCC
- Sheriff's Office

The County currently owns eight kiosk units – enough to supply these departments (DOC has two). The Government Office Building and any other installations (if desired) will require the purchase of additional kiosk units.

## Selected Specific Issues

### Exempt Employees

The Timekeeper system does not address time and attendance for exempt employees<sup>5</sup>. It is beyond the scope of this consultation to determine if middle and upper management time and attendance controls are adequate. IA plans to address this issue as part of the annual risk assessment for FY2012.

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<sup>3</sup> Appendix II contains a photograph of the Timekeeper kiosk at DPW – Roads Division

<sup>4</sup> Please note that some exempt personnel at Department of Corrections use Timekeeper; see *Management Response (DOC)* below.

<sup>5</sup> According to HR, the county has 183 exempt employees representing 9.6% of the entire (full time, part time, and seasonal) workforce

***Management Response (DOC)***

Department of Corrections requires exempt employees to clock in and out each day. Some exempt personnel use Timekeeper and others clock in and out on their individual computers.

**Purchase of Additional Units**

The purchase price of additional hand scan (kiosk) units is approximately \$3,500.

**Sheriff's Office**

The Sheriff's Office presents some unique situations. Although they have a handful of civilian employees, most are sworn deputies or dispatchers. A dispatcher signs in with the State system when they secure their computer. A random number generated and sent to the dispatcher via pager readout secures the computer. Sworn officers radio dispatch upon entering their vehicle for a shift. The deputy may be required to go directly on a call in lieu of reporting for roll call at the Sheriff's Office. The Sheriff's Office has a robust tracking system known as Computer Assisted Dispatch (CAD) to track a Deputy's movement minute-by-minute. Supervisors approve leave requests manually. Sheriff's Office personnel manually input approved payroll each pay cycle.

**Timing Issue**

Payroll processing has a narrow window. It takes place every other Thursday morning. Some of the Departments interviewed expressed concern about the limited time window. Others did not. As more Departments are added to the Timekeeper System, it may create additional burdens on IT to perform the transfer to MUNIS in a timely manner. IA makes no recommendations other than to monitor the procedures as other departments are added in order to insure efficiency and effectiveness.

***Management Response (DPW – Roads Division)***

I would like to stress the point of the "narrow window" of approval. With staffing limitations, we need to allow some flexibility in this process. Key employees involved in the approval process may be unavailable (sick, vacation, training, meeting or emergency) forcing unexpected delays.

***Management Response (HR)***

Information Technology involvement is for the setup period. Once the Timekeeper System is completely installed and the county is satisfied with performance, the data will flow directly from Timekeeper to MUNIS without IT input.

**Rounding**

Restrictions round time input to the nearest fifteen minutes. For example, if an employee clocks in at 07:50, the system rounds to 08:00. Rounding is necessary for several reasons. A number of workers at DPW - Roads Division, for example, have to wait in line in order to clock in each morning. Rounding for clocking out early or clocking in late is limited to eight minutes.

***Management Response (DPW – Roads Division)***

Complaints often heard from staff as to why they are forced to line up like a herd of animals, twice daily, when most county employees do not. We have attempted to make this procedure as quick and painless as possible.

***Management Response (HR)***

Rounding is not in violation of the Wicomico County Personnel Manual. Please see §1204 of the Manual "Authority for Overtime".

**Conclusion**

Timekeeper is a robust system that adds efficiency and effectiveness to the county time keeping process in several ways:

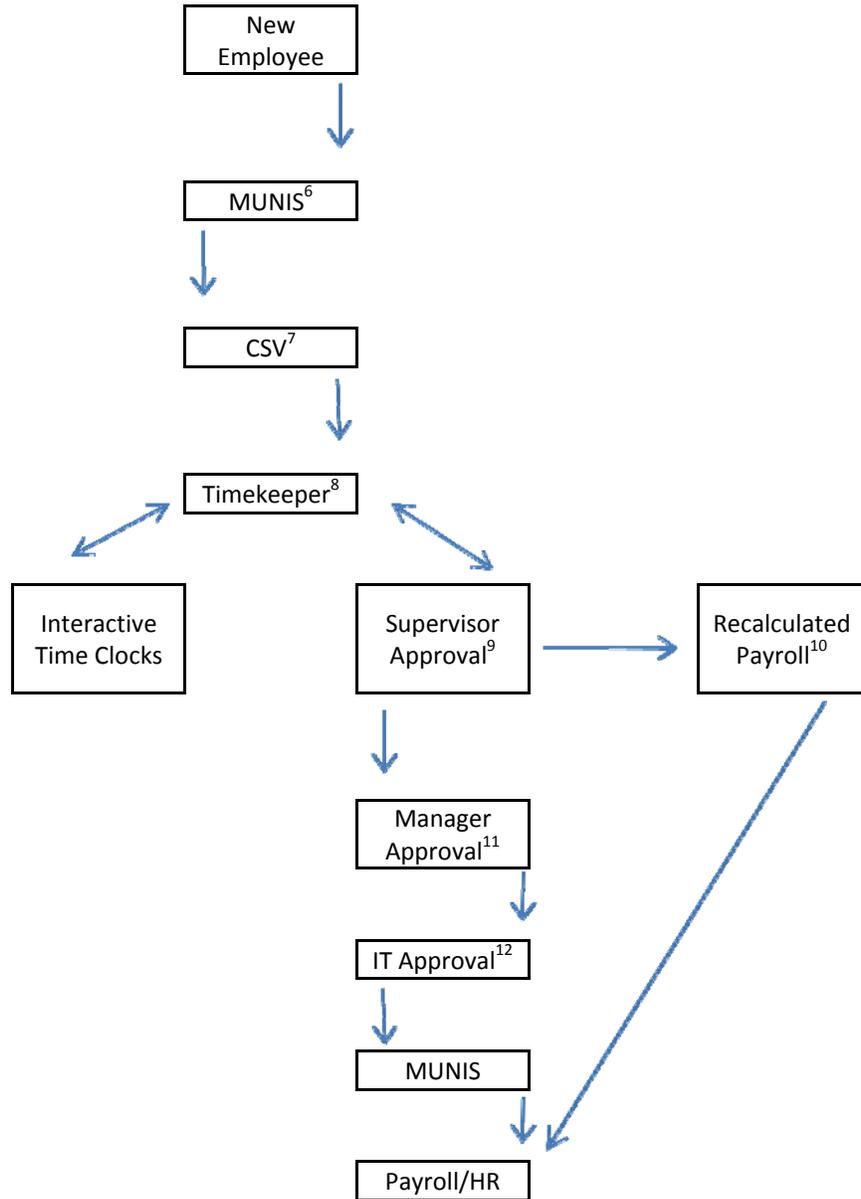
- Automates and enhances the time off approval process
- Automates input from Departments to MUNIS
- Provides tools for supervisors to aid in scheduling
- Enhances security through biometrics and other means

The system is widely and positively accepted in the departments interviewed. During the course of this project, IA was able to gain an elementary understanding of the workings of the new system that will enhance any future engagements regarding payroll, human resources, and time and attendance.

**Auditor's Closing Remark**

The Wicomico County Office of the Internal Auditor would like to thank management and staff from the various departments for their timely cooperation and assistance during the project. Special thanks go to Ray Micciche for his diligence in explaining the Timekeeper project.

### Appendix I – Timekeeper Block Diagram



<sup>6</sup> According to IT, the core concept of the timekeeper system is that it is driven by MUNIS. All employee information, including sensitive information, is stored in MUNIS. The information transferred to timekeeper is predominately scheduling, accrued time off, accrued sick leave and other similar information. Most sensitive information (home address, SSNs, etc.) is not contained in the timekeeper system. Employees are listed by internally generated employee numbers.

<sup>7</sup> Comma-separated values – this is a spreadsheet type “bridge” that enables MUNIS to receive Timekeeper data.

<sup>8</sup> Timekeeper is updated daily from MUNIS

<sup>9</sup> Approvals are electronic. Managers and supervisors can access scheduling, available time off, and other information in the approval process

<sup>10</sup> Payroll is recalculated at the department level on a spreadsheet using timekeeper-generated hours. Timekeeper generates only hours not dollars. The spreadsheet contains employees’ pay rates and HR uses the dollar-figure result as control and verification. It serves to make sure the export function is working properly.

<sup>11</sup> The county has three levels of approval before the data reaches Payroll/HR

<sup>12</sup> According to HR, this step will eventually be eliminated

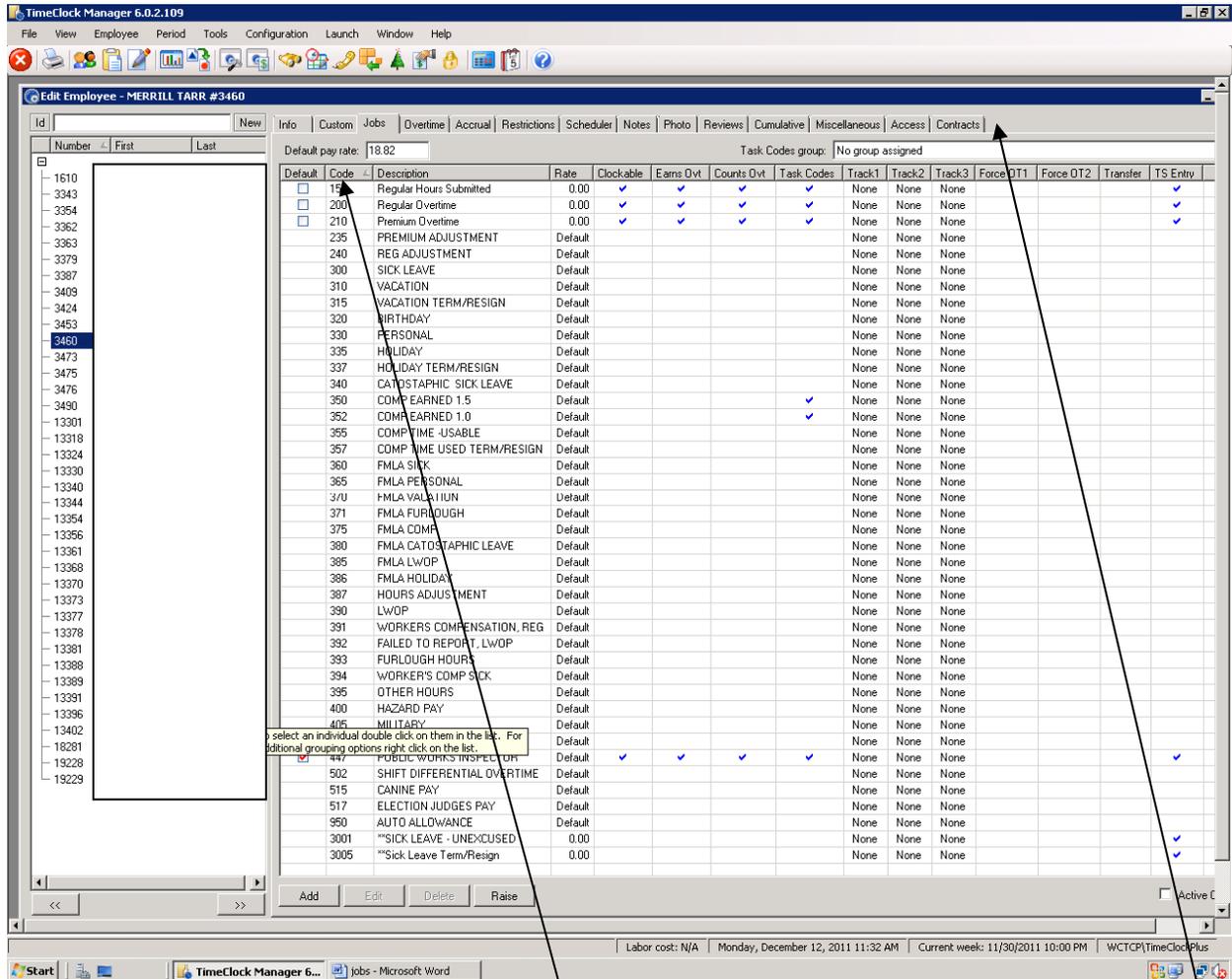
## Appendix II – Timekeeper Kiosk at DPW – Roads Division



Interactive screen

Biometric (handprint) reader

# Appendix III – Timekeeper Editing Screen



Code indicates type of time and is read by MUNIS

Numerous modules containing varying information are available in Timekeeper

Payroll remains bi-weekly. Default is 80 hours at regular pay rate and codes indicate exceptions.