FROM RISK

The Need for Internal Controls

Fraud, inaccuracy, and noncompliance are more rampant than ever.

How confident are you that your next audit won't turn up any cause for concern?

If you get the sense that new stories of employee fraud, failed audits, and financial penalties are making their way into the headlines every week, you're not the only one.

Could it happen to you? Probably. Bad people will find ways to do bad things. When the door is left open, even good people will be tempted to bend the rules in their favor. Unless you've done your due diligence, you may be equally culpable.

Stealing time. Willful fraud or honest mistakes? In the eyes of your community, there's little difference. Paper-based and stand-alone timekeeping solutions open the door to systematic failures with lasting repercussions.

Your managers can't scrutinize every time clock punch, and few are going to be able to remember where their employees were a week ago. When individuals are able to misrepresent an hour here or an hour there without accountability, the situation can get out of hand in a hurry.

A slow leak. According to Nucleus Research, the average organization's payroll error rate is 1.2%. That doesn't sound like much, until you start to do the math. In the average district with 500 employees, 1.2% comes out to around $1 million per year. Common culprits include inefficient workflows, rounding deficiencies, and calculation errors.

Think about it –physical timesheets are bouncing around from employees to managers to payroll. If an error gets caught the process has to start over from the beginning. That's the definition of "inefficient." Comp time, overtime, and other special circumstances lead to more problems when your people have to be involved in the calculations.

The compliance problem. The "old way" of tracking hours is not at all conducive to ACA compliance. If you have no easy way of identifying the hours worked status of your "borderline" employees, how can you be sure you're offering adequate enough coverage to avoid the $2,000-$3,000 fines (per employee) that come with noncompliance?

Even if your team is doing everything right, there will come a time when you need to make the case for your internal controls. Unless you have the technology to review

change histories, perform self-audits, and verify up-to-date security settings, you may find yourself on the wrong end of the "concerns and recommendations" list.

The motto of the day is "trust, but verify." You have every reason to believe that your employees are honest, upstanding individuals, dedicated to your mission and the people who work alongside them. But sometimes trust is not enough. Sometimes, accountability means having the ability to validate that trust on a continuing basis.

Outdated processes have been around for too long already. Let's move forward with a timekeeping solution that better represents the cultural and technological evolution you've been undergoing for years now. It's time you clocked out from risk.

True Time

True Time is more than just a digital time sheet; it's a critical extension of your entire payroll operation. Picture, for a moment, all your paper forms, approval routing processes, and historical files. Now, make them all disappear. That's what True Time looks like.

With True Time, you can take the approach that best suits your job functions and physical environments. Right off the bat, your staff will be able to clock in and out, log breaks and lunches, and approve timesheets from a computer or mobile device. Electronic time clocks are another option, in case you want to set something up at your employee entrances or another central location.

THE BENEFITS
At the end of the workweek, employees will review and submit their hours. With True Time, approvers will be notified of the pending timesheet immediately and have the option to review all punches, exceptions, notes, and edits. The detailed change log means that the old "I forgot to clock in" line does not result in an overstatement of hours.

What does that mean for your books? It means more accurate numbers and easier auditing. But what about your team's productivity? When we talk about return on investment, it's easy to miss the irony of saving time while tracking time.

If you have employees who wear multiple hats and get paid under more than one job code, we've got you covered. If you want to be able to review which employees are nearing the 30-hour threshold for insurance coverage, that won't be a problem. Want to set up prescheduled exception reports for your business managers to review on an ongoing basis? Easy.

"True Time has helped bring our payroll processing down to about half a day. It is quick, easy, and keeps managers on top of the hours that employees are working."

- Chad Trowbridge, Business Manager, Chippewa Falls School District, WI
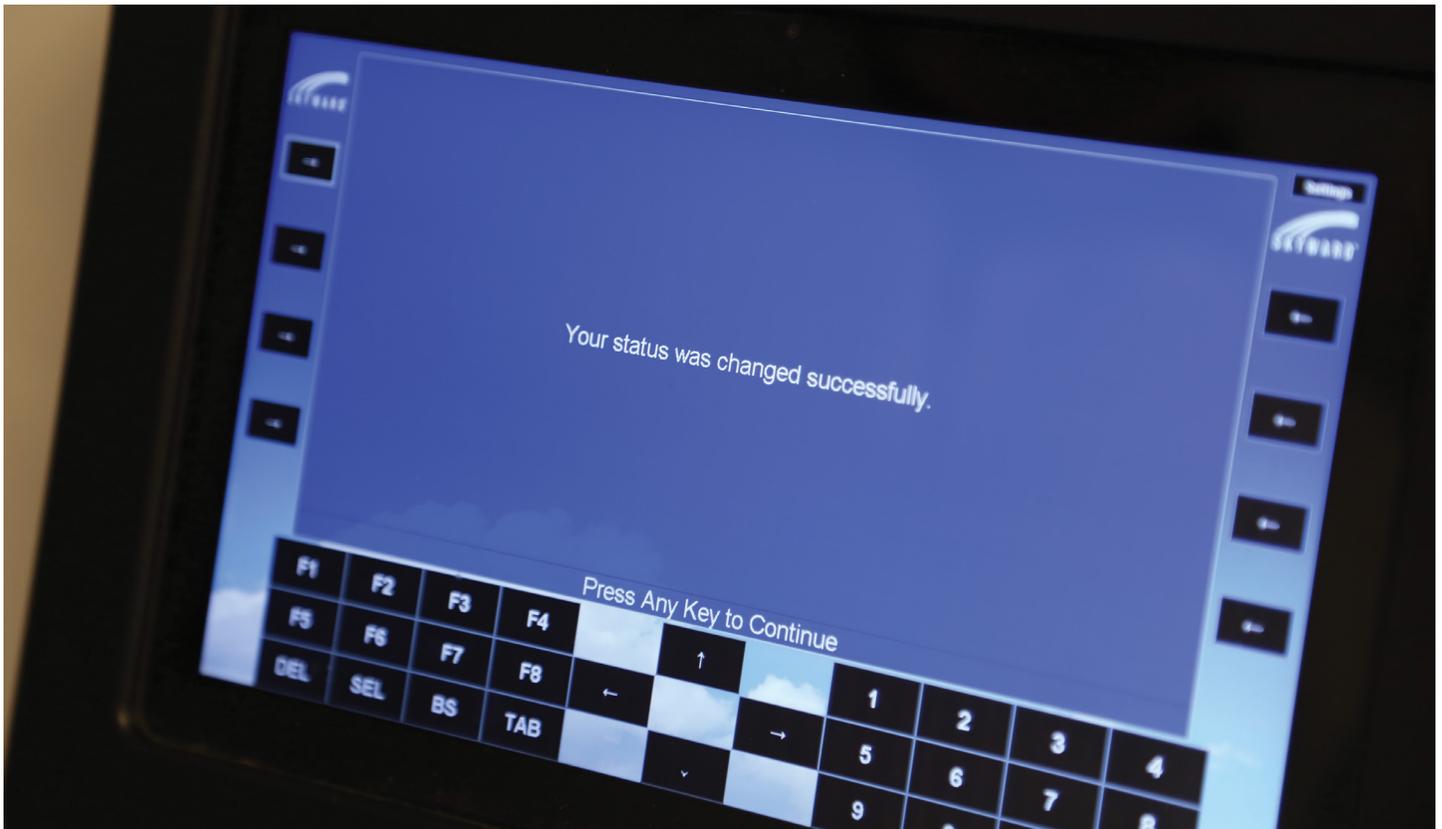
SUMMARY
When payroll, ACA reporting, and time & attendance are all happening in one place and in real-time, you can rest easy knowing that you've done all you can to keep your district's finances protected. Take the next step with True Time.