



Course 203

Payroll and Personnel – Best Practices

Description

This course is designed to help participants understand the best practices over payroll and personnel issues including hiring processes and payroll processes. It is also intended to help participants understand that the best practices include accountability and transparency.

Objectives

To provide participants with best practices over payroll and personnel issues including:

- Hiring processes
- Personnel files
- Timesheets/Overtime/Leave
- Payroll processes
- Performance appraisals
- Ethics
- Discrimination/Harassment

Who Will Benefit


- Elected Officials/Appointed Officials
- Local Government Employees/Local Government Auditors

About the Instructor

Brad Cryer is the Director of Local Government Services with the Louisiana Legislative Auditor (LLA). He has more than 21 years of experience with the LLA and is responsible for Local Government and Advisory Services. Brad's past experience includes financial and federal program audits at numerous state agencies, universities, boards, and commissions, as well as coordinating the LLA's information technology audits. He also spent several years as the Assistant Director responsible for the audit of the state of Louisiana's Comprehensive Annual Financial Report. More recently, Brad has been involved with the implementation of the LLA's statewide agreed-upon procedures.

Brad is a Certified Public Accountant, a member of the American Institute of Certified Public Accountants, and a member of the Society of Louisiana Certified Public Accountants. He earned a Bachelor of Science degree in Accounting from Louisiana Tech University in 1996.

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Payroll and Personnel – Best Practices

Presented by:
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Director of Local Government Services

October 2018 Center for Local Government Excellence

Objectives



- To provide participants with best practices over payroll and personnel issues.
- To provide enhanced additional oversight by the Louisiana Legislative Auditor....
- Best Practices = Accountability and Transparency

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Agenda



- * Written policies and procedures
- * Hiring processes
- * Personnel files
- * Timesheets
- * Overtime and leave
- * Payroll processes
- * Performance appraisals
- * Ethics
- * Discrimination/Harassment

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3

Written Policies and Procedures



- * Written policies and procedures are necessary as a clear understanding of:
 - * What should be done
 - * How it should be done
 - * When it should be done
 - * Who should do it

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4

Hiring Processes



- * Perform a “needs” assessment, including budgetary considerations, when determining whether to hire or contract.
- * Establish minimum qualifications, job responsibilities, and formal pay scales/salary ranges before posting the job.
- * Establish a protocol for receiving resumes or applications, interviewing applicants, performing background checks, and verifying credentials (e.g. diploma, transcript).

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5

Hiring Processes



- * The focus should be on a candidate's qualifications:
 - * Can not disqualify based on race or sex
 - * Can not ask about religion, marital status, child care arrangements, or sexual orientation

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6

Personnel Files



- * Items to include in personnel files:

- * Employment application/related forms, including I-9 (employment eligibility)
- * Job description – signed by employee
- * Authorized salary/pay rate and changes
- * Tax withholding forms (W-4, L-4)
- * Retirement system forms, if applicable

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7

Personnel Files



- * Items to include in personnel files (continued):

- * Authorized deduction forms (e.g. insurance, deferred compensation)
- * Direct deposit forms
- * Annual certification forms – acknowledgment that employee agrees to comply with employee, operations, safety, IT, and/or travel handbooks.

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8

Personnel Files



- * Items to include in personnel files (continued):
 - * Annual performance appraisals
 - * Promotions
 - * Disciplinary actions

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9

Timesheets



- * Timesheets are preferred, with a breakdown of hours worked daily – **this will continue to be evaluated as a best practice criteria for Act 774, as well as statewide agreed-upon procedures.**
- * If not using timesheets, employees must otherwise certify that they have worked their required hours (e.g. 40 hours/week for a full-time employee).

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10

Timesheets



- * Timesheets, and related leave requests, should be approved by each employee's supervisor prior to payroll processing.
- * Timesheets are generally not required for elected officials, unless the official is earning leave.
- * For directors, CEOs, etc., hired by a board, timesheets should be approved by a board member.

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11

Overtime and Leave



FLSA Non-Exempt employees

- * Employer must provide time and a half for time worked in excess of 40 hours in a week, either paid or compensatory time.
- * Compensatory time is generally limited to 240 hours. Any amounts in excess of the 240 hours must be paid out to the employee.

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12

Overtime and Leave



FLSA Exempt employees

- * Employer may provide compensatory time by policy and set limits on "carry-over" compensatory balances. These provisions must be applied prospectively.

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Overtime and Leave



- * FMLA provides for 12 weeks of unpaid leave for eligible employees, under a covered employer, for a serious health condition, within a 12-month period.
- * FMLA also provides for an additional 26 weeks of unpaid leave relating to military service

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Overtime and Leave



- * Employers must maintain leave records for employees.
- * For elected officials, the employer must also maintain records if the official earns leave.
- * Leave records should be periodically reviewed by an independent person.

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15

Payroll Processes



- * Entity should have segregation of duties over:
 - * Preparing/updating payroll and personnel data
 - * Reviewing and approving payroll actions
 - * Reviewing and approving payroll reports
 - * Distributing payroll
 - * Reviewing and reconciling bank accounts

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16

Payroll Processes



- * There is a higher fraud risk for those employees that can adjust pay rates or leave rates/balances. An automated "exception" report reviewed by an independent person will reduce this risk.
- * Also, the entity should schedule recurring payments for insurance, retirement contributions, federal/state taxes, etc.

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17

Performance Appraisals



- * All employees should be formally evaluated annually. This provides management with an opportunity to address compensation, training, and/or disciplinary issues.
- * Annual evaluations should include an update to certification forms (e.g. ethics, confidentiality, policies/procedures).

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18

Ethics



- * An agency's Code of Conduct should include a commitment to integrity and ethical values, prohibitions, and disciplinary actions, including an annual certification by employees.
- * Annual hour of training for all employees is required. Entity should maintain documentation of this training.

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19

Ethics



- * The entity's policies and procedures should include a mechanism for employees to report ethics complaints and the process by which management investigates complaints.
- * The entity should consult with legal counsel when establishing ethics-related policies and procedures.

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Discrimination/Harassment



- * Under the laws enforced by the EEOC, it is illegal to discriminate against an applicant or employee because of that person's race, color, religion, sex (including gender identity, sexual orientation, and pregnancy), national origin, age (40 or older), disability, or genetic information.
- * It is also illegal to retaliate against a person because he or she complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit.

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Sexual Harassment



- * It is unlawful to harass an applicant or employee because of that person's sex. Harassment can include "sexual harassment" or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature.
- * Harassment does not have to be of a sexual nature and can include offensive remarks about a person's sex. For example, it is illegal to harass a woman by making offensive comments about women in general.

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Sexual Harassment



- * Although the law doesn't prohibit simple teasing, offhand comments, or isolated incidents that are not very serious, harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted).
- * The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

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Sexual Harassment



- * Entity policy on sexual harassment:
 - * Reporting a claim
 - * Investigation/Resolution
 - * Retaliation prohibited
- * Should consult with legal counsel when establishing a policy

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Other



- * Any fraud or suspected fraud, payroll or otherwise, must be reported to the LLA and District Attorney.
- * LLA fraud hotline notice should be posted on entity premises and website.

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25

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26