



**Winston-Salem**

Office of Performance  
and Accountability  
Internal Audit Division

City of Winston-Salem  
P.O. Box 2511

Winston-Salem, NC 27102  
CityLink 311 (336.727.8000)

[www.cityofws.org](http://www.cityofws.org)

**TO:** Carmen Caruth, Human Resources Director  
**FROM:** Paul Sherman, Internal Auditor  
**DATE:** March 2, 2020  
**SUBJECT:** Employee Data Entry Project  
**CC:** Heather Smith, Internal Audit Administrator  
Kemberly Ewing, Deputy Human Resources Director  
Scott Tesh, Performance and Accountability Director  
Ben Rowe, Assistant City Manager

The Internal Audit Division (IA) was asked to evaluate manual data entries affecting personnel pay from January 1, 2019 to June 30, 2019. This memo covers findings and observations noted by IA staff during the Employee Data Entry Project and provides recommendations for the Human Resources Department (HR) to address issues observed.

The objective of the Employee Data Entry Project was to ensure manual data entries (excluding: market and merit pay increases and corrections; segment deletions and corresponding entries; lateral entries; and position administration entries) were keyed into Cyborg correctly based on the documentation available. Additionally, IA reviewed a sample of manual data entries involving promotions, temporary promotions, demotions, and reclassifications to verify the personnel resolution governing specific changes was correctly applied. Moreover, IA verified the accuracy of both payment frequency and separation allowance entries for all retirees during the project period.

IA presents nine findings below that require attention from HR. The following sections detail the exceptions and observations and provide recommendations for HR review. In certain areas, assistance from other City departments may be required to implement policy or process changes.

## Findings

1. Multiple instances included inconsistencies between the personnel resolution and pay table data – IA compared HR provided pay plans to pay grade information included within the Personnel Resolution as of June 18, 2018. Nineteen pay grades within the Revised General Pay Plan effective July 1, 2017 (revised September 12, 2018) did not agree to the pay grades (effective until April 8, 2019) included in the Personnel Resolution dated June 18, 2018. Twenty pay grades from the Revised General Pay Plan (effective April 8, 2019) did not agree to the pay grades (effective April 8, 2019) included in the Personnel Resolution dated June 18, 2018. IA was also provided with a Fire Pay Plan (effective July 1, 2018); however, the Personnel Resolution only includes the Certified Fire Pay Schedule

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(effective July 1, 2017) and the Public Safety Pay Plan (effective April 8, 2019). The salary amounts from the HR provided Fire Pay Plan agree to the Public Safety Pay Plan within the Personnel Resolution; however, the effective dates do not. As a result of these variances, three employees' salaries did not agree with the personnel resolution.

Recommendation for Finding #1: A secondary review of all pay tables should be performed. In addition, IA recommends that HR investigate disagreements between the personnel resolution and pay table data and makes the appropriate corrections.

*Note: For further detailed information, see Appendix A.*

2. Promotions provided with a greater than 5% increase in pay without proper approval – Two instances were observed where an individual was promoted and received a greater than 5% pay adjustment approved by an Assistant City Manager; however, evidence of City Manager approval was not found as required per the Personnel Resolution (Section 30(b)(3)) which states, "...Under special circumstances, the city manager has the authority to approve increases in excess of five (5) per cent for purposes other than to reach the minimum of the newly assigned pay grade."

Recommendation for Finding #2: IA recommends that HR institute a secondary review to ensure proper documentation and approval are attained for all pay adjustments.

*Note: For further detailed information, see Appendix B. Appendix B has been removed due to personnel information.*

3. Retroactive pay owed – An instance was observed where retroactive pay owed for a temporary promotion had not been paid. Based on conversations with HR, it further appears that the calculation supporting this payment will not be based on the personnel resolution.

Recommendation for Finding #3: IA recommends that HR establish a review process to verify retroactive calculations and receipt of monies owed. As part of this process, HR may need to consult with Payroll in order to best determine the payment confirmation.

*Note: For further detailed information, see Appendix C. Appendix C has been removed due to personnel information.*

4. No support for reassignment decrease calculation – An instance was observed where an individual was reassigned and received a 9.55% pay decrease; however, support for the decrease calculation was not maintained.

Recommendation for Finding #4: IA recommends that HR maintains adequate supporting documentation for all salary adjustments--including calculations.

*Note: For further detailed information, see Appendix D. Appendix D has been removed due to personnel information.*

5. Turnaround reports do not support the adjusted salary amount – Five instances were observed where the supporting turnaround report neither included the employees’ percent increase nor the new annual salary.

Recommendation for Finding #5: IA recommends that HR requires departments to provide all necessary information on the turnaround reports.

*Note: For further detailed information, see Appendix E. Appendix E has been removed due to personnel information.*

6. Salary changes implemented were backdated – Eighty-three instances were observed where the effective date for a salary change within Cyborg was not within the same pay period as the submission date of the corresponding turnaround report.

Recommendation for Finding #6: IA recommends HR reviews current backdating practices and considers developing a policy providing guidelines for late turnaround report submittals by departments; this policy can further focus on instances relating to both “when to” and “when not to” backdate salary changes.

*Note: For further detailed information, see Appendix F. Appendix F has been removed due to personnel information.*

7. Retirees payment frequency not adjusted – Twenty-one instances were observed where City employees’ payment frequency was not adjusted to reflect retirement status.

Recommendation for Finding #7: IA recommends HR institute secondary reviews to ensure proper retirement entries are made.

*Note: For further detailed information, see Appendix G. Appendix G has been removed due to personnel information.*

8. Failure to include documentation for effective pay rates – HR’s current practice for temporary promotion removal does not include documenting the effective pay rate on the turnaround report; moreover, departments often times simply request that the temporary promotion be removed without providing any additional information.

Recommendation for Finding #8: IA recommends that HR requires departments to document new pay rates or that HR documents pay rates within the remarks section of the turnaround report.

9. Supporting documentation could not be found – Two instances were observed where no supporting documentation could be found within Laserfiche for related salary changes.

Recommendation for Finding #9: IA recommends reviewing document intake and retention practices to ensure that all appropriate information is reviewed and kept for future evaluation.

*Note: For further detailed information, see Appendix H. Appendix H has been removed due to personnel information.*

### **General Observations**

IA recommends that HR reviews their current policies to ensure that departments provide all necessary information on the turnaround report. Moreover, in instances where turnaround reports' salary information is either incorrect, not included, or where the personnel policy was not properly applied, IA recommends HR institute a policy providing guidance on subsequent steps. HR should further implement secondary review practices for all pay adjustments recorded in the City's payroll systems.

The findings in the preceding pages were noted during the Employee Data Entry Project. The main objective of the project was to evaluate the accuracy of manual data entries affecting personnel pay based on the documentation available. It appears all evaluated entries with proper supporting documentation were keyed into Cyborg correctly during the project period. This document serves as a communication to HR of potential issues in current practices and internal controls. Formal review of each process has not taken place as the project scope did not include a formal review or audit of HR practices, rather the scope was focused on manual entries into Cyborg.

### Appendix A

The chart below presents those job titles that are in disagreement between the General Pay Plan, revised 9/12/2018, and the Personnel Resolution, dated June 18, 2018:

Title	Personnel Resolution Dated 6/18/2018		General Pay Plan Revised 9/12/2018		Salary Difference
	Pay Grade	Minimum Salary	Pay Grade	Minimum Salary	
Assistant Recreation Center Supervisor	9	\$40,205.56	7	\$35,117.09	\$(5,088.47)
Dryer Technician	6	\$32,819.71	8	\$37,575.29	\$4,755.58
Fleet Services Supervisor - PFM	12	\$49,253.54	14	\$49,253.54	\$0.00
Industrial Waste Control Technician	4	\$28,661.01	6	\$32,819.71	\$4,158.70
Parks Maintenance Supervisor	10	\$43,019.95	12	\$49,253.54	\$6,233.59
Recreation Center Supervisor	7	\$35,117.09	9	\$40,205.56	\$5,088.47
Sanitation Operations Supervisor	11	\$46,031.34	13	\$52,701.28	\$6,669.94
Senior Crew Coordinator II - C&M	9	\$40,205.56	10	\$43,019.95	\$2,814.39
Senior Dryer Technician	8	\$37,575.29	9	\$40,205.56	\$2,630.27
Senior Utilities Mechanic - Lift Stations	8	\$37,575.29	9	\$40,205.56	\$2,630.27
Senior Utilities Plant Mechanic – Multiple Locations	8	\$37,575.29	9	\$40,205.56	\$2,630.27
Senior Utilities Plant Supervisor - Wastewater & Water Treatment	12	\$49,253.54	13	\$52,701.28	\$3,447.74
Solid Waste Operations Supervisor	11	\$46,031.34	12	\$49,253.54	\$3,222.20
Trades Helper - HVAC & Urban Forestry	4	\$28,661.01	5	\$30,672.63	\$2,011.62
Utilities Plant Supervisor - Dryer, Solid Waste & Wastewater	11	\$46,031.34	12	\$49,253.54	\$3,222.20
Utilities Plant Supervisor - C&M	11	\$46,031.34	12	\$49,253.54	\$3,222.20
Waste Residuals Technician - Dryer	6	\$32,819.71	8	\$37,575.29	\$4,755.58
Wastewater Collections System Supervisor - C&M	12	\$49,253.54	13	\$52,701.28	\$3,447.74
Weighmaster	1	\$23,400.00	3	\$26,790.66	\$3,390.66

The chart below presents those job titles that are in disagreement between the General Pay Plan, effective 4/8/2019, and the Personnel Resolution, dated June 18, 2018:

Title	Personnel Resolution Dated 6/18/2018		General Pay Plan Effective 4/8/2019		Salary Difference
	Pay Grade	Minimum Salary	Pay Grade	Minimum Salary	
Assistant Recreation Center Supervisor	9	\$44,672.84	7	\$39,018.99	\$(5,653.85)
Curbside Collections Supervisor	9	\$44,672.84	12	\$54,726.15	\$10,053.31
Dryer Technician	6	\$36,466.34	8	\$41,750.32	\$5,283.98
Industrial Waste Control Technician	4	\$31,851.12	6	\$36,466.34	\$4,615.22
Parks Maintenance Supervisor	10	\$47,799.94	12	\$54,726.15	\$6,926.21
Recreation Center Supervisor	7	\$39,018.99	9	\$44,672.84	\$5,653.85
Sanitation Operations Supervisor	11	\$51,145.94	13	\$58,556.98	\$7,411.04
Senior Crew Coordinator II - C&M	9	\$44,672.84	10	\$47,799.94	\$3,127.10
Senior Dryer Technician	8	\$41,750.32	9	\$44,672.84	\$2,922.52
Senior Utilities Mechanic - Lift Stations	8	\$41,750.32	9	\$44,672.84	\$2,922.52
Senior Utilities Plant Mechanic – Multiple Locations	8	\$41,750.32	9	\$44,672.84	\$2,922.52
Senior Utilities Plant Supervisor - Wastewater & Water Treatment	12	\$54,726.15	13	\$58,556.98	\$3,830.83
Solid Waste Operations Supervisor	11	\$51,145.94	12	\$54,726.15	\$3,580.21
Trades Helper - HVAC & Urban Forestry	4	\$31,851.12	5	\$34,080.70	\$2,229.58
Traffic Signal System Supervisor	10	\$47,799.94	13	\$58,556.98	\$10,757.04
Traffic Signal Systems Technician	7	\$39,018.99	9	\$44,672.84	\$5,653.85
Utilities Plant Supervisor - Dryer, Solid Waste & Wastewater	11	\$51,145.94	12	\$54,726.15	\$3,580.21
Waste Residuals Technician - Dryer	6	\$36,466.34	8	\$41,750.32	\$5,283.98
WW Collections Sys Supervisor - C&M	12	\$54,726.15	13	\$58,556.98	\$3,830.83
Weighmaster	1	\$26,000.00	3	\$29,767.40	\$3,767.40