

CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2008 JUN 12 PM 7:39

TO: Office of the City Administrator
ATTN: Deborah A. Edgerly
FROM: Finance and Management Agency
DATE: June 17, 2008

RE: **Action On A Report From The City Administrator Regarding Implementation
Of Recommendations From The City Auditor's Payroll And Compensation
Audit**

SUMMARY

At their meeting of June 12, the Rules Committee directed staff to return with a report regarding implementation of certain items from Finance and Management Committee's discussion of the City Auditor's "City Payroll and Compensation Audit", in December 2007. This report addresses the status of these items.

FISCAL IMPACT

Fiscal impacts are undermined at this time.

BACKGROUND

At their meeting of December 11, 2007, the Finance and Management Committee received a report from the City Auditor regarding her audit of City payroll and compensation. The Committee requested staff to return to City Council with an update on implementation of certain items and to bring certain policy issues forward to Council in Closed or Open Session, as appropriate.

KEY ISSUES AND IMPACTS

The Finance and Management Committee requested staff to return with a number of items. The status of those items are as follows:

1) Whether a Payroll Manual has been created in addition to the OTL software application manual.

Status: Staff has updated Administrative Instructions, developed a (draft) manual for central payroll processing and desk manuals for each position. A City-wide manual of policies, procedures and protocols, as discussed in the audit, has not been developed.

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2) A status report on a written set of formal procedures for activation and deactivation of seasonal, part-time, and other intermittent employees.

Status: The vast majority of the inactive employees that were remaining in the system were seasonal Parks employees. Payroll has met with Parks and agreed on procedures to activate and deactivate employees in a timely fashion. To the best of staff's knowledge, all inactive employees have been deactivated in the system.

3) An employee bonus program proposal.

Status: This item was brought to City Council in Closed Session.

4) Centralization of Payroll proposal.

Status: This item is on hold pending resolution of logistical issues, including office space considerations.

5) The Executive Package polices.

Status: This item was brought to City Council in Closed Session.

6) The payroll advance polices.

Status: Staff has revised AI 556 to limit payroll advances to advances on leave, as provided for in the various employee MOU's. Emergency advances are no longer permitted.

7) Should the City Auditor and the City Attorney receive management leave and vacation?

Status: The City Attorney's Office has advised that this issue must be discussed in open session. Staff requests that the City Council provide direction on how these two elected officials should be treated with regard to leave accruals/awards.

At the previous meeting, the Finance and Management Committee also recommended discussion of the following items in Closed Session:

1) The third week of management leave.

Status: This item was brought to City Council in Closed Session.

2) Should the policy of management leave be "use it or lose it"?

Status: This item was brought to City Council in Closed Session.

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3) Sworn employee's eligibility to buyback leave.

Status: Staff is currently enforcing leave buyback provisions per the appropriate MOUs. Any proposed changes will be discussed with City Council in Closed Session.

4) The buyback of other leave including floating holidays.

Status: Staff is currently enforcing leave buyback provisions per the appropriate MOUs. Any proposed changes will be discussed with City Council in Closed Session.

SUSTAINABLE OPPORTUNITIES

No sustainable opportunities have been identified.

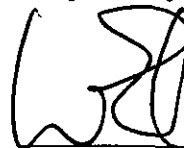
DISABILITY AND SENIOR CITIZEN ACCESS

There are no ADA or senior access issues contained in this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council accept this status update report and provide guidance on the accrual of leave benefits for the City Attorney and City Auditor.

Respectfully submitted,



William E. Noland, Director
Finance and Management Agency

APPROVED AND FORWARDED TO THE
CITY COUNCIL:


Office of the City Administrator

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