

**Bowling Green Audit Committee**  
*Regular Meeting*  
**October 9, 2017**

The Bowling Green Audit Committee convened in a regular meeting at 3:30 p.m. on October 9, 2017 in the Conference Room at Neighborhood and Community Services. The meeting was called to order by Chairman Tony Witty. Members of the Committee present were: Audit Professionals Brian Dinning and Jeffrey Stein, General Business member Tony Witty, City Commissioner Joe Denning and Ex-Officio member City Manager Kevin DeFebbo. Absent: General Business member Vivian Grise. Also present were Chief Financial Officer Jeff Meisel, Internal Auditor Deborah Jenkins and Assistant City Clerk Ashley Jackson. There was a quorum of the board present.

**Approval of Minutes.**

Past Vice Chairman Witty announced that the first item of business was to approve the minutes of the April 24, 2017 special meeting, which was mailed with the agenda to the members for their review prior to the meeting. Motion was made by Mr. Stein and seconded by Mr. Denning, to accept the minutes as written. The minutes were approved as written by unanimous vote.

**Presentation of TimeClock Audit.**

Mr. DeFebbo provided a preamble of the TimeClock audit and explained the importance of keeping record of when employees were present or absent. Ms. Jenkins then explained employee related costs was the largest single expenditure category for the City of Bowling Green, with a total cost for personnel of over \$36 million in Calendar Year 2016. She further mentioned the management responses for this audit were created from a committee of Senior Management staff from various departments. There were four (4) observations and recommendations by internal audit and are as follows:

- 1. Management should enforce required employee and management approval of hours.**

**Recommendation**

Management should create a written time and attendance policy that clearly states the expectations of employees and supervisors. Set standards for compliance and non-compliance. For example, establish when senior management considers too many missed approvals. This would create clear expectations and help management control the level of missed approvals. Management should also monitor and ensure that employees are consistently verifying their time worked and that the appropriate supervisor is approving that time.

**Management Response**

A new section or chapter in the Personnel Manual will be added to establish the expectations of employees and supervisors in regard to time and attendance.

- 2. Management should ensure that lunch periods are taken in compliance with Kentucky Labor Laws and determine what policy to enact Citywide in order to meet the City's business needs.**

**Recommendation**

Management should review policy and determine if it is in the best interests of the City to allow employees to consistently not take a lunch. If the practice is allowed, then approval should be under

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prescribed circumstances and the waiver must be documented to comply with labor laws. Also, if the City allows waivers then management would also have the task of ensuring business hours were staff appropriately in order to serve both internal and external customers. Employees should not be allowed to add their breaks onto their lunch time. When other employees witness their colleagues abusing the system, it can affect their compliance often results in a loss of productivity.

**Management Response**

The Personnel Policy Manual will be amended to require a lunch period to be taken with any exceptions to be noted in TimeClock, and to prohibit adding break time periods to extend the lunch time period or reduce the workday.

**3. Management should re-evaluate the usage of the TimeClock mobile application instead of allowing a live link that removes all intended controls**

**Recommendation**

Management should re-evaluate the live link to the TimeClock software and the usage of the mobile application. The live link removes many of the controls that were originally put in place such as having a valid punch location for employees and GPS locations which are available for employees who have approval for the mobile application. Managers and supervisors should periodically review the punch location of staff when using the mobile application to ensure that employees are clocking in and out at locations that are business related.

**Management Response**

IT will be required to remove the live link to TimeClock on the City's website and Department Heads will be required to approve the use of the mobile TimeClock app in their respective departments.

**4. Management should periodically review and appropriately address any employees who are misusing the City's rounding of time policy**

**Recommendation**

Management should evaluate this risk and determine if a policy should be written to address this potential abuse. Supervisors should also monitor employees to ensure staff is not working the clock and address issues before it becomes an acceptable part of the division's culture that will impact the entire area and reduce productivity and services provided.

**Management Response**

Regular misuse of the seven (7) minute rounding window will not be allowed. Management will establish parameters to enforce this rule.

The conclusion of this audit indicated many improvements were made since implementing the TimeClock software citywide; however, compliance and management review should be strengthened.

**The next quarterly meeting.**

Ms. Jenkins announced the next regular meeting date, January 8, 2018. She further noted a special meeting would be needed in November for the external audit CAFR presentation. The special meeting was tentatively scheduled for November 13<sup>th</sup>.

**Adjournment.**

There being no other business to be conducted, at 4:50 p.m. Chairman Witty declared the meeting adjourned.

November 13, 2017  
Date Approved

  
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Tony Witty, Chairman

  
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Ashley Jackson, Assistant City Clerk