

Payroll & Timekeeping Assessment



INTERNAL AUDIT OFFICE





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EXECUTIVE SUMMARY

Why We Did This Review

This review analyzed the human resources, payroll and timekeeping processes to identify areas for improvement. The review helped to identify gaps and risks, and to prioritize areas to focus efforts on process improvement, controls and efficiency.

What We Reviewed

The review evaluated technology, processes, automation and reporting used in the City's human resources and payroll operations.

What We Found

The review identified key areas of opportunity:

- A need for documented standardized operating procedures for human resources, timekeeping and payroll.
- A need to establish better communication and coordination between human resources and payroll for data entry with the timing of the pay cycle.
- A need to reduce manual processes where possible within technology capabilities.
- A need to integrate system where possible.

Background

A third party (Protiviti) was contracted to complete an assessment of City payroll and timekeeping processes in FY25. Protiviti provided their recommendations in March 2025, and the City provided its management response in May 2025. The Audit Committee received an initial briefing on the recommendations and management response on May 12, 2025, and has since received quarterly updates on the status of implementing the recommendations. The recommendations from Protiviti included 70 observations across 12 recommended themes grouped into three categories: Standardize Payroll Timelines and Processes, Automation of Processes in Payroll Systems, and Payroll System Optimization. Details on the management response, key actions, and ongoing efforts for each of those 12 recommended themes are detailed below.

Summary of Key Actions & Limitations

Key Actions

- Comprehensive evaluation of payroll and timekeeping needs across all departments
- Documented standard operating procedures (SOPs) for all payroll systems
- Training for all payroll staff based on SOPs



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- Implementation of dashboards to more easily identify potential errors/risks
- Increased ongoing communication between payroll staff and department timekeepers
- Calendar reminders leading to fewer unsubmitted timesheets
- Implementation of new Employee Access module in Munis
- Bilateral communication with benefits administrators
- Implementation of new ReadyForms pay stub templates designed to improve the readability, clarity and transparency of employee pay stubs
- Identified and prioritized a list of personnel actions to explore for further automation including electronic submission of Personnel Action Forms (PAFs) to eliminate payroll paperwork through emails, ensure transactions post successfully, and reduce manual entries

Limitations

- Fragmented systems for the whole employee lifecycle (recruitment, timekeeping, onboarding/offboarding, and personnel changes) do not allow for full automation and integration
- Implemented recommended Tyler integration solutions that did not provide the necessary connectivity to complete data integrations or automated solutions
- Current HRIS system does not offer innovative solutions to keep up with industry standards for payroll and timekeeping

Status of Recommendations

Standardize Payroll Timelines and Processes	
6.0 – Cross-Departmental Payroll Collaboration: Improve collaboration and feedback loops between payroll, finance and stakeholders.	Complete June 2025
Management Response: • Enhanced collaboration among Finance, HR and Information Technology teams by including IT staff in biweekly payroll meetings • Established quarterly meetings with department timekeepers • Quarterly meetings with labor association representatives conducted Key Actions: Meetings were initiated in June 2025 and are ongoing. Ongoing Efforts: None.	

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10.0 – Strengthening Employee Communication and Transparency: Improve communication channels and feedback loops with employees.	Complete July 2025
Management Response: • Feedback received from stakeholders (timekeepers and association members) • Teams channel established (timekeepers) • Network page established (all employees) • Future training Key Actions: Stakeholders were surveyed in June 2025 and that feedback was used to create a Teams Channel for timekeepers and a new Payroll Hub on g-net in July 2025. Ongoing Efforts: Training efforts will continue on a regular cadence.	
2.0 – Standardized Payroll Timelines and Processes: Document processes and create guidelines with clearly defined timelines.	Complete October 2025
Management Response: • Checklists created for core payroll processes • Performance tracked against timelines of the checklists • Error reporting occurs at bi-weekly meetings • Documentation centrally located for review • Scope expanded to include administrative functions of timekeeping • Prioritized to minimize downstream impacts to schedule Key Actions: Created documentation for timekeeping processes in Executime, SubItUp, and Telestaff. Ongoing Efforts: Documentation and processes will continue to evolve with business needs.	
1.0 – Comprehensive Payroll Training Program: Training for all key payroll processes.	Complete October 2025
Management Response: • Create a training curriculum for all key payroll processes • Responsible parties and required knowledge for each of the key payroll processes will be identified • Skills and knowledge will be assessed against the requirements to identify areas for improvement	

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- A feedback loop will be established by surveying staff and analyzing issues reported as described in Recommendation Theme 2.0 to continually improve the training program

Key Actions: Created skills matrices of various HR and Finance tasks, and trained HR and Finance staff on those tasks as applicable in September and October 2025.

Ongoing Efforts: Training efforts will continue on a regular cadence and processes will be reviewed on at least annual basis to ensure changes and updates are implemented regularly.

5.0 – Process Improvement in Compliance Tracking: Establish compliance processes to include dashboarding for real time visibility.

**Complete
November
2025**

Management Response:

- Update compliance processes and training to include use of a dashboard

Key Actions: SOPs and training have been updated to include use of a dashboard.

Ongoing Efforts: Technology will continue to improve over time as continued departmental efforts persist.

Automation of Processes in Payroll Systems

12.0 – Standardizing Access Credentials & Monitoring Payroll Systems: Implement standard roles and automate processes with feedback loops.

**Complete
July 2025**

Management Response:

- Access roles established for part time employees
- Incorporated into the onboarding process
- Allows for future optimization

Key Actions: Active Directory accounts were created for 425 part-time staff in July 2025 and staff are now trained on how to access Munis to view payroll information.

Ongoing Efforts: Staff continue to try to optimize the automation opportunities within the limitations of existing technology.

11.0 – Payroll Compliance & Risk Mitigation: Create a dashboard to manage compliance and risk issues during a payroll cycle.

**Complete
April 2026**

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Management Response:

- Compliance related tasks will be documented and reviewed for potential risks to prioritize efforts for improvement
- Identify areas of non-compliance and perform detailed audits of associated rules, processes, and system setup
- Identify current system functionality to integrate tax and benefit calculations to ensure compliance
- Training identified in Recommendation Theme 1.0 will include specific, regular compliance training

Key Actions: Dashboards were created and have been utilized since April 2026.

Ongoing efforts: Additional functionality will be added based on business needs.

7.0 – Streamlining Onboarding and Offboarding Processes: Streamline workflows and automation of onboarding and offboarding processes.

**Complete
April 2026**

Management Response:

- Streamline and automate onboarding and offboarding processes
- Explore expansion of onboarding tools within recruitment system (Neogov) to optimize onboarding tasks and notifications to new employees
- Automate new hire setups and notifications to facilitate prompt action by various stakeholders
- Integrate recruitment system (Neogov) and human resources information system (Munis) to enhance automation and minimize manual tasks

Key Actions: The Munis Onboarding module was configured for testing and training but determined it doesn't meet our needs. All practical automation has already been completed. Implemented recommended Tyler integration solutions that did not provide the necessary connectivity to complete data integrations or automated solutions

Ongoing Efforts: Further integration not possible due to limitations of the separate systems being used.

Payroll System Optimization

8.0 – Enhancing Payroll Data Accuracy Through Validation: Identify and implement opportunities to incorporate validation into payroll processes.

**Complete
August
2026**

Management Response:



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- Identify all current validation efforts, then standardize and centralize the validation processes
- Identify opportunities to incorporate validation into the payroll-related systems
- Validation processes will be tested in line with all changes to the system
- Training identified in Recommendation Theme 1.0 will include the use of validation methods

Key Actions: HR has incorporated the use of dashboards and metrics into their workflows and trained staff in those processes to validate the accuracy of payroll entry. New deadlines and calendar reminders were implemented in January and have reduced unsubmitted timecards substantially.

Ongoing Efforts: Staff will continue to leverage technology to reduce the amount of manual time needed to evaluate thoroughness and completeness.

3.0 – Automation of Processes in Payroll System: Integration of data and automation of payroll systems.

**Complete
April 2026**

Management Response:

- Identify manual processes and evaluate system integrations across all systems in the payroll process
- Develop system alerts and system notification capabilities
- Automation of audit trail creation
- Develop analytics to identify payroll discrepancies and highlight trends
- Explore the use of AI where it is available within existing systems
- Standard testing will be conducted to validate automation performance and validate processes

Key Actions: Established HR dashboards for data entry and downstream Payroll reviews to identify and validate payroll changes. Successfully automated bilateral transmission of benefits enrollment data with third party vendors reducing manual processes, staff time, and risk for errors.

Ongoing Efforts: Additional modules, integrations, automations, and process improvements have been explored, but capabilities are limited by the current HRIS system.

4.0 – Payroll System Optimization: Optimize the payroll systems based upon vendor recommendations.

**Complete
August
2026**

Management Response:



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- Evaluate and implement recommendations from Tyler Technologies of the recently completed health check and investment assessment of Tyler Munis system
- Engage Telestaff to perform a health assessment and optimization initiative

Key Actions: System capabilities were evaluated and all practical integrations and automations have been implemented. New ReadyForms pay stub templates were implemented based on employee and labor group feedback to improve the readability, clarity and transparency of employee pay stubs. Improved TeleStaff's import file to consolidate payroll entries and reduce the number of line items displayed on employee paycheck stubs.

Ongoing Efforts: Staff continue to explore opportunities to automate manual processes including the Personnel Action Forms (PAFs) utilizing workflows within Munis. If successful, this would reduce staff time and manual processing.

9.0 – Optimizing Timekeeping System Integration and Usability:
Integrate and automate data to improve efficiency of the various workforce management solutions.

**Complete
March
2026**

Management Response:

- Conduct a needs assessment for timekeeping and review the functionality of the timekeeping softwares (Executime, Telestaff and SubItUp)
- Needs assessments and functionality review will include evaluations of the user interfaces, notifications, and time clocks
- Results will be analyzed to determine the needs, available functionality, priority, and timing of optimizations to the timekeeping systems

Key Actions: Needs assessments and software functionality assessments were completed for Executime, Telestaff, and SubItUp in March 2026. Results show that current systems cannot meet all departments' needs and resulted in a recommendation to pursue implementation of a new HRIS system.

Ongoing Efforts: Explore mobile timekeeping capabilities that will allow for consolidation of timekeeping systems.

Next Steps

- The adopted FY27 budget includes \$1.25 million for the Workforce Management Software project, however, costs will vary depending on the system selected and



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implementation requirements. Staff will define the full project scope in FY27 and implementation is expected to occur in FY28.

- The Internal Audit Office will conduct a follow-up review in FY28 to evaluate the effectiveness of the changes that have been implemented.