

Assessing The Risk:



Wage and Hour Tip Of The Week

Use Audit Trails To Flag Potential Timekeeping Issues

TIP: Audit non-exempt employees' time records regularly for edits to time entries that may flag potential issues.

In the previous tip we wrote about ensuring that the time records of your employees accurately reflect the hours worked each day rather than regularly showing 8 hours of work each day. A related issue is ensuring that you do not have rogue employees who are intentionally falsifying their time records or rogue managers who are making edits that call into question the accuracy of the non-exempt employees' time records.

A good way to ensure that the time records are accurate and that inappropriate edits are not being made is to review the time records on a regular basis for red-flag issues that, depending on your workforce and timekeeping procedures, could include at least the following:

- a large number of time entries or edits to time entries being made by the manager instead of the non-exempt employee;
- the majority of manager edits being made to revise down, rather than up, the total number of hours worked by the non-exempt employee;
- manager edits that revise start and stop times to scheduled shift start and stop times;
- manager edits most often being made in weeks in which the non-exempt employee would otherwise have worked in excess of 8 hours per day or 40 hours per week;
- a large number of manager edits that add in an unpaid meal break;
- one non-exempt employee regularly clocking in substantially in advance of or substantially after all of his co-workers who are working the same shift; or
- one employee regularly incurring substantially more overtime hours than the other employees with the same job duties working under the same manager.

Finding one or more of these red-flag issues does not necessarily mean that you have a rogue manager editing employees' time or a rogue non-exempt employee deliberately mis-recording his time. The edits may all have a legitimate explanation. When these red-flag issues are spotted, however, further investigation is warranted to determine their reason. Depending on the reason for the edits, discipline of the manager, non-exempt employee, or both may be warranted, additional training on proper time recording procedures may be necessary, and/or the non-exempt employee's time records and pay may need correcting.

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