



*Cobb County...Expect the Best!*

***INTERNAL AUDIT DEPARTMENT***

***Report Number: 2022-008***

***FINAL REPORT – Review of Compliance with  
Part-Time (PT) Hours***

***October 7, 2022***

***Latona Thomas, CPA, CIA, Director***

***Tenaye Francois-Arneson, CIA, CFE, Senior Internal Auditor***

## *Table of Contents*

<b>Transmittal Memorandum</b> .....	Page i
<b>Background</b> .....	Page 1
<b>Results of Review</b> .....	Page 4
<i><b>Additional Monitoring Controls are Needed</b></i> .....	Page 4
<u><b>Expanded Workload Management Monitoring</b></u> .....	Page 5
<u>Recommendation 1:</u> .....	Page 6
<u><b>Revised Procedures for Health Care Eligibility and Notification are Needed</b></u> .....	Page 6
<i>Non-compliance with ACA</i> .....	Page 6
<i>Record Documentation/Indexing</i> .....	Page 7
<u>Recommendation 2</u> .....	Page 7
<u>Recommendations 3 - 4:</u> .....	Page 8
 <b>Appendices</b>	
Appendix I – Detailed Objectives, Scope, and Methodology.....	Page 9
Appendix II – Abbreviations and Glossary .....	Page 11
Appendix III – Outcome Measures.....	Page 12
Appendix IV– Auditee’s Response.....	Page 13



# COBB COUNTY INTERNAL AUDIT

Latona Thomas, CPA, CIA


100 Cherokee Street, Suite 250  
Marietta, Georgia 30090  
phone: (770) 528-2556  
latona.thomas@cobbcounty.org

Director

October 7, 2022

## MEMORANDUM

**TO:** Dr. Jackie McMorris, County Manager

**FROM:** Latona Thomas, CPA, CIA, Director 

**SUBJECT: FINAL REPORT** – Review of Compliance with Part-Time (PT) Hours

Attached for your review and comments is the subject final report. The overall objective of this audit was to test departmental compliance with Part-Time (PT) hours as required by the Cobb County (County) Personnel Payroll and Time Keeping policies.

### Impact on the Governance of Cobb County

The four recommendations along with corrective actions, when implemented, will improve and strengthen compliance with Personnel Payroll policy and health care benefits requirements. The County and its stakeholders can be assured that part-time employee hours are properly monitored to ensure that additional benefits costs, such as health care, are not incurred outside of the established County budget process.

### Executive Summary

During our review, we identified twenty-two (22) instances of non-compliance with Personnel Payroll Policy, of which twenty-one (21) instances were attributed to staff shortages, extra staff hours needed to facilitate various County elections, and an increased demand for County services. We also found that part-time employee hours are being reported in the Kronos timekeeping system, but the federal health care benefit coverage eligibility and notification to part-time employees was not completed timely. In addition, improved monitoring controls are needed at both the departmental and countywide level to ensure consistent and complete compliance.

### Recommendations

We made four (4) recommendations to improve compliance with the part-time hours requirement set by the Personnel Payroll policy and compliance with the Affordable Care Act (ACA) when part-time employees become eligible for health benefits. The recommendations are documented in the 'Results of Review' on Pages 4 - 8.

## ***Responses***

The Chief Human Resources Officer provided a response to our draft report and concurred with all four (4) recommendations. The complete responses to the draft report are included in Appendix IV. The Human Resources Department initiated the referenced corrective actions, with an expected completion date of December 31, 2022. The Chief Human Resources Officer is the position responsible for implementation unless designated in the respective responses. We will perform a follow-up on corrective action in one year from the date of this report. A copy of this report will be distributed to those affected by the report recommendations, as reflected below. Please contact me at (770) 528-2559 or Tenaye Francois-Arneson at (770) 528-2642 if you have any questions.

CC: Jim Harner, Chief Human Resources Officer  
Glenda Valentine, Deputy Director, Human Resources Department  
Jimmy Gisi, Deputy County Manager  
Cobb County Audit Committee  
Internal Audit Department File

## *Background*

Cobb County's (County) Personnel Payroll Policy defines a part-time position as "a position authorized by the Board of Commissioners as part time is classified and assigned a salary grade. Part-time positions are limited to less than 30 hours per week on a continuous basis and incumbents are not eligible to participate in the County's funded benefit program. (Less than thirty (30) hours per week on a continuous basis means that when the most recent six-month period is reviewed, the average number of hours worked is less than thirty (30) hours per week.)" Part-time employment is on a continuous basis and is not deemed temporary<sup>1</sup>, seasonal<sup>2</sup>, or on a per diem<sup>3</sup> basis.

The County's Timekeeping Policy states that "non-exempt employees must record in and out times in the time and attendance system at the beginning and end of each shift worked. All hours worked are to be accurately recorded utilizing the time and attendance system which includes using an employee badge to record time, entering time on a personal computer (PC), using telephone time entry, or submitting a time adjustment form. Employees may not work "off the clock," "on their own time," or "for free." Non-exempt employees include hourly paid employees who are subject to the provisions of the Fair Labor Standards Act (FLSA) and who are eligible for overtime pay. This pay category includes part-time employees.

### **Workforce Statistics**

Per the workforce statistics published on Human Resources webpage, the County employed 798<sup>4</sup> part-time employees as of the second quarter of fiscal year (FY)2022. The total expenditures for part-time regular work hours for fiscal year 2021 was \$9,401,010<sup>5</sup>. Other expenditure categories for part-time employee payroll relate to part-time employees working on per-diem basis; however, our review only included regular part-time employees and not seasonal or daily (per-diem) employees.

### **Roles and Responsibilities**

#### *Departmental Responsibilities*

County departments are responsible for monitoring part-time employee hours to ensure that part-time employees work less than 30 hours per week on a six-month average, in compliance with the County's Personnel Payroll Policy. Part-time employees are required to track hours worked using the County's timekeeping system, Kronos. Departments utilize various internal positions (i.e. supervisors, managers, department representatives, and/or other administrative staff) to monitor part-time employee hours for compliance.

---

<sup>1</sup> A position authorized by the Board of Commissioners as temporary is classified and assigned a salary range. Incumbents of temporary positions may participate in the County-funded benefit program depending on the length of the appointment unless excluded from participation when the temporary position was authorized or advertised. Temporary positions are not to exceed twelve (12) months and successive appointments are prohibited.

<sup>2</sup> A position which is temporary and short-term which does not continue year-round. Many positions are only necessary during certain times of year so workers will only be employed during that time.

<sup>3</sup> A position authorized by the Board of Commissioners as per diem is approved a daily fee for each day worked. Incumbents of per diem positions are not eligible to participate in the County's funded benefit program.

<sup>4</sup> Source: Human Resources Statistics FY2022, Q2 [[www.cobbcounty.org/human-resources/about/statistics](http://www.cobbcounty.org/human-resources/about/statistics)]

<sup>5</sup> Based on expenditure object code 6018. Source: County's Financial System, Advantage Financial.

### *Human Resources Department*

The Human Resources (HR) Department monitors the hours worked by part-time employees for compliance with the Affordable Care Act, which requires employers to offer health benefits to part-time employees who work 30 hours or more per week on average during a 12-month period, as these employees meet the criteria for a full-time equivalent employee. The eligibility period used by HR is based on the Internal Revenue Service (IRS) 'look-back/stability period'.

### **Summary of Federal Compliance Requirements**

As a large employer<sup>6</sup>, the County is required to comply with the Affordable Care Act (ACA) and offer healthcare benefits to employees working 30 hours or more on average, for 12 consecutive calendar months. Compliance includes using the IRS proposed safe harbor method for employers to determine each employee's full-time status by counting employee hours using a look-back/stability period. Under this safe harbor method, an employer can look back at a defined period (the 'measurement period') to determine whether the employee should be counted as a full-time employee. If the employer determines that the employee worked an average of 30 hours per week during the measurement period, the employee is then treated as a full-time employee during a subsequent 'stability period' no matter how many hours that employee actually works during the stability period. The 'stability period' is the time period that employers must offer health insurance coverage to all employees who were determined to be full-time during the measurement period. The stability period always begins immediately after the end of the measurement period and must be at least six consecutive months or the duration of the measurement period, whichever is greater. For example, if the employer used a 12-month look-back period, the duration of the subsequent stability period must be 12 months.

If a variable-hours employee averages at least 30 hours per week during the measurement period, then the employee will be considered full-time during the following stability period (which cannot be longer than the measurement period). The employee's status remains full-time regardless of the average hours worked during the stability period. There are two types of measurement periods: i) the initial measurement period for new employees and ii) the standard measurement period for ongoing employees. The initial measurement period begins at the date of hire and includes the first 12-months of employment. Second and subsequent years use the standard measurement period. The measurement period must be between three and 12 consecutive calendar months.

### **County Eligibility Methodology**

The County elected to use the lookback method and uses a 12-month measurement period to determine whether a part-time employee should be offered healthcare benefits under the Affordable Care Act. The healthcare benefit is offered for the "stability period" only. The "stability period" is the 12-months period following measurement period and part-time employees are eligible for healthcare benefit regardless of the number of hours worked during the stability period. The healthcare coverage is only for the stability period; therefore, continuous evaluation of part-time employees' eligibility must be performed. If part-time employees do not average a minimum of 30 hours per week during the next measurement period, then the employee will not be eligible for health insurance benefits. Using the 12-month measurement period reduces chance for seasonal or temporary workers to qualify and takes consideration of turnover before reaching the end of period.

---

<sup>6</sup> Under the Affordable Care Act, a large employer has at least 50 full-time equivalent employees on average.

The scope of our review period covered part-time staff hours for the period January 1, 2021 to March 31, 2022, and November 2020 through October 2021 for compliance with the Affordable Care Act health care requirements. Detailed information on our audit objectives, scope, and methodology is presented in Appendix I.

*The remainder of this page was left blank intentionally.*

## Results of Review

The overall objective of the review was to test departmental compliance with part-time hours as required by the County's Personnel Payroll and Time Keeping policies. The control objectives included an assessment of whether departments were in compliance with the part-time hours requirement; if part-time employees are reporting all hours worked in the Kronos timekeeping system; and overall compliance with federal health care benefit coverage requirements. We performed our preliminary survey procedures to understand the compliance requirements for each of the control objectives, conducted interviews, and surveyed County agencies and departments<sup>7</sup>. We also independently pulled part-time reports from the Kronos time keeping system for the calendar year 2021, January through December 2021; and the fiscal year 2022, six-month period, October 2021 through March 2022. Based on our analyses, we identified 66 employees that had potentially exceeded the part-time hour requirements; however, we subsequently excluded 16<sup>8</sup> employees based on employment within elected official offices or confirmation to be seasonal employees.

Based on our supporting documentation and additional procedures, we determined that 56% (28 out of 50) of the part-time employees initially identified to have exceeded the part-time hours were deemed compliant with the policy, as they had been transferred to full-time status during the scope period. The remaining 44% (22 out of 50) were determined to be non-compliant. Per correspondence with County agencies and departments, twenty-one (21) instances of non-compliance were attributed to staff shortages, extra staff hours needed to facilitate various County elections, and an increased demand for County services. One non-compliant instance was due to an employee not adhering to an established work schedule.

Review Summary	
PT employees who exceeded 30hrs per week on average	66
Excluded – elected office staff and seasonal staff	16
Transferred to full-time during the measurement period	<u>28</u>
Part-time staff who exceeded part-time hours	<u>22</u>

Table 1 – Source: Kronos timekeeping report.

We also found that part-time employee hours are being reported in the Kronos timekeeping system, but the federal health care benefit coverage eligibility and notification to part-time employees was not completed timely. The accompanying pages include recommendations to address the additional monitoring controls needed.

### Additional Monitoring Controls are Needed

As indicated above, additional monitoring controls are needed at both the departmental and countywide levels to ensure consistent and complete compliance. Specifically, departmental monitoring should be expanded to include a documented evaluation of workload management and revised procedures and guidelines for federal health care benefit eligibility and notification. Improvements in these areas will strengthen the internal control environment and eliminate or reduce potential penalties resulting from non-compliance.

<sup>7</sup> Elected official offices were excluded.

<sup>8</sup> Fourteen (14) employees were employed within elected official offices and two (2) were identified as seasonal employees.



## **Expanded Workload Management Monitoring**

Expanded workload management strategies and monitoring are needed for the current levels of part-time employees to address the County's service levels. Based on our review of part-time Kronos data reports, we identified 53 part-time employees, whose average weekly hours exceeded the 30 hours per week authorized by the County's Personnel Payroll policy. Twenty-five employees exceeded the 1,590<sup>9</sup> hours per 12-month period and 28 employees who exceeded the 780 hours per six-month period. Of the 53 part-time employees who exceeded the requirement, we analyzed the evidence/justification provided by County agencies and departments and determined that 31 part-time employees had been promoted to full-time positions during the period reviewed. However, the remaining 22 employees were confirmed to be in part-time positions and thus, non-compliant with the Personnel Payroll Policy. The County's Personnel Payroll policy limits part-time employees to work less than 30 hours per week on a continuous basis, when averaged over a six-month period, and County agencies and departments are required to monitor part-time hours to ensure compliance.

Based on responses from County agencies and department leadership, twenty-one (21) of the twenty-two (22) part-time employees were non-compliant as part-time employees were used to cover staff shortage, plan and conduct elections, meet County service levels, and provide uninterrupted technology services. Specific examples include Elections and Registrations use of part-time employees to meet the demands of voter registrations and elections; Parks, Recreation, and Cultural Affairs use of part-time staff to keep facilities open and programs staffed to serve County citizens; and Information Services need for part-time employees to keep the help desk staffed. Also, an employee did not adhere to an established work schedule that would have kept the hours under 30 hours per week, as required by the Personnel Payroll and Timekeeping policy.

A part-time position classification includes the expectation that the part-time hours available are sufficient to accomplish the job assignments, meeting agency or department objectives, and save on the costs of full-time employment such as health care and retirement benefits. When part-time employees exceed the required number of hours, the County is then obligated to offer health benefit to eligible employees. As such, County agencies and departments need to re-evaluate certain part-time employee assignments to assess if the classification sufficiently provides time to accomplish these assignments and other departmental needs.

In addition, if part-time employees are exceeding the part-time hours for more than a 12-month period or budget cycle, it may be an indication that the position requires more than less than 30 hours per week, and the workload monitoring may need to be expanded to ensure the part-time hours are sufficient to accomplish job and departmental needs. Part-time employees exceeding the authorized part-time hours may cause the County agencies and departments to exceed their annual payroll budget and incur unanticipated benefit costs. The County may also not be in compliance with the federal Affordable Care Act.

---

<sup>9</sup> Based on 30 hours per week for 53 weeks. Note: Calendar Year 2021 had 53 payroll weeks.

## Recommendation

The Chief Human Resources Officer should:

**Recommendation 1:** Re-evaluate the current practice of the use of part-time staff to alleviate staffing shortages, as part of governance and strategic measures, assuring the purpose of part-time classification, and personnel cost effectiveness, is achieved. This should be performed in coordination with the implementation of classification and compensation study.

**Auditee Response:** Concur, this should be addressed at the department level. The Chief Human Resources Officer will request time on the agenda to discuss during the October 2022 Department Head meeting.

## **Revised Procedures for Health Care Eligibility and Notification are Needed**

### *Non-compliance with ACA*

We identified instances of non-compliance with the Affordable Care Act (ACA) and control weaknesses in the assessment of part-time employee eligibility for health insurance benefits. Based on the County's eligibility methodology<sup>10</sup> and measurement period of 11/1/2020 through 10/31/2021, we identified ten (10) part-time employees who exceeded the established part-time hours, met the requirements for health insurance benefit, and had not been provided timely notification. Specifically, one (1) employee did not receive timely notification but transferred to full-time during the 90-day administrative period; five (5) employees did not receive timely notification but transferred to full-time after the 90-day administrative period; and the remaining four (4) employees did not receive timely notification and remain part-time employees. The chart on the right depicts the breakdown of the ten instances of non-compliance as described above.

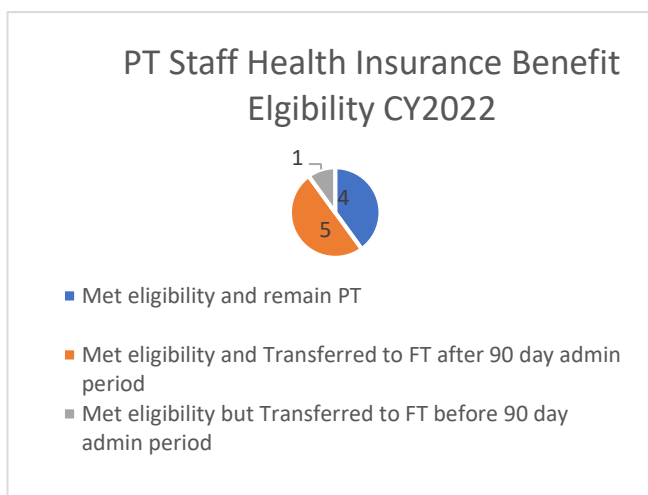


Chart 1 – Source: Kronos timekeeping report.

The Affordable Care Act (ACA) requires large employers (employers with 50 employees or more) to offer health insurance to employees who on 12-month average work 30 hours or more per week. The HR Compensation and Benefits Division is responsible for assessing part-time employee eligibility for ACA; however, they did not assess health insurance benefit eligibility of part-time employees during the November 1, 2020 to October 31, 2021 assessment period, nor the average weekly hours for new part-time employees following their one-year employment anniversary requirement. To determine eligibility, the Compensations and Benefit Division obtains a Kronos report of part-time employees who on average worked 30 hours or more per week during the 12-month measurement period previously identified. These employees are then offered health insurance for the subsequent calendar year. Eligible employees are offered health insurance for the 12-month period regardless of the number of hours worked during the eligibility period.

<sup>10</sup> See 'Background' section on Page 4.

Per discussion with the HR Compensation and Benefits Manager (Manager), the assessment for measurement period of November 1, 2020 to October 31, 2021 was not performed because the designated HR team member responsible for assessing ACA benefit eligibility was on extended leave, the Division was short-staffed, and the process was missed. In addition, there was no documented collaboration with the respective Department Representatives to ensure that part-time employee eligibility is monitored. As such, no adequate monitoring control was in place to alert the HR team and leadership of the potential issue of noncompliance resulting from a lack of assessment. The addition of such would provide greater assurance that the assessment would not be missed in the future and eliminate potential penalties and fees resulting from non-compliance.

### *Record Documentation/Indexing*

We observed that HR did not have a repository where ACA eligibility assessment and evidence of compliance is documented. As such, the Manager had to review each of the 10 employees' file to determine if any ACA related documentation was available. Maintaining an index of ACA compliance review by the period reviewed, supervisory review and approval, communication to eligible staff, and other pertinent information is instrumental for efficient review and retrieval of information as needed. The Compensation and Benefits Division maintains a folder with ACA eligibility information, i.e. training slides/materials and other documents used to gain an understanding of the ACA compliance requirements; however, the Division does not have an updated written procedures outlining steps to be performed, the timeline for performing the eligibility assessment, the documentation required for record retention purposes, nor the retention period required. Comprehensive procedures and guidelines facilitate the execution of essential tasks to ensure compliance with ACA and to provide sufficient guidance for staff to follow. In addition, maintaining evidence of ACA eligibility assessment and benefits offered documentation in a repository where it can be easily reviewed and accessed to support both ACA and record retention compliance requirements. Non-compliance with the ACA may result in penalties to the County and eligible employees not receiving the benefits owed to them.

### ***Recommendations***

The Chief Human Resources Officer or designee should:

**Recommendation 2:** Designate an Affordable Care Act (ACA) compliance custodian and backup to perform the initial and annual ACA eligibility measurements for eligible part-time employees and offer the required health insurance benefits in a timely manner. The back-up custodian should be available to perform all associated duties when compliance custodian is on leave or generally unavailable to perform the duties. HR should also consider collaborating with Department HR Representatives/Liaisons for additional ACA eligibility monitoring activities.

**Auditee Response:** Concur, we had a designated custodian, Senior HR Specialist, with the Compensation & Benefits Manager as backup. Due to multiple unforeseen circumstances, all systems failed. We will assign a new custodian and back-up for the coming year.

Departments have the capability to monitor staffing hours. This will also be reiterated during the October 2022 Department Head meeting.

**Recommendation 3:** Update the current written procedures and guidelines to outline the steps to be taken to ensure ACA compliance, the timeline for performing the eligibility assessment, the documentation required for record retention purposes, and the retention period required. The updated procedures should also include a requirement for review by the Compensation and Benefits Division Manager and annual report to the HR Director.

**Auditee Response:** Concur, we have written procedures and guidelines (see attachment<sup>11</sup>) along with a binder of the complete set-up from 2014 which includes all the eligibility guidelines and regulations. A sample copy of the memo addressed to the County Manger is also included. Going forward, we will include the Finance Director on the communication.

**Additional Auditor Comment:** The referenced attachments were not readily available prior to the issuance of the draft report and despite several requests and communication. The Chief Human Resources Officer should designate a staff independent of the Compensation and Benefits Division to review the initial and ongoing completeness of compliance documentation and report the results accordingly.

**Recommendation 4:** Implement a process to ensure all information related to health insurance benefit eligibility determination and health insurance benefit offered to eligible part-time employees is maintained and readily available, to demonstrate the County's compliance with the Affordable Care Act requirements.

**Auditee Response:** Concur, we presently have this information from 2014 to present residing on our common directory.

**Additional Auditor Comment:** See 'Additional Auditor Comment' to Recommendation 3 for further discussion.

---

<sup>11</sup> Attachment provided and available upon request.

### *Detailed Objectives, Scope, and Methodology*

We conducted the audit in conformance with The Institute of Internal Auditors; International Standards for the Professional Practice of Internal Auditing. Our overall objective of this audit was to assess departmental compliance with Part-time (PT) hours based on the Cobb County Personnel Payroll and Timekeeping policies. Our scope period was January 1, 2021 to March 31, 2022 and November 2020 through October 2021 for compliance with the Affordable Care Act health care requirements.

To accomplish our objective, we performed the following steps:

- I. Determined whether hours worked by part-time employees is in compliance with Cobb County's Personnel Payroll Policy (*Countywide*).
  - A. Obtained a KRONOS report of all hours in greater than 1,590 (29 hours per week for 53 weeks) for January 1, 2021 - December 31, 2021.
  - B. Obtained a KRONOS report of part-time employee hours greater than 780 hours for the period of October 1, 2021 - March 31, 2022.
  - C. Reviewed the KRONOS reports obtained and identified an initial list of part-time employees with total hours of 1,590 or greater for 12-month period and 780 hours or more for 6 (six) month period for further analysis and research.
  - D. For employees identified as part-time employees and who exceeded the weekly part time hours, inquired (via email) from the respective departments, the reason for non-compliance or if there are other explanations, such as reclassification to full time position.
  - E. Summarized the responses from the departments and documented the conclusion, including findings and recommendations, if any.
- II. Part-time employees report all hours worked accurately, per Cobb County's Time Keeping Policy (*User Department*).
  - A. Sent out questionnaires to department managers and inquired if part-time employees work without logging into the time keeping system, at employee's own time/off the clock.
  - B. Summarized the responses and observations and documented the conclusion.

III. Determined whether the County is in compliance with Federal laws: Fair Labor Standards ACT (FLSA) and Affordable Care Act (ACA) in relation to health care benefits and overtime pay (*Countywide*).

- A. Inquired from Compensation and Benefits Manager steps taken by HR to ensure compliance with ACA requirements for Part-Time employees.
- B. Reviewed documentation supporting the monitoring procedures performed, including communications with part-time employees who are benefit eligible. Reviewed evidence of benefit eligibility notification to eligible part-time employees and documentation of employee's response.
- C. Verified the accuracy of the KRONOS report used by HR when determining part-time employee's eligibility for health insurance benefit.

*Abbreviations and Glossary*

ACA	Affordable Care Act
HR	Human Resources
KRONOS	Cobb County's time management system.
Measurement Period	The 12-month period where average weekly hours is determined.
Stability Period/Look back period	12-month period following measurement period eligible employees to receive health benefit regardless of the hours worked during stability period.

### *Outcome Measures*

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on County governance. These benefits will be incorporated into our annual report to the Board of Commissioners, Audit Committee, and County Manager.

#### **Type and Value of Outcome Measure:**

- Compliance with County Policy – Actual; Recommendations, when implemented will ensure compliance with the County Personnel and Payroll Policy (See Pages 4 - 6).
- Compliance with Affordable Care Act (ACA) Requirements – Actual; Recommendations, when implemented, will ensure the County is compliant with the ACA requirements and readily available (See Pages 6 - 8).
- Increased Staffing/Workload Effectiveness – Potential; Recommendation, when implemented will ensure that staffing levels are sufficient to accomplish the job assignments, meeting agency or department objectives, and minimize healthcare costs (See Pages 4 – 6)

#### **Methodology Used to Measure the Reported Benefit:**

We reviewed part-time staff hours for the period January 1, 2021 to March 31, 2022, and November 2020 through October 2021 for compliance with the Affordable Care Act health care requirements. We determined that 56% (28 out of 50) of the part-time employees initially identified to have exceeded the part-time hours were deemed compliant with the policy, as they had been transferred to full-time status during the scope period. The remaining 44% (22 out of 50) were determined to be non-compliant.



## Auditee's Response



DATE: September 7, 2022

TO: Latona Thomas, CPA, Director, Internal Audit

FROM: Jim Harner, Chief Human Resources Officer

SUBJECT: Review of Compliance with Part-time Hours

Several recommendations were made and our response to those recommendations are below.

The Chief Human Resources Officer or designee should:

**Recommendation 1:** Re-evaluate the current practice of the use of part-time staff to alleviate staffing shortages, as part of governance and strategic measures, assuring the purpose of part-time classification, and personnel cost effectiveness, is achieved. This should be performed in coordination with the implementation of classification and compensation study.

***Response:*** Concur, this should be addressed at the department level. The Chief Human Resources Officer will request time on the agenda to discuss during the October 2022 Department Head meeting.

**Recommendation 2:** Designate an Affordable Care Act (ACA) compliance custodian and backup to perform the initial and annual ACA eligibility measurements for eligible part-time employees and offer the required health insurance benefits in a timely manner. The back-up custodian should be available to perform all associated duties when compliance custodian is on leave or generally unavailable to perform the duties. HR should also consider collaborating with Department HR Representatives/Liaisons for additional ACA eligibility monitoring activities.

***Response:*** Concur, we had a designated custodian, Senior HR Specialist, with the Compensation & Benefits Manager as backup. Due to multiple unforeseen circumstances, all systems failed. We will assign a new custodian and back-up for the coming year.

*Departments have the capability to monitor staffing hours. This will also be reiterated during the October 2022 Department Head meeting.*

**Recommendation 3:** Update the current written procedures and guidelines to outline the steps to be taken to ensure ACA compliance, the timeline for performing the eligibility assessment, the documentation required for record retention purposes, and the retention period required. The updated procedures should also include a requirement for review by the Compensation and Benefits Division Manager and annual report to the HR Director.

*An Equal Opportunity Employer*

***Response:** Concur, we have written procedures and guidelines (see attachment) along with a binder of the complete set-up from 2014 which includes all the eligibility guidelines and regulations. A sample copy of the memo addressed to the County Manger is also included. Going forward, we will include the Finance Director on the communication.*

***Recommendation 4:** Implement a process to ensure all information related to health insurance benefit eligibility determination and health insurance benefit offered to eligible part-time employees is maintained and readily available, to demonstrate the County's compliance with the Affordable Care Act requirements.*

***Response:** Concur, we presently have this information from 2014 to present residing on our common directory.*