



Office of Internal Audit

Report to the Principal, University
City High School

July, 2015

UNIVERSITY CITY HIGH SCHOOL

Review of Time and Labor
Charges for the Period 1 July
2013 through 30 June 2014

NOTICE

Statements that managerial practices need improvements, as well as other conclusions and recommendations in this report, represent the opinion of the Office of Internal Audit. Determinations of corrective action to be taken will be made by the appropriate San Diego Unified School District officials



23 July 2015

Jeff Olivero
Principal
University City High School
6949 Genesee Avenue
San Diego, CA 92122-2455

Review of University City High School Time and Labor Charges for the Period 1 July 2013 through 30 June 2014

The Office of Internal Audit (OIA) initiated a review of the internal controls and reporting of the fiscal year 2014 (FY-14) time and labor (T&L) charges, additional pay costs, and overtime costs for the University City High School (University City). This review was included in the FY-15 OIA work plan.

This review focuses on whether University City:

- Complied with the applicable laws, regulations, Board of Education (BOE) policies and the San Diego Unified School District's (District's or SDUSD's) administrative procedures (APs); and
- Ensured that all entries into the T&L and payroll systems for additional pay and the leaves and absences were supported and approved by the University City principal prior to entry into the system.

During FY-14 University City paid 347 personnel¹ and expended approximately \$6.8 million in payroll costs for that period. The student population, at the close of FY-14, was 1,718 students.

The review included the payroll charges incurred during the period 1 July 2013 through 30 June 2014. OIA limited its testing to the additional pay costs of approximately \$390,000, and the use of various types of leaves permitted by the District's policies.

The procedures and tests that we applied the payroll data, provided to us by University City, were not sufficient to constitute a review in accordance with generally accepted government auditing standards, the objective of which would be to express an opinion on the payroll data. The scope of our work was not sufficient to express, and we do not express, an opinion on the completeness and reliability of the University City payroll costs, as a whole. Had we conducted a review in accordance with generally accepted government auditing standards other matters may have come to our attention that we would have reported to you.

Results

The University City's system of internal control for payroll costs, recording of transactions, and retention of documentation to support additional payroll costs and leave requests needs improvement. Our testing found: (a) \$2,429 in erroneous compensation payments to a staff member; (b) \$5,472 of additional pay costs not supported with timecards; (c) \$3,323 of additional pay supported with unapproved timecards; (d) \$5,543 of payroll costs entered into the system without timecards; (e) \$8,573 of bereavement

¹ The personnel count included 187 individuals not permanently assigned to University City. These individuals included visiting teachers, child center assistants, and Special Education assistants.

leave charges that were not properly classified; and (f) \$1,674 of expended vacation and sick leave were not entered into the T&L system resulting in an overstatement of the District’s vacation and sick leave liabilities. As a result, OIA questions \$27,014 of the payroll costs incurred by University City.

For the purposes of this report, questioned costs are those costs identified and questioned by the auditor because of an alleged violation of a provision of law, regulation, policy or administrative procedure; a finding that the cost, at the time of the review, is not supported by adequate documentation; or a finding by the auditor that the expenditure is unnecessary or unreasonable.

Conditions Identified

Erroneous Payment to University City Staff Member

OIA identified that one University City staff member was overpaid \$2,429 for the services he or she provided. The overpayment resulted from the staff member paid 250.40 hours using a walk-on coach’s unit rate instead of the rate agreed to in the professional services agreement.

On 23 September 2013, the Human Resources Department approved a personnel action request (PAR) for an athletic trainer at University City. The agreed rate of compensation in this PAR was \$37.24 per hour. Instead of compensation at the hourly rate listed in the PAR the trainer received compensation as a walk-on-coach². Compensation for non-certificated walk-on-coaches is based on a rate of \$938.82 per unit. A unit is determined to be approximately 20 hours of compensation, resulting in an hourly rate of \$46.94. The Payroll Department advised us that individuals working under a professional services contract are not permitted to be compensated using a COA time reporting code for the same services that the individual performs under a professional services agreement.

During the period 27 September 2013 through 31 January 2014 and on 13 February 2014³ the trainer received compensation for 12.52 units using the COA TRC, resulting in \$11,754 of compensation. Instead the trainer should have been compensated for 250.40 hours at \$37.24 per hour prescribed in the professional services PAR. This results in compensation of \$9,324.90 and the overpayment of \$2,429. Table 1 provides additional detail on the compensation paid to trainer using the COA rates.

Figure 1: Overpayment Calculation

Compensation Using COA Units and Rates 12.52 Units ⁴	11,754.03
Less Compensation Using Professional Services 250.40 hours	<u>9,324.90</u>
Erroneous Payment	<u>\$ 2,429.13</u>

Source: Recalculation of compensation using COA and hourly rate calculation.

² The time reporting code (TRC) for classified walk-on-coaches is COA.

³ With the exception of the payment for 13 February 2014, University City adjusted the trainer’s compensation to \$37.24 per hour starting on 4 February 2014.

⁴ Using the rate of 20 hours per unit the total payments were for 250.40 hours.

Table 1: Trainer Compensation reported as COA in the T&L system

<i>Date</i>	<i>TRC</i>	<i>Units Compensated</i>	<i>Amount</i>
27 September 2013	COA	0.16	\$ 150.21
30 September 2013		0.40	375.53
6 October 2013		0.25	234.71
29 October 2013		0.50	469.41
31 October 2013		2.61	2,450.32
15 November 2013		1.41	1,323.74
18 November 2013		0.61	572.68
22 November 2013		0.23	215.93
29 November 2013		1.40	1,314.35
31 December 2013		1.42	1,333.12
8 January 2014		0.15	140.82
9 January 2014		0.51	478.80
10 January 2014		0.20	187.76
31 January 2014		2.32	2,178.06
13 February 2014		0.35	328.59
Total Compensation Using COA Code		12.52	\$11,754.03

Source: OIA analysis of T&L data

Supporting Timecards for Additional Pay Hours

Timecards to support \$5,472 of additional pay for classified and certificated personnel were not available during our fieldwork. The timecards are required by AP 2600, *Payroll and Time Reporting*; section D.1 that states in part:

... input positive time worked (hourly and beyond salaried time) and leave taken, including periods of forced vacation, to the Time and Labor system; file all original time cards and leave forms alphabetically at the site with the exception of the Short Term Leave Without Pay request (this document must be sent to the Payroll Department and a copy kept at the site) ...

The timecards in addition to providing the hours worked so that they may be entered into the T&L system provide evidence that the employee’s supervisor has reviewed and approved the hours worked or leave requested and taken. This supporting documentation helps to assure the propriety of the data entered into and retrieved from the T&L system. The maintenance of the timecards and leave requests is critical internal control for the T&L system. The U.S. Government Accountability Office (GAO) in its report *INTERNAL CONTROL: Maintaining Effective Control over Employee Time and Attendance Reporting* states in part that:⁵

Supervisory authorization and approval is a key part of ensuring the propriety of T&A⁶ authorizations. The supervisor or other authorized official should review and authorize employee’s planned work schedules and applications for leave, and review and approve employee submissions of actual time worked and leave taken, as well as information in T&A reports and any adjustments or corrections to T&A records.

⁵ U.S. Government Accountability Office, formerly the U.S. General Accounting Office; *INTERNAL CONTROL: Maintaining Effective Control over Employee Time and Attendance Reporting*; Report Number: GAO-03-352G, January 2003; pages 6 — 7.

⁶ For the purposes of this report, the terms time and labor (T&L) and time and attendance (T&A) are synonymous. For clarity in this report, we will use the term time and labor (T&L) when referring to District’s timekeeping and payroll practices.

... Approval is the supervisor's, other equivalent official's or higher level manager's agreement to or ratification of or concurrence with (1) planned work schedule and leave of an employee or (2) actual T&A information. Such approval indicates that the actual work schedule recorded is to the best of the approving official's knowledge properly recorded and in accordance with applicable legal requirements.

The documentary evidence of approval will of necessity differ between manual and automated systems. In manual systems, approval is usually indicated by signature or initial of an individual on the hard copy document. Accountability is established by having the signature or initial be traceable to the individual providing the approval...

Table 2 provides additional detail on the hours and costs represented by the unsupported additional payments.

Table 2: Unsupported Additional Pay Costs

Employee	Additional Pay Type	Date	TRC	Units	Hours	Cost	Total Cost
1	Walk-on-Coach (Classified)	31 Dec 13	COA	1.42		\$1,333.12	
		8 Jan 14		0.15		140.82	
		9 Jan 14		0.51		478.80	
		31 Jan 14		2.32		2,178.06	
2		22 Nov 13		1.00		938.82	\$5,069.62
3	Non-Classroom (Hourly)	1 Apr 14	NCT		5.00	155.05	
4		9 Jun 14			1.50	46.52	
5	Supervision Session - Authorized	22 Oct 13	SPV		4.00	123.36	
6		13 Sep 13			2.50	77.10	
Total Unsupported Additional Pay				5.40	13.00	\$5,471.65	\$5,471.65

Source: OIA analysis of timecards and T&L documentation.

Unsigned/Unapproved Timecards Supported Additional Pay Entries

Our review of the available documentation supporting the additional pay costs found that seven timecards for a walk-on-coach totaling \$3,323 were not approved by the University City Principal prior to the entry into the T&L system and the close of our fieldwork. In its report *INTERNAL CONTROL: Maintaining Effective Control over Employee Time and Attendance Reporting* GAO states in part that:

*Approval also should be obtained for overtime before the work has been performed when feasible and, when not feasible, as soon as possible after the work has been performed...*⁷

*All T&A reports and related supporting documents (e.g. overtime pay authorizations) should be reviewed and approved by an authorized official. Review and approval should be made by the official, normally the immediate supervisor, most knowledgeable of the time worked by and absence of the employee involved. Approval of T&A reports and related documentation is based on personal observation, work output, timekeeper verification, information checks against other independent sources, reliance on other controls or a combination of these methods. The integrity of the information recorded in the T&A reporting system depends largely on the conscientious exercise of the supervisor (or other official) of his or her approval authority and appropriate basis for such approval.*⁸

⁷ Ibid; page 8.

⁸ Ibid; pages 8 – 9.

Table 3 provides additional detail on the walk-on-coach timecards that were not approved by the University City Principal prior to submission for payment.

Table 3: Additional Pay Timecards Not Approved by the Principal

<i>Employee</i>	<i>Date</i>	<i>TRC</i>	<i>Units</i>	<i>Cost</i>
1	6 Oct 13	COA	0.25	\$ 234.71
	29 Oct 13		0.50	469.41
	18 Nov 13		0.61	572.68
	22 Nov 13		0.23	215.93
	29 Nov 13		1.40	1,314.35
	10 Jan 14		0.20	187.76
	13 Feb 14		0.35	328.59
Total Unapproved Additional Pay			3.54	\$3,323.43

Source: Analysis of timecards and T&L data

Timecards to Support Leave Charges Not Available

Our testing identified 16 instances where the timecard or leave requests were not available to support the entries made into the T&L system. The missing timecards and leave requests represent \$5,543 of the payroll costs reported by University City. Without all of the required supporting documentation, University City is unable to provide the necessary reasonable assurance that; (a) the entries in the T&L system were correct and appropriately recorded; (b) the individual requesting leave had a sufficient cumulative balance to support the amount consumed; and (c) the University City Principal authorized the use of leave and the type of leave used was appropriate.

AP 2600 § C.3.b requires that principals establish and maintain functioning procedures for:

- prompt and accurate reporting of assignments and time worked, signing in/out;
- ensuring absence information for employees is signed by the principal and authorized on designated forms; and
- certifying the accuracy of each payroll including:
 - reviewing and approving all payroll transactions,
 - validating and signing official payroll documents; and
 - assuring that payroll deadlines are met.

Table 4: Unsupported Leave Charges by Leave Type and Number of Instances

<i>Leave Type</i>	<i>TRC</i>	<i>Instances</i>	<i>Hours</i>	<i>Amount</i>
Industrial Accident	IA	13	90.75	\$4,405.28
Sick Leave – Full	SLF	2	16.00	686.72
Bereavement	BRV	1	8.00	451.28
Total Unsupported Leave Charges by Type^a		16	114.75	\$5,543.28

Source: Analysis of Leave Requests and T&L Data and Reports.

Note: ^a We have adjusted this table to reflect the additional data provided by University City as part of their response to this review. Further, we have adjusted the Summary of Questioned Costs, to reflect this additional data.

Bereavement Leave Improperly Recorded

Bereavement leave is defined, by AP 7140, *Bereavement Leave*, as a short-term leave in which the employee is entitled to a maximum of five days of compensation without impacting his or her vacation and sick leaves. This same AP permits the employee to use vacation leave, sick leave or a combination of both should extra time be required.

We identified as part of our transaction testing that four employees did not provide the documentation necessary to support the use of bereavement leave. The four individuals did not provide the timekeeper and University City Principal with their relationship to the deceased individual and the location of the funeral. In total, the four individuals received 160 hours of leave at a cost of \$8,140.

Additionally, we found one employee who received eight days of bereavement leave instead of five. These additional three days resulted in an additional cost to the District, for bereavement leave, of \$433. Table 5 provides additional detail on the bereavement payments to this employee.

Table 5: Excess Bereavement Leave Payments

<i>Employee</i>	<i>TRC</i>	<i>Date</i>	<i>Allowed</i>	<i>Excess</i>	<i>Excess Cost</i>
7	BRV	28 Aug 13	8.00		
		29 Aug 13	8.00		
		30 Aug 13	8.00		
		6 Sep 13	8.00		
		9 Sep 13	8.00		0.00
		10 Sep 13		8.00	\$144.24
		13 Sep 13		8.00	144.24
		30 Sep 13		8.00	144.24
Total Bereavement Excess Leave Payments			40.00	24.00	432.72

Source: Analysis of University City Leave Charges and T&L documentation

Use of Leave by University City Employees Was Inconsistently Recorded

A portion of AP 2600 § C.3.b mandates that the principal establish procedures to ensure the: (a) prompt accurate reporting of assignments, (b) time worked, and (c) accuracy of the payroll that he/she certifies. Our testing found nine instances of University City employees taking leave and not having the leave recorded in the T&L system. This resulted in an overstatement of the District’s liability for sick and vacation leave of \$1,674. Further it provided the employees with an additional 56 hours of leave that they were not entitled to use.

Table 6 provides additional detail on the unrecorded leave charges and the extent of the overstatement of District’s sick and vacation leave liability.

Table 6: Unrecorded Leave Charges

<i>Leave Type</i>	<i>TRC</i>	<i>Instances</i>	<i>Hours</i>	<i>Costs</i>
Sick Leave - Full	SLF	6	41.00	\$1,452.23
Vacation	VAC	2	10.00	155.00
Personal Necessity ^a	PRN	1	5.00	66.40
Total Unrecorded Leave Charges		9	56.00	\$1,673.63

Source: Analysis of Leave Requests and T&L reporting data

Note: ^a Personal Necessity Leave is a deduction from the individual’s accumulated sick leave balance.

Conclusion

Based on our testing, OIA concluded that University City needs improvements in their internal controls to ensure that all the T&L charges and hours worked are accurately recorded, that the supporting documentation for the payroll charges are maintained and retained in compliance with the District's APs and the State of California's Public Records Retention Policies.

Recommendations

OIA recommends that the University City Principal take the following actions:

1. In conjunction with the Finance Department, take the necessary actions to collect the overpayments of \$2,429 from the walk-on-coach (Employee 1), and \$433 from the employee overpaid for bereavement leave, if reclassification to sick or vacation leave is not available (Employee 7).
2. Mandate that all certificated and classified personnel requesting additional compensation complete a timecard with the required information including hours worked, and present it to the Principal prior to the information being entered into the T&L system.
3. Establish in-school policies and procedures for the retention of all payroll reports, supporting documentation, and certified reports for the retention periods outlined in AP 2600 § D.1.
4. Require that the timekeeper, within 30 days of the date of this final report, complete and file with the appropriate Payroll Specialist *Time Correction Notices* for all unreported leaves and make the necessary adjustments for the improperly recorded Bereavement Leaves, including taking collection action for any amounts determine to be overpaid.

University City High Schools Response and OIA's Comments

We provided a draft version of this report to the Principal, University City High School for review and comment. In written comments, which are reprinted in their entirety in appendix I, the Principal provided comments on the report and proffered additional data to support his positions on the costs that we have questioned in the report. Where appropriate, we have made the changes in the report to reflect the additional data provided to us. In appendix II, OIA have included their comments on the points raised by the Principal's response.

Contributor

Jaime Buensuceso, CFE, an auditor with OIA is the principal auditor and contributor to this report.

Copies of this final report will be provided to the Board of Education, Audit and Finance Committee, the Superintendent of Public Education, General Counsel, Chief of Staff, and the Area Superintendent, Area 2. An electronic copy of this report will be placed on the District's webpage at <http://www.sandi.net/Page/29706>.

Should you or your staff have any questions please contact Mr. Buensuceso at jbuensuceso@sandi.net or at 619.725.5694; or you may contact me at cashmon@sandi.net or at 619.725.5696.

A handwritten signature in blue ink, appearing to read "John M. Cashmon".

John M. Cashmon
Director, Internal Audit

Appendix I – Response from the Principal, University City High School



San Diego Unified
SCHOOL DISTRICT

University City High School
P- 858-457-3040
F- 858-457-4228

To: John M. Cashmon

From: Jeff Olivero, Principal, University City High

Date: July 10, 2015

RE: Review of School's Time and Labor Charges for July 2013 through June 2014

Before responding to the audit report, I want to thank John Cashmon for agreeing to meet with us at the site so that we could voice our concern over the first audit draft report we received on May 27, 2015. The opportunity to meet with Mr. Cashmon allowed us to share our deep concerns over the subjective language used in the first draft audit report. The other concerns that were raised had to do with some of the inaccuracies of the audit findings, and the lack of measurement or rubric used for making a determination as to whether a school has effective methods in place to account for proper audit documentation. We are thankful that some of inaccuracies have been corrected, but a few are still present.

Those reading the report need to understand the context in which a school is challenged to carryout accounting for all documents tied to time and labor. During the 2013-14 school year, there were over 346 paid employees which would include teachers, counselors, classified staff, custodians, administrators, paraeducators, visiting teachers, coaches, professional experts, etc. The associated process involves an accounting for over a \$6.8 million payroll budget. UCHS, like most all of the SDUSD schools, are understaffed and underfunded to meet an ever-increasing challenge to perform expected duties. Additionally, it should be known there is continual turnover in school staffing that contributes and translates into gaps in knowledge performance outcomes from time to time.

The concluding statements made from the Office of Internal Audit (OIA) suggests UCHS does not have effective systems in place to ensure all T&L charges and hours worked are accurately recorded, that the documentation for the payroll charges are maintained and retained in compliance with District Aps and State of California's Public Record Retention Policies.

I do believe that UCHS has a consistent process in place but we can still get better. However, I disagree with the conclusion that suggests an effective system is not in place at UCHS. What system(s) are we being compared to? How many errors are too many? How many would one

Appendix I – Response from the Principal, University City High School

normally find in a large organization and a large budget? What is the measuring scale being used to make this determination?

As stated, UCHS does have a system in place. Please see the attached pictures (attachments A, B, and C). I think the school community and all concerned stakeholders should know there are two ways to overview how a school is performing. One is to look for fault - what is not there, but should be and report the findings without context. The other is to look at all evidence through an appreciative lens seeking to acknowledge what is right, what is wrong, and what could be done better. The report from the OIA office does the former.

Comment 1 In responding to the findings, the report states that the OIA questions the payroll costs incurred by UCHS for \$31,248. When looking more closely at this figure, there appears to be an error. For instance, the audit report suggests that \$8,573 of bereavement charges were not properly classified. Yet, the same audit report in Table 5 shows the actual amount as \$432, not \$8,573. As a result, the actual payroll costs being questioned by OIA is not \$31,248, but \$23,107.

Comment 2 To look at this \$23,107 more closely in context, it should be noted that \$9,777 outlined in Table 4 for Unreported Leave Charges is not in fact a questionable loss in funds to the district or the site, but instead just a dollar figure created by the auditing department to report 14 staff instances (14 out of about 500) for those who had not turned in their paperwork backing up their absence report called in to the time and labor system. So in other words, such time was taken off and deducted from the employees leave account and it is just their paperwork that is not in place for the recorded absences. In school terms, a student/employee was marked absent for the day, but their absence note was found to be missing. With these funds deducted from the OIA report, the real dollars in question is \$13,330, not the \$31,248 reported.

To look at the remaining \$13,330 in question, it should be noted that \$9,881 of the \$13,330 is tied payments associated with the school's athletic trainer. Cited documents of Figure 1, Tables 2 and 3, all involve the payment process involving the school's Athletic Trainer. The questions and challenges will be addressed further in the response to the report.

This only leaves a \$3,449 end-dollar amount to address in the findings. Does questioning \$3,449 out of \$390,000 mean the school still does not have an effective system in place? This represents less than 1%.

Here is a breakdown for the numbers presented by the OIA findings:

Appendix I – Response from the Principal, University City High School

Recommendations/explanations/corrective actions:

1. Athletic Trainer (\$2,429 - Figure 1)

Comment 3 Back in 2013, when we brought on a new athletic trainer on board for the school, there was great confusion within the district as to how best to hire the trainer and pay them. The key debate was over how best to process the trainer - should they be considered a professional expert that would work hourly or should they be paid and processed like a walk-on coach with a stipend? The problem stemmed from how best to match the dollars agreed to pay the athletic trainer (roughly \$15,000) versus the actual money an employee receives in their pocket once all the benefit expenses are taken out. Attachment D is a copy of the agreement reached with the school and the athletic trainer. While not signed, this is a copy of the agreement still found for the year in my electronic files.

During the months of September of 2013 to January 2014, the administrative assistant tried to as best she could resolve the difference in pay based on what she thought was to be paid to the athletic trainer. The problem was how to do this on a monthly basis when each month has a different number of days worked in it. Over the five-month period, the \$2,429 extra was a result in payment difference made to the athletic trainer to keep pace with their final agreed to payment at the end of the school year. In other words, the trainer was counting on x-amount of dollars per month earned, as agreed in the total by the end of the year, and was paid accordingly by month that resulted in an extra dollar amount payment made to arrive at the end payment amount agreed to.

It should also be known that some of what the trainer made in compensation was not paid to her by the site or district, but instead to her through means of the football booster club, and through what is authorized by gate funds taken in for home varsity football games.

Comment 4 The bottom line is the trainer got paid by the end of the year what was agreed to in final payment stated to the employee. While payment method was unconventional, as was crafted monthly with uneven number of days worked, the end result was fair compensation for the employee and there was not overpayment made. It should also be noted that for the 2014-15 and 2015-16 school years, UCHS has since created an agreed upon monthly calendar that stipulates how many hours and what will be paid to the trainer based on the agreed upon hourly rate and number of days and hours worked in a month. In other words, the site has changed the structure of payment to the trainer that in in alignment with an hourly rate for a professional consultant.

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2. Additional Pay Costs (\$5,471- Table 2)

Comment 5 \$4,130 of the \$5,471 went to pay the Athletic Trainer mentioned in Figure 1. The employee earned this payment, but we were missing the actual timecard for the one-month's payment (Jan. 2014). We are sure there was a card completed at the time, but it is unfound at this point. A new time-card correction is attached to this report.

\$938.82 of the \$5,471 was paid to the school's Cheer Leading Coach who was released from her duties. No timecard was collected from the employee at the time of her release as decision to release the coach was already contentious.

Comment 6 \$155 of the \$5,471 was paid to a school counselor for her extra work preparing AP materials for testing. Please see the attached timecard. We presented this timecard at the meeting on July 9, 2015, but it is still being reported as missing and I am not sure as to why.

Comment 7 \$46.52 of the \$5,471 was paid to an employee from the CCTE district office. We would not have his timecard as a result.

Comment 8 \$123.36 of the \$5,471 was paid to an employee for her Saturday School supervision. We believe there is a timecard for the work that was completed, but it is unfound at this time. We believe the card is missing as a result of the movement of timecards for processing abatements for Saturday school. A new timecard correction is attached to this report.

Comment 9 \$77.10 of the \$5,471 was paid to an employee for his supervision the JV Football game on 9-13-2013. At the time the school had no vice principals and the employee with an administration credential agreed to help supervise the first home game. Please see the attached timecard. We presented this timecard at the meeting on July 9, 2015, but it is still being reported as missing and I am not sure as to why.

3. Additional Pay Timecards Not Approved by the Principal (\$3,323 - Table 3)

Comment 10 The payment in question resides around the payment process used for school's Athletic Trainer from September 2013 to January 2014. The challenge again was both the process used at the time as well as the extra costs not factored in for benefits. This has already been explained in Figure 1 and Table 2 explanations. The timecards missing are attached, except the timecards for January and February only have the employee's signature.

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4. Timecards to Support Leave Charges Missing (\$9,776 - Table 4)

Comment 11 To be clear, the missing timecards are not a financial liability to the district or the school. Absences by staff members were recorded in the system, and are correct, but the accompanying timecards could not be found at the time of the audit. It should also be noted that each year there are over 1000 reported absences by staff members at UCHS. Hunting down timecard signatures for 1000 pieces of paper is always a challenge.

Comment 12 Employee 122249- no longer works at the site. Email sent to her requesting signature on timecard.
Employees 100947, 102714, 100028, 121067, 109061, 138724, 119994, 100947, 152232- see attached timecards.
Employee 148014- no longer works for the district.
Employee 107477- no longer works for the district and is retired.
Employee 149218- on summer vacation. Timecard not submitted before summer break.

5. Bereavement Leave Improperly Recorded (\$432.72- table 5)

Employee retired in 2014. Employee took three extra days as bereavement when her husband suddenly died of a heart attack. Again, the employee is retired and the days owed cannot be restored.

6. Unsupported Leave Charges (\$1,673- table 6)

To be clear, the unreported leave charges are absences reported in the SAMS system (by employees calling into the automated system) and there is no entry into the system for time lost to the employee.

Employee 122249- no longer works at the site.
Employee 146773- no longer works at the site and has taken a leave from the district.
Employees 102714, 136965, 110579- have completed timecards and error notices have been completed and will be sent to the payroll technician when she returns to work in late August.

Appendix II – OIA Comments on the Response of the Principal, University City High School

- Comment 1** The \$8,573 of bereavement leave that were not properly classified consist of the following:
- a. Bereavement leave improperly recorded by four employees, 20 days or 160 hours totaling \$8,140.
 - b. Excess bereavement leave of one employee, of 3 days or 24 hours totaling \$433.
- Comment 2** These unsupported absences were deducted from the employees' leave accounts; however, due to the absence of supporting documentation, University City was unable to provide a reasonable assurance that reported absences were accurate and charged to the appropriate employees' leave accounts. Erroneous charges may result in a financial liability to the District.
- Comment 3** The confusion cited by the Principal, regarding which hourly rate to use, does not exist. The Human Resources Department approved the PAR, submitted by University City, for the trainer to be paid as a professional expert at \$37.24 per hour. This acceptance becomes the rate at which the professional expert is compensated for their services. With few exceptions, generally it is not permitted, for an individual to be paid using multiple rates for the same duties.
- The Principal is or should be aware of the District's restriction that professional experts cannot be paid as Classified – Walk-On Coaches. However, University City did submit hours for the trainer using this classification and the trainer received payment at the Classified – Walk-On Coaches rate and not the rate specified in the PAR. In our opinion, this is an overpayment and should be recovered by the District.
- Comment 4** See the response in comment 3. The source and character of the funding is not a factor; the payments to the trainer were through the District's payroll system and subject to the District's policies and Administrative Procedures.
- Comment 5** The timecards presented by University City were not for the periods questioned in the review. As a result, our finding remains unchanged.
- Comment 6** The timecard presented by University City was for additional pay earned on 19 May 2014. The payment in question was for additional pay on 1 April 2014. Our finding remains the same.
- Comment 7** The questioned cost was for time entered by the University City staff and charged to the University City's budget. It is our opinion that, T&L charges that impact a specific school or office's budget should be supported by a timecard held at that school or office.
- Comment 8** The timecard presented by the Principal was for time on 26 October 2013. The payroll charge in question occurred on 22 October 2013. As a result, our finding remains unchanged.

Appendix II – OIA Comments on the Response of the Principal, University City High School

- Comment 9** The timecard presented by the Principal was for time on 30 August 2013. The additional pay in question occurred on 13 September 2013. As a result, our finding remains unchanged.
- Comment 10** The timecards presented by the University City Principal for the athletic trainer do not address the payments questioned in this report. The amount included in the finding remains unchanged.
- Comment 11** We do not agree with the Principal's assertion that the amounts included in the report are not questioned costs. In the body of the report we defined a questioned cost as a violation of District's policies or Administrative Procedures or a cost that at the time of the review was not supported by sufficient documentation. The costs in Table 4 meet these criteria.
- Comment 12** The unsupported absences referred to in Table 4 were deducted from the employees' leave accounts. However, due to the absence of supporting documentation, University City cannot provide a reasonable assurance that charges were correct and the appropriate leave accounts were charged. Incorrect charges can result in a financial liability to the District for vacation and sick leaves that are not appropriately charged.

For the timecards that were provided to us that addressed the periods and costs in question we have adjusted the table in the final report to reflect those changes.