

AGENDA PLACEMENT FORM

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)


Date: 03/03/2025

Meeting Date: 03/10/2025

Submitted By: Steve Watson

Department: County Auditor

Signature of Elected Official/Department Head:



Court Decision: <small>This section to be completed by County Judge's Office</small>	
	3-10-2025

Description:

Acknowledge the FY25 Annual Audit Report for Payroll Accruals.

3 Findings

(May attach additional sheets if necessary)

Person to Present: Steve Watson

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) ☒ PUBLIC ☐ CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: N/A minutes

Session Requested: (check one)

☐ Action Item ☒ Consent ☐ Workshop ☐ Executive ☐ Other _____

Check All Departments That Have Been Notified:

☐ County Attorney ☐ IT ☐ Purchasing ☒ Auditor

☐ Personnel ☐ Public Works ☐ Facilities Management

Other Department/Official (list) _____

**Please List All External Persons Who Need a Copy of Signed Documents
In Your Submission Email**

Approved in CC on 9/11/2023

LACY BRUTON
PERSONNEL CLERK
MAIN (817) 556-6350

DARLA MEDFORD
HR GENERALIST/
BENEFITS COORDINATOR
(817) 556-6349

CHRIS BROOKS
WORKER'S COMP/
SAFETY COORDINATOR
(817) 556-6350



LAURA BAXTER
PERSONNEL ASSISTANT/
PAYROLL ADMINISTRATOR
(817) 556-6162

JOVELYN HERSICK
PAYROLL ADMINISTRATOR
(817) 556-6350

JOHNSON COUNTY

RANDY GILLESPIE
PERSONNEL DIRECTOR

February 17, 2025

Mr. Steve Watson
County Auditor
Johnson County
2 N. Main St.
Cleburne, Texas 76033

RE: Auditor's Report – Payroll – Accruals FY25

Dear Mr. Watson,

After reviewing the findings of the above indicated audit report, I am sending this letter to show my agreement with the audit findings. As indicated in the findings, this issue was identified and previously resolved by corrections to the Kronos Payroll software and why it did not maintain the corrected process in their system is unknown. Therefore, going forward the Payroll Administrator will manually enter the correct amount when the employee becomes eligible and the Kronos system at that time will follow correctly. Hopefully the new payroll software can eliminate the manual process. I appreciate you and your staff for providing this important County function.

Sincerely,

Randy Gillespie
Personnel Director

cc: Laura Baxter, Personnel Assistant

2 NORTH MAIN STREET ROOM 215
CLEBURNE, TEXAS 76033
FAX (817) 556-6899



JOHNSON COUNTY AUDITOR

JOHNSON COUNTY COURTHOUSE

#2 N. MAIN

CLEBURNE, TEXAS 76033

Telephone (817) 556-6305 ~ Fax (817) 556-6075

Steven E. Watson
County Auditor

Jennifer R. Lyon
First Assistant County Auditor

January 7th, 2025

Mr. Randy Gillespie
Personnel Director
Johnson County
2 N. Main St.
Cleburne, Texas 76033

RE: Auditor's Report – Payroll – Accruals FY25

Dear Mr. Gillespie,

Summary

In accordance with Local Government Code, Sections 112 and 115, the Auditor's Office performed a review of the Accruals for Vacation and Sick time in the Kronos Payroll software (Kronos). To accomplish the audit, the Auditor's office judgmentally selected a sample of payroll accrual detail and history reports from Kronos.

Background

The Personnel office organizes, maintains and secures each employee's records and documentation for the county. Services include, staffing and employment, training and development, compensation administration, employee services and benefits, along with processing the County's payroll on a bi-weekly basis, utilizing Kronos.

Scope

For this engagement, we reviewed the accrual criteria stated in the Johnson County Employee Handbook. *"All full-time regular employees will be eligible for vacation/sick benefits after they have satisfactorily completed their 6-month orientation period. For orientation employees, vacation/sick day accruals will be calculated retroactive to the employee's hire date and may be*

taken after the 13th pay period following date of hire.” We then compared a manually calculated excel worksheet, based on the handbook criteria, to accrual balances reflected in Kronos. A sampling of active employees, and employees terminated after one year, were included in the comparison.

Objective

The objective of this audit was to analyze the reports from Kronos for accuracy and timeliness. Reports and supporting documents were examined and verified for Vacation and Sick time accrual balances.

Findings

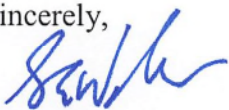
1. Upon examination, we found the posting of the initial accrued 40 hours was not recorded in the employee's portal in a timely manner. Therefore, employees hired since January 2023 were shorted 3.076 vacation hours and 3.692 sick time hours. This has been corrected as of 12.30.24. The staff did a system update for employee's hired after January 2023.
2. Due to the accruals not being posted timely, terminated employees were not receiving their final accrued un-used vacation pay.
3. This same issue was a finding, identified previously in 2022. It was resolved at that time, yet the corrected process was not maintained.

Recommendation

1. Update Kronos to have the accruals reflect on the employees profile the day following the completion of the six month's pay period.
2. Insure terminated employees receive the final accrued time earned, before the final paycheck is processed.
3. Insure that all new employees' accruals are updated at the end of their six month probationary period.

Thank you and your staff for your courtesy and cooperation shown during the audit.

Sincerely,



Steve Watson
Johnson County Auditor

cc: Kathy Rice, Audit Manager