

AUDIT TEAM
Matt Weller, CPA, City Auditor
Lori Rice, MBA, CIA, Assistant City Auditor
John Stringer, CPA, CIA Audit Manager

PAYROLL FOLLOW-UP AUDIT

SEPTEMBER 15, 2026

MAYOR AND CITY COUNCIL

<i>David Holt</i>	<i>Mayor</i>
<i>Bradley Carter</i>	<i>Ward 1</i>
<i>James Cooper</i>	<i>Ward 2</i>
<i>Katrina Avers</i>	<i>Audit Committee, Ward 3</i>
<i>Todd Stone</i>	<i>Audit Committee, Ward 4</i>
<i>Matt Hinkle</i>	<i>Ward 5</i>
<i>JoBeth Hamon</i>	<i>Ward 6</i>
<i>Camal Pennington</i>	<i>Audit Committee, Ward 7</i>
<i>Mark K. Stonecipher</i>	<i>Ward 8</i>



September 15, 2026

The Mayor and City Council:

The Office of the City Auditor has completed an audit evaluating the status, as of November 1, 2025, of recommendations and management responses included in our previous Citywide Temporary Acting Pay and Public Works Department Payroll Audit report dated June 20, 2023.

Based upon the results of this audit, we believe that:

- Previously recommended control improvements to ensure the accuracy of temporary acting pay calculations have been implemented or addressed.
- Previous recommendations intended to ensure Public Works Streets, Traffic and Drainage Maintenance Division payrolls are accurate, complete and comply with applicable policies and regulations have been implemented or addressed to the extent possible.
- An outstanding recommendation from an audit of Parks Department payrolls issued in 2020 has now also been fully implemented.

The content of this report has been discussed in detail with appropriate representatives from management to assure a complete understanding of the observations arising from our audit. Management responses to this report are attached in their entirety.

Handwritten signature of Matt Weller in black ink.

Matt Weller
City Auditor

Handwritten signature of Lori Rice in black ink.

Lori Rice
Assistant City Auditor

Handwritten signature of John Stringer in black ink.

John Stringer
Audit Manager

PAYROLL FOLLOW-UP AUDIT

AUDIT OBJECTIVE, BACKGROUND, SCOPE, AND METHODOLOGY

The objective of this audit was to evaluate the status, as of November 1, 2025, of recommendations and management responses included in our previous Citywide Temporary Acting Pay and Public Works Department Payroll Audit report dated June 20, 2023, which included the following results:

- Controls were reasonably adequate and effective to ensure acting pay calculations across the City were materially accurate.
- Public Works Streets, Traffic and Drainage Maintenance (STDM) Division payrolls were materially accurate, complete and complied with applicable policies and payroll-related regulations.
- The Parks Department was not consistently retaining evidence that eligible employees were notified and had accepted or declined acting assignments anticipated to exceed 4 weeks as previously recommended to ensure collective bargaining agreement compliance. This recommendation was initially included in an audit of Parks payrolls in 2020.

Procedures performed during this follow-up audit included interviewing management; reviewing policies and procedures; examining supporting documentation; and observing processes and system workflows.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). GAGAS requires that we plan and perform the audit to obtain sufficient appropriate evidence to provide a reasonable basis for our audit findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The following sections of this report present the status of prior audit recommendations. Each status is immediately followed by management's response. Management's responses are also attached to this report in their entirety.

STATUS OF PREVIOUS AUDIT RECOMMENDATIONS

CITYWIDE TEMPORARY ACTING PAY

Previous recommendations for improvement of controls ensuring the accuracy of temporary acting pay calculations have been implemented or addressed.

Status 1

Addressed. Calculated acting pay rates were overwritten in PeopleSoft if subsequently corrected, resulting in unsupported pay rates for two of thirteen paychecks tested during the previous audit. Human Resources has implemented a SharePoint site to track and manage acting pay rate calculation corrections and ensure adequate pay rate support.

Human Resources Response 1

Agree – Completed HR Status Update 2 for recommendation. As of February 1, 2023, HR began using Peoplesoft “add line: function to make corrections to acting pay rate amounts. As of September 30, 2023, HR began using “element entry” to document historical records for acting pay rate corrections in Oracle HCM.

Status 2

Implemented. Manual updates to default base pay rates for incremental acting pay rates were not consistently verified before off-cycle paychecks were processed during the previous audit. Payroll has updated off-cycle paycheck review processes to include verification of the accuracy of the acting pay rate, when applicable, before those paychecks are processed.

Finance Response 2

Agree with recommendation. We have implemented the suggested changes by updating the review process to include verifying accuracy of acting pay rates prior to processing.

Status 3

Implemented. An erroneous, unverified incremental acting pay rate update as discussed in Status 2 above resulted in a \$1,143 overpayment to an employee. Payroll executed a repayment agreement with the employee and was able to fully collect the overpayment.

Finance Response 3

Agree with recommendation. We have successfully executed a repayment agreement and have collected the overpayment.

STDM PAYROLLS

Previous recommendations for ensuring Public Works STDM Division payrolls are accurate, complete and in compliance with applicable policies and regulations have been implemented or the previously identified issue has been addressed to the extent possible.

Status 4

Implemented. STDM supervisors were not consistently ensuring accrued compensatory time was used prior to vacation leave as required by City and department policies during the

previous audit¹. Specific internal training of STDM supervisors and payroll officers on City compensatory time usage policies and how to review employee compensatory time accrual balances in Kronos prior to approving employee leave requests has been conducted.

Public Works Response 4

Agree with status 4. Implemented. Public Works plans to continue training on compensatory time usage policies.

Status 5

Resolved to the extent possible but not fully implemented. Over \$3,000 in overtime overpayments to at least 35 STDM employees stemming from missed holiday pay adjustments were identified during the previous audit. Public Works and Payroll secured repayment agreements with 29 employees for over \$2,600 in overtime overpayments but were unable to secure such agreements with 8 other employees for around \$600 because City employment for those employees terminated before repayment agreements could be finalized.

Public Works Response 5

Agree with status 5. Resolved but not fully recovered.

Status 6

Implemented. STDM payroll issues identified during the previous audit were due at least in part to a lack of training, as there was no formal payroll training program in place to ensure staff were fully informed of all related City policies and Kronos timekeeping system reporting capabilities. A formal payroll training program including routinely offered training sessions specifically for department supervisors, existing payroll officers, and new payroll officers, respectively, was created and implemented by Payroll during calendar year 2025.

Finance Response 6

Agree with recommendation. We have created and implemented a robust training program starting in calendar year 2025. This program is continuously reviewed and improved to ensure ongoing compliance and effectiveness.

Status 7

Implemented. STDM employees using a time clock during the previous audit were expected to but not reasonably able to use time clocks to visually inspect their finalized timecards for accuracy as required by City policies when timecards are modified or changed by supervisors. Though timecards could be inspected using the time clock, there was not sufficient time when clocking in and out for a reasonable inspection, it was not clear if enough timecard information

¹ City Employment Policies and department policies require employees to use compensatory leave before vacation leave; except where the employee is at, or close to, the maximum vacation accrual amount, in which case the employee may use vacation leave first.

was visible on the time clock to allow for verification of accuracy, and most employees could not otherwise electronically access their timecards².

Human Resources worked with Information Technology (IT) to develop a method for employees without City email accounts to sign in to Oracle to view their Kronos timecards or pay stubs through any City computer or on their personal cell phones.

Human Resources Response 7

Agree – Completed HR Status Update 2 for recommendation 7. As of July 1, 2023, all employees have access to both their Kronos Timecard and pay stubs via Oracle HCM. IT set up non-email users with a kiosk sign-in version of Microsoft. This enables employees to sign-in to Oracle from any City computer or if the employee chooses, via a personal cellphone.

PARKS DEPARTMENT RECOMMENDATION

The remaining recommendation from the Parks Department payroll audit issued in 2020 has been fully implemented.

Status 8

Implemented. Parks had developed a process to document eligible employee notifications of upcoming acting assignments anticipated to exceed four weeks and if employees accepted or declined the assignments to ensure compliance with the collective bargaining agreement, but the completed documentation was not consistently retained. Eligible employee notifications with indications of their decisions to accept or decline the assignments are now consistently retained.

Parks Response 8

Agree with Recommendation 8. The Parks and Recreation Department implemented a management process in June 2023 for recording and retaining eligible employees' acceptance or rejection of acting assignments expected to exceed four weeks in accordance with the AFSCME CBA.

² Employees without email accounts were unable to sign in to Kronos to view their timecards or to PeopleSoft to view their paystubs. Additionally, only three timeclocks were available for the up to 150 employees clocking in and out on at any given time.

ATTACHMENT A
MANAGEMENT RESPONSES

RECEIVED

By Office of the City Auditor at 3:27 pm, Sep 01, 2026



MEMORANDUM

The City of
OKLAHOMA CITY

TO: Matt Weller, City Auditor
THROUGH: Craig Freeman, City Manager
FROM: Melinda M. McMillan-Miller, CPRP, Director
Parks and Recreation Department
DATE: August 6, 2026
SUBJECT: Audit Response Follow-up, Payroll Audit 22-03

The following are management's responses to recommendations outlined in the audit.

1. Agree with Recommendation 8. The Parks and Recreation Department implemented a management process in June 2023 for recording and retaining eligible employees' acceptance or rejection of acting assignments expected to exceed four weeks in accordance with the AFSCME CBA.

If you have any questions, you may reach Melinda McMillan-Miller at 297-2139.

RECEIVED

By Office of the City Auditor at 3:27 pm, Sep 01, 2026



The City of
OKLAHOMA CITY

TO: Matt Weller, City Auditor

THROUGH: Craig Freeman, City Manager

FROM: Alex E. Fedak, Controller

Alex E. Fedak

DATE: 8/20/2026

SUBJECT: Audit Response – Payroll Follow-Up Audit

Following are management's responses to recommendations #2, #3, and #6 outlined to Finance in the Recent Payroll Follow-Up Audit.

Recommendation #2:

Agree with recommendation. We have implemented the suggested changes by updating the review process to include verifying accuracy of acting pay rates prior to processing.

Recommendation #3:

Agree with recommendation. We have successfully executed a repayment agreement and have collected the overpayment.

Recommendation #6:

Agree with recommendation. We have created and implemented a robust training program starting in calendar year 2025. This program is continuously reviewed and improved to ensure ongoing compliance and effectiveness.

We sincerely thank you for your review and recommendations to improve processes.

RECEIVED

By Office of the City Auditor at 3:27 pm, Sep 01, 2026



MEMORANDUM
The City of
OKLAHOMA CITY

TO: Matt Weller, City Auditor

THROUGH: Craig Freeman, City Manager

FROM: Aimee Maddera, Chief HR Officer

DATE: August 20, 2026

SUBJECT: Citywide Temporary Acting Pay and Public Works Department Payroll Audit

Following are the Human Resources Department response to the recommendations outlined in the Citywide Temporary Acting Pay and Public Works Department Payroll Audit.

1. **Agree- Completed HR Status Update 2 for recommendation 1.** As of February 1, 2023, HR began using the PeopleSoft "add line: function to make corrections to acting pay rate amounts. As of September 30, 2023, HR began using "element entry" to document historical records for acting pay rate corrections in Oracle HCM.
2. **Agree- Completed HR Status Update 2 for recommendation 7.** As of July 1, 2023, all employees have access to both their Kronos Timecard and pay stubs via Oracle HCM. IT set up non-email users with a kiosk sign-in version of Microsoft. This enables employees to sign-in to Oracle from any City computer or, if the employee chooses, via a personal cellphone.

Thank you for your review and recommendations.

RECEIVED

By Office of the City Auditor at 3:28 pm, Sep 01, 2026



MEMORANDUM

The City of
OKLAHOMA CITY

TO: Matt Weller, City Auditor

THROUGH: Craig Freeman, City Manager *CF*

FROM: Debbie Miller, P.E., Director
Public Works / City Engineer *DM*

DATE: August 25, 2026

SUBJECT: Public Works Response - 22-03 Citywide Temporary Acting Pay; Public Works and Parks Follow-up Payroll Audit

The following is management's response to the two Public Works Department items in the Citywide Temporary Acting Pay; Public Works and Parks Follow-up Payroll Audit (22-03) report.

1. Agree with status 4. Implemented. Public Works plans to continue training on compensatory time usage policies.
2. Agree with status 5. Resolved but not fully recovered.

If you have any questions, please let me know. Thank you.

pc: Brent Bryant, Assistant City Manager
Billy Little, CPA, Public Works Business Manager
Mike Miller, MBA, Public Works Financial Services Manager
Lori Rice, Assistant City Auditor
John Stringer, CPA, CIA, Audit Manager