



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: October 8, 2024

In Control: Audit Committee

DEPARTMENT: Office of the City Auditor

DEPARTMENT HEAD: Kevin Barthold

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Acceptance of the Office of the City Auditor Report AU24-020 Audit of HR Payroll Deductions.

SUMMARY:

Determine if personnel payroll deductions are authorized, accurate, and reconciled to the appropriate accounts.

BACKGROUND INFORMATION:

Background

The Human Resources (HR) department manages the employee payroll deductions for compensation, benefits, and payroll garnishments. Most changes to payroll deductions happen one time a year during “Open Enrollment”. Open Enrollment is a two-week period that employees can select their benefit plans as well as make changes to other existing coverages before the new coverage dates begin on January 1st. Changes can also be made if there is a qualifying life event,

such as marriage or the birth of a child.

Eligible employees can make changes to many of their benefits which in turn can change the employee's payroll deductions for the new year or after a qualifying life event. It is the employee's responsibility to contact HR if there are any discrepancies or changes that need to be addressed. Employees are also able to review their deductions by visiting Employee Self Service (ESS) portal and reviewing the payroll statements available.

Scope and Methodology

The audit scope included the accounting of payroll deductions for FY 2023 through March 2024. We reviewed various payroll deductions for accuracy, such as medical and dental. We also tested voluntary deductions including additional life insurance, disability, and accidental coverage. We also tested other deductions such as Health Savings Accounts (HSA), Flexible Spending Accounts (FSA), and charitable campaign contributions. We also verified deductions associated with required garnishments and Texas Municipal Retirement System (TMRS). Finally, we confirmed HR had appropriate policies and procedures and we reviewed for appropriate user access.

Conclusions

Personnel payroll deductions are authorized, accurate, and reconciled to the appropriate vendor accounts. The HR Department ensure mandatory and voluntary deductions are accurate and accounted for appropriately. In addition, other payroll deductions such as HSA, FSA, and charitable contributions were handled correctly and were appropriately assigned to the designated wage codes and general ledger accounts.

Also, HR and the Finance department have verified that garnishment deductions are accurate and paid to the designated vendors. Additionally, the retirement deductions with TMRS were applied correctly. Finally, HR also maintain appropriate policies and procedures related to payroll deductions and have appropriate controls for use access.

We make no recommendations to the HR Department.

ISSUE:

This item is presented for acceptance by the Audit Committee.

FISCAL IMPACT:

NA

ALTERNATIVES:

NA

RECOMMENDATION:

Staff recommends acceptance of this audit report.