


# *City of Alexandria, Virginia*

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## **MEMORANDUM**

**DATE:** OCTOBER 11, 2018

**TO:** JAMES SPENGLER, DIRECTOR DEPARTMENT OF RECREATION, PARKS AND CULTURAL ACTIVITIES

**FROM:** ROBERT SNYDER, ACTING CHIEF INTERNAL AUDITOR 

**SUBJECT:** REPORT OF INQUIRY PAYROLL AND SAFETY TRAINING – OLD TOWN POOL (ROI19-01)

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### **Background**

On August 23, 2018 the Office of Internal Audit was directed to conduct an audit of the Old Town Pool managed by the Department of Recreation, Parks and Cultural Activities (RPCA) Recreation Division. Allegations had been made that the Old Town Pool was poorly managed, was overly staffed, had significant payroll irregularities, and that uncertified lifeguards worked throughout the Summer.

### **Purpose, Scope, and Methodology**

The purpose of the audit was to ensure that all payroll procedures were being followed, that staffing assignments were reasonable, and that all assigned staff possessed the required certified pool operator or American Red Cross lifeguard certifications. To facilitate these requirements, a review of staff member pay, work shifts, division and departmental payroll procedures, and training records was undertaken. On-site interviews of supervisors and observations were conducted at Old Town Pool and additional interviews were conducted with senior RPCA staff with payroll and personnel responsibilities.

Our review was confined to CY 2018 pool season which began on May 26 and ended September 7, 2018 for time and attendance and training records of staff assigned to the Old Town Pool. We did not as part of our review inspect earlier time periods or other RPCA facilities. Accordingly, we do not express an opinion about RPCA compliance with other City regulations and other facilities or time periods.

### **Findings, Conclusion, and Recommendations**

#### **Timesheets**

The City of Alexandria makes use of the KRONOS time and attendance system. This system allows for individual employees with an account to input their own time. After entering their time, the pay records go through various reviews and approvals before being converted into employee pay. Employees that do not have a KRONOS account have their time input by timekeepers who review a timesheet showing the date and time an employee was present. Temporary, seasonal, and

certain non-exempt staff members that work outside of an office environment are typically the personnel that would have their time input by a timekeeper. A key control over this arrangement is direct supervisor approval and sign off on the timesheets. The supervisor must ensure that all daily hours are certified true and correct. If the supervisor is not physically present to observe the employee write their arrival and departure time on the timesheet, there is no way to substantiate its accuracy. An examination of timesheets for the final pay period of the CY 2018 pool season indicated that none of the 11 employees working at the Old Town Pool recorded a start or end time that was not on the hour or on a 15-minute increment.

In addition to the requirement for substantiation of the timesheets, this process requires significant effort by management to properly review and input the employee's time into the KRONOS system. As with any handwritten document, the chance for error due to illegible handwriting or other error is present with this system. We reviewed 11 timesheets submitted for the period August 25 through September 7, 2018 for personnel assigned to the Old Town Pool. Of the 11 timesheets three (3) listed total time that did not agree with the amounts listed in the KRONOS system. Two (2) of the errors if not corrected could have resulted in an underpayment to the employee, and one (1) could have resulted in an overpayment. Office automation to remove the human element from the data entry process could improve accuracy and reduce the time required for input, review and approval. The City currently has two systems that could be used to automate the payroll data entry function.

### **Time Stamping**

The KRONOS system has a separate application that 'time stamps' an employee's login information when they access the system. This application is used by City departments that desire immediate recording of employee time and do not want to make use of timekeepers. The time stamp feature requires employees to have their own computer or have access to separate computer system. Other than the main benefit of precisely recording an employee's report time; the time stamp feature would eliminate the need for data entry of timesheets.

Although the time stamp system presents several desirable features, some drawbacks exist. The major drawback for deployment at the pool is the fact that the pool has only one computer which is used to support the cash register and RECTRAC system which records RPCA payments. Use of this computer could slow or delay processing of payments and the addition of other computers to the Old Town Pool is problematic due to space limitations. A separate system that would not impact the existing Old Town Pool computer inventory would be more desirable.

### **Biometric Timeclocks**

The RPCA Park Operations Division installed a biometric timeclock at their 2900 Business Center Drive location for personnel assigned to maintenance duties in City parks. This timeclock reads the fingerprint of the staff member and automatically uploads the time into the KRONOS system. The Park Operation Division said one of their reasons for purchasing a biometric timeclock was that it was superior to traditional timeclocks that use timecards or an access badge. Those systems could allow "buddy punching" where an employee clocks another employee in using a paper timecard or access badge.

One of the benefits reported by the Operations Division was greater compliance with staff report time. The KRONOS system utilizes a “seven-minute” rule. Employees that show up at 8:06:59 AM are coded as arriving at 8:00 AM, while employees that show up after that have their time rounded to 8:15 AM. The Operations Division expressed that employees were reporting much closer to their agreed upon report time than before based on the understanding that their time was being tracked by the biometric timeclock. Our review of Old Town Pool timesheets for the period August 25 through September 7, 2018 indicated that no employee annotated anything other than reporting on the hour or a quarter hourly increment. This could indicate that employees could be coming in later or earlier than scheduled and not receiving the correct time. The biometric timeclock would ensure time was tracked to the minute and employees would have an additional incentive to report within a few minutes of their agreed upon report time.

Another benefit to the biometric timeclock would be the elimination of data entry of timesheets by the timekeeper into the KRONOS system. Interviews with staff members indicate that the data entry process takes hours to perform and involves reconciling timesheets and calling staff members and managers for confirmation of the timesheets. A final benefit to the biometric timeclock is the ability to conduct work force utilization tracking which means that the supervisors could instantly generate a report showing who was physically present at any time. The Park Operations Division was pleased with this feature during emergency situations such as snow storms. The Recreation Division may benefit by having visibility of current staffing needed to shift personnel to cover vacancies at other outdoor pools.

RPCA staff stated that the Recreation Division that oversees the outdoor pools was in the process of acquiring the biometric timeclock, but acquisition had been halted due to software issues. The quote reviewed for the time clock was approximately \$4,000.00 per unit. Although expensive, the benefit of by the minute tracking of employee work hours, decreased administrative payroll processing time, reduced errors, and workforce utilization capability should offset the cost of the system.

### **Old Town Pool Staffing**

The Old Town Pool is assigned varying numbers of personnel depending on the time of the pool season. Positions include a certified pool operator, lifeguards, and a cashier who does not have pool safety responsibilities. The most critical position is the certified pool operator due to §11-11-10 of the City Code which requires that all public and semi-private swimming pools have a certified pool operator on duty when the pool is in operation.

Lifeguard staffing is based on a 1:25 ratio of life guards to swimmers. Patrons in or out of the water are counted in this total. Staffing must account for a rotation of lifeguards to ensure they have breaks and remain alert. Managers expressed the need to ensure that minimum staffing levels were maintained without assigning more than the required number of personnel. Some challenges identified were unexpected lulls in operations while at the same time needing to maintain the required minimum staffing ratio should more patrons arrive.

We reviewed a sample of timesheets from the final pay period of the CY 2018 pool season. The average staffing of pool operators and lifeguards was 4.8 staff members during weekdays and 5.75

staff members on weekends. These averages include the entire time-period that the pool was in operation which could include multiple shifts. If the pool operator is deducted from these totals the figures appear reasonable because they would allow for a decent ratio of lifeguards to patrons and still allow for required staff breaks.

### **Employee Training & Record Management**

Training of staff members at City pools is limited to those employees that are classified as certified pool operators or lifeguards. The certified pool operator obtains certification through a series of Health Department approved vendors while the lifeguards are trained by the American Red Cross. The City requires that personnel applying for these positions to obtain their certification before they are hired. A review of the 20 personnel that performed certified pool operator or life guard duty during CY 2018 at the Old Town Pool, indicated that all personnel had current certified pool operator or life guard certifications on file. Of these 20, 12 were recertified in CY 2018 with seven (7) being certified before the pool season began, four (4) being certified in June, and one (1) in July.

In addition to the RPCA requirement to obtain the proper certification, the Alexandria Health Department conducts random, unannounced, and periodic inspections of all City pools. Health Department inspectors check the certifications of the pool operator and lifeguards on duty during the inspection. A review of records provided by Health Department indicates that the Old Town Pool was inspected four (4) times during CY 2018 and had no violations of staff training requirements.

### **Conclusion**

The current time and attendance process used by the Old Town poses several challenges that include the potential for less than accurate time reporting, potential for data entry error, and lengthy payroll input and review process. These challenges could be addressed by the installation of a biometric timeclock. The cost of the biometric timeclock should be offset by more accurate tracking of employee work hours, reduction of errors, and reduced payroll input and review time.

Analysis of pool staffing did not indicate any glaring examples of excessive personnel being present at the facility. Managers were aware of the staffing ratio and senior management has developed tracking spreadsheets to ensure oversight of payroll expenditures. The Old Town Pool was staffed by certified pool operators and lifeguard who were trained before or early in the CY 2018 pool season. Management was aware of all safety requirements and the pool has complied with the added mandate from the Health Department as shown by the four (4) successful inspections during CY 2018.

## **Recommendations**

With regard to payroll, staffing, and training of personnel assigned to the Old Town Pool, the Office of Internal Audit makes the following recommendation:

- The Director of RPCA should consider implementation of biometric timeclocks at its outdoor pool locations.

## **Departmental Response**

The department was asked to provide a formal written response by October 5, 2018. On October 3, 2018 the Director of RPCA issued his formal response. Based on this response and the continuous dialogue from the department this recommendation is considered closed. A copy of the response memorandum is attached.

Cc. Debra Collins, Deputy City Manager

**City of Alexandria, Virginia**

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**MEMORANDUM**

DATE: OCTOBER 1, 2018

TO: ROBERT SNYDER, ACTING CHIEF INTERNAL AUDITOR

FROM: JAMES SPENGLER, DIRECTOR *JBS*  
RECREATION, PARKS AND CULTURAL ACTIVITIES

SUBJECT: REPORT OF INQUIRY PAYROLL AND SAFETY TRAINING – OLD TOWN  
POOL

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Thank you for your investigation and report on Old Town Pool. You had a single recommendation that states:

- The Director of RPCA should consider implementation of biometric timeclocks at its outdoor pool locations.

RPCA will investigate this option considering any budget and operating impacts. As discussed at our review meeting, the solution to the issue goes to a different level. We have several hundred seasonal staff members all using manual paper-based pay reporting systems with supervisory input and review. The current KRONOS system does not give us many good options to record seasonal time.

I have directed Faye Maslaki, Division Chief for Administration to review several options for seasonal employees at the overall level. These will include:

- Biometric time clocks
- Moving all seasonal staff to a temporary staffing agency
- Contracting with ADP or Paycheck to record and pay seasonal staff
- Other options we may discover

The outdoor pools are now closed for the season. A solution will be in place prior to opening in 2019. Faye will keep you informed through the Internal Control Council on our implementation progress.

cc. Faye Maslaki, Division Chief Administrative Services