UNIVERSITY OF CALIFORNIA, SAN FRANCISCO
AUDIT & ADVISORY SERVICES

Timekeeping Review
Project #24-022

June 2024

EXECUTIVE SUMMARY

I.   BACKGROUND

As a planned audit for Fiscal Year 2024, Audit & Advisory Services (A&AS) conducted an audit to assess the timekeeping procedures in place for selected units using clocking in and out in Huntington Business Systems (HBS[1]) and validate that controls are in place to ensure the accuracy of time reporting and payroll.

Currently, UCSF utilizes HBS as its time and attendance for all employees and plans to transition to a new time and attendance system called Ultimate Kronos Group (UKG) in February 2025. As part of the review, A&AS conducted a current state assessment for selected units to evaluate their utilization of HBS and identify any gaps that can be addressed with the implementation of UKG.

In the current state, there are a total of 16,338 non-exempt employees, of which 9,734 (60%) are not clocking in and out; this population is set to transition to clocking in and out as part of the MyTime project[2]. The following methods are currently used to capture time in HBS: (1) badging in and out at the beginning and the end of the shift; (2) recording time in and time out via web clock; (3) selecting time in and time out on timesheet; and (4) sending time in and time out via the scheduling system.

Under the Fair Labor Standards Act (FLSA) employers must maintain records of hours worked by each non-exempt employee and bears the responsibility of showing the record of hours worked are accurate. Additionally, as of January 2023, Senate Bill 1334 (SB 1334) took in effect providing protection for employees who provide direct patient care or support direct patient care in a general acute care hospital, clinic, or public health setting directly employed by specified public sector employers to one unpaid 30-minute meal period on shifts over 5 hours and a second unpaid 30-minute meal period on shifts over 10 hours. The bill would require these employers, if they fail to provide an employee a meal period or rest period to pay the employee one additional hour of premium pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided. SB 1334, recognizes that meal and rest periods are essential worker protections that reduce accidents, improve productivity, and promote employee wellbeing. Additionally, in the health care sector, fatigue can adversely impact patient care and meal and rest periods are important to ensuring quality care.

II.   AUDIT PURPOSE AND SCOPE

The purpose of this review was to assess the timekeeping procedures in place using clocking in and out in HBS and validate that controls are in place to ensure accuracy of time reporting and payroll. As part of this review, we selected three cost centers for detailed review:
- Mission Bay Adult Operating Room
- Mission Bay Post Anesthesia Care Unit
- Endoscopy

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[1] HBS is an online time and attendance system. It is used by all academic and administrative staff (exempt and non-exempt employees) who earn leave.
[2] MyTime project is the UKG system implementation replacing HBS time and attendance system.

The scope of the review covered transactions and activities in HBS from July 2023 to December 2023.

Procedures performed as part of the review include: (1) reviewing UCSF policies and procedures and unit level guidelines surrounding timekeeping; (2) interviewing relevant personnel and performing walkthroughs to understand activities for the areas under examination; (3) evaluating the current timekeeping practices for compliance with applicable policies, procedures, and guidelines; (4) validating that monitoring processes are in place to ensure timekeeping record is complete and accurate; (5) testing a sample of timesheets to determine the accuracy of the time reported in HBS and UCPath[3]; (6) reviewing missed meal breaks to ensure compliance with SB 1334 and proper approvals; (7) assessing procedures in place to capture time when HBS is down/inaccessible by staff; and (8) identifying opportunities for improvement in processes and controls.

Work performed was limited to the specific activities and procedures described above. As such, this report is not intended to, nor can it be relied upon to provide an assessment of compliance beyond those areas specifically reviewed. Fieldwork was completed in March 2024.

III.   **<u>SUMMARY</u>**

Based on work performed, controls are in place for capturing time properly in HBS. Although none of the cost centers reviewed were clocking in and out for meal breaks, missed meal breaks were properly captured on Break(s)/Meal Authorization Forms with appropriate reason and authorization and proper missed meal penalty applied in accordance with SB 1334. Opportunities for improvement exist around creating standardized policy and eliminating manual processes for capturing cost center information.

The specific observations from this review are listed below.

1. UCSF does not have a policy around clocking in and out for shifts and meal breaks causing inconsistent practices across departments.

2. The process to select the cost center for employees who do not have a set schedule and float from one cost center to another is a manual intensive process which can lead to errors.

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[3] UC Payroll, Academic Personnel, Timekeeping, and Human Resources (UCPath) is the University of California's human resources, academic personnel, benefits, and payroll system for all UC employees systemwide.

IV.   OBSERVATIONS AND MANAGEMENT CORRECTIVE ACTIONS (MCAs)

No.	Observation	Risk/Effect	Recommendation	MCA
1	***UCSF does not have a policy around clocking in and out for shifts and meal breaks, causing inconsistent practices across departments.*** During the review, it was noted that there is no policy around clocking in and out for shifts and meal breaks. In addition, practices for clocking and clocking out for shifts and meal breaks are not consistent across departments. Out of the three cost centers reviewed, only two had a departmental policy around time and attendance. Of the two departmental policies reviewed, only one policy mentioned clocking in and out for meal breaks. In practice, none of the cost centers reviewed were clocking in and out for meal breaks. Creating a standard policy for time and attendance will help set clear expectations for all departments, ensure consistency and compliance with regulatory requirements.	Without a policy or institutional guidelines around clocking in and out, UCSF Health risks inconsistencies in practices, and non-compliance with regulatory requirements.	While the focus of this audit was on UCSF Health, there are opportunities to globally address this issue for Campus and UCSF Health. UCSF should create a policy to address expectations around clocking in and out for shifts and meal breaks for Campus and UCSF Health.	**Action:** Labor and Employee Relations (LER) is working to update an existing Payroll policy to include guidelines around clocking in and out, including for shifts and for meal breaks, and is expected to apply to both Campus and Health. The implementation date could be subject to potential union bargaining. **Responsible Party:** Director of LER **Target Completion Date:** 02/28/2025
2	***The process to select the cost center for employees who do not have a set schedule and float from one cost center to***	Without a clear handoff,	UCSF Health should ensure the	**Action:**

No.	Observation	Risk/Effect	Recommendation	MCA
	another is a manual intensive process which can lead to errors. The current mechanism of clocking in and out does not allow employees who do not have a set schedule to select a chartstring[4]/cost center so that the hours are charged to the desired department. The process requires close coordination and communication between the timekeepers/managers and employees to determine the cost center to charge which can lead to potential errors.	coordination and communication, UCSF Health risk time being charged to the wrong cost center.	new timekeeping system UKG can allow managers to select the right chartstring/cost center when employees float from one department to another.	The new UKG system will allow managers to select the right chartstring/cost center when employees float from one department to another. **Responsible Party:** Director of Financial Services **Target Completion Date:** 02/28/2025

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[4] Chartstring is a 38-character coding string that consists of 8 individual "blocks", or segments, called chartfields. The chartfields and resulting chartstring facilitate accounting, reporting, and budgeting.