



Department of Finance – Biennial Performance Audit FY21-22

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Objective

We reviewed the Department of Finance's performance for the fiscal years ending on June 30, 2022, and June 30, 2021. Our goal was to assess how well the retroactive payment process for employee earnings in Workday is working, including how accurately withholdings are calculated and paid based on what employees earn.

What we found: The process is fraught with errors and needs improvement.

Background

- Cost of Living Adjustments (COLA) rates, based on MOUs with unions, may be delayed if negotiations take long. If approved after the new fiscal year starts (ending June 30), the city has to retroactively process COLA adjustments. MOUs typically cover at least two fiscal years.
- Ad-hoc retros are processed to adjust incorrect payments from prior periods due to payrate change; incorrect leave time; missing over time request, etc.

Ad-hoc retro payment requests are tracked in SolarWinds. Pay Action Worksheet (PAW) forms are used to submit ad-hoc retro requests. PAW forms show the calculation of the difference between what was paid and what should have been paid. PAW forms are prepared, approved, and submitted by agencies. PAW forms can be directly submitted in SolarWinds, or agencies can email PAW forms to Bmore IT Service Desk at etime.issues@baltimorecity.gov. Upon receiving emails, Bmore IT Service Desk creates tickets in SolarWinds. Once tickets are assigned, DOF's consultants review and process the retro requests.

Findings

Our audit found three main issues:

- Significant errors in retro payment calculations.
- Insufficient documentation to verify some retro payments.
- Inconsistency in deducting pension contributions from employee paychecks for Cost-of-Living Adjustments (COLA).

These findings were largely caused by vacancies within the Department of Finance and the shift to using Workday without clear guidance or training.

What this looks like

We looked at 54 ad hoc retro payments and found inconsistencies and errors in processing. This resulted in the City paying for the missed pension contributions for at least \$533,550 for ACSCME Locals 2202, 558 and 44 and Council 67 and CUB; potentially affecting 12,775 employees.

The full report can be found on the [Comptroller's website](#).