



Report to the Director, Teacher  
Preparation and Support  
Department

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May, 2016

# **TEACHER PREPARATION AND SUPPORT DEPARTMENT**

Limited Review of Additional  
Compensation Costs for  
Fiscal Year 2015

## **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.

3 May 2016

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Director  
Teacher Preparation and Support Department  
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The Office of Internal Audit (OIA) received a Hotline allegation that the Teacher Preparation and Support Department (TPSD) had improperly compensated resource teachers for hours that were included in their regular work schedules.

The objectives of this examination, of the time and labor records charges, were to determine whether the:

- Hotline allegation received by OIA could be substantiated;
- Additional compensation payments made to the resource teachers, assigned to TPSD, were supported with appropriate documentation; and
- Charges for additional compensation were properly recorded and authorized.

Our examination was limited to the additional compensation received by five resource teachers assigned to TPSD, during the period 1 July 2014 through 30 June 2015, and received additional compensation using the XTP time recording code (TRC). We examined the supporting documentation for these costs including the timecards, teacher calendars, and interviewed the TPSD management and staff responsible for the processing of the payroll charges.

The tests and reviews of documentation that we performed over the payroll transactions are not sufficient to constitute a review in accordance with generally accepted government auditing standards; the objective of which would be an expression of an opinion on the payroll system and records taken as a whole; we did not and will not express such an opinion. Had we performed 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 OF THE EXAMINATION**

**OIA DETERMINED THAT THE HOTLINE ALLEGATION WAS SUBSTANTIATED.** We found TPSD could not provide a reasonable assurance the additional hours included in the time and labor charges were properly supported and entered into the time and labor (T&L) system timely. This allowed TPSD to erroneously authorize the payment of additional compensation for hours included in the teacher's regular work schedule. Further, we identified three resource teachers who were overpaid \$914 due in part to erroneous entries of additional compensation into the T&L system.

## OBSERVATIONS

TPSD authorized the payment of \$51,663 in additional compensation during the period 1 July 2014 through 30 June 2015, fiscal year 2015 (FY-15). These payments were made to the 13 resource teachers. Table 1 provides a detailed accounting of the types of additional compensation authorized by TPSD during FY-15.

*Table 1*  
*Additional Compensation Authorized by TPSD*  
*1 July 2014 through 30 June 2015*

Description	TRC	Hours	Payment	Average Hourly Rate
BTSA Support Provider	XTP	515.25	\$25,058.85	\$48.64
Contract Rate	PRO	445.75	24,163.33	54.21
BTSA Monthly Meeting	XTM	81.00	1,768.23	21.83
Workshop – Certificated	WKC	22.50	492.50	21.89
Non-Classroom – Hourly	NCT	5.50	180.07	32.74
<b>Total Hours, Payments and Average Hourly Rate</b>		<b>1,070.00</b>	<b>\$51,662.98</b>	<b>\$48.29</b>

**Source:** OIA analysis of payroll data

**Note:** TRC (Time Reporting Code)

The U.S. Government Accountability Office (GAO) discusses best practices and the control objectives for T&L data in its report *Maintaining Effective Control over Employee Time and Attendance Reporting*. The report states in part, “Information in T&A records should be promptly and properly recorded to meet control objectives. It should be complete, accurate and valid, and comply with legal requirements.”<sup>1</sup> GAO then states, “The approval 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 an appropriate basis for such approval.”<sup>2</sup>

TPSD maintained timecards to support additional compensation of \$26,604.13; however, time cards were not maintained for additional compensation charged to the XTP, time reporting code. These charges accounted for approximately 49 percent of the total additional compensation charges incurred by TPSD.

In lieu of the timecards, TPSD used a spreadsheet that summarized the hours charged to XTP over various periods of time. The source of the data is entries made by the staff on their “Support Provider Log (Responses)”. The TPSD Administrative Aide transfers this data to a spreadsheet. The Administrative Aide recorded these hours in the T&L system by spreading the hours worked to include time periods when services were not performed, e.g. weekends. This practice significantly increases the opportunity for errors and misposting of the T&L data and the practice destroys the necessary data integrity for the additional compensation hours claimed by each teacher. Further, the resource teachers were not required to sign any documentation attesting to the accuracy of the hours reported for XTP compensation.<sup>3</sup>

<sup>1</sup> U.S. Government Accountability Office, formerly the U.S. General Accounting Office; *Maintaining Effective Control over Employee Time and Attendance Reporting*; Report Number: GAO-03-352G; Washington, DC; January, 2003; page 10.

<sup>2</sup> Ibid; page 9.

<sup>3</sup> Ibid, page 12.

*Attestation refers to an employee affirming T&A information to be proper. Verification is a confirmation, usually by the timekeeper or supervisor, that to the best of his or her knowledge recorded information is proper. This guidance does not require such attestations and/or verifications. However, if management requires such attestations and/or verifications, they should be performed as close to the end of the pay period as possible. When not possible until after the end of the pay period, a copy of the T&A report and related documents, when applicable, should be provided to the employee promptly for attestation and to the timekeeper promptly for verification. The employee and/or timekeeper should promptly disclose any discrepancies to the supervisor for prompt resolution.*

TPSD permitted the assigned teachers to claim additional compensation for hours included in their regularly scheduled hours as long as they adjusted their regular hours to either start earlier or leave later on the same day. This practice substantially increases the opportunity for overpayments for hours not actually worked. The practice effectively negates the practice of the teachers working a scheduled regular day. As a result, TPSD is unable to provide the necessary reasonable assurances that all additional compensation hours are the result of the teacher performing services outside of their regularly scheduled hours.

Our testing of the additional compensation charges found instances of overpayments to various teachers. We have included our analysis of the overpayments incurred in the following section.

Table 2-A  
Resource Teacher A – Regularly Scheduled Hours — 8:00 a.m. to 4:30 p.m.

Date	Time of Additional Compensation During Regular Hours	TRC	Number of Hours	Overpayment
24 Sep 14	11:00 a.m. to 12:30 p.m.	XTP	1.50	\$ 72.77
23 Oct 14	4:00 p.m. to 4:30 p.m.	PRO	0.50	29.68
10 Dec 14	2:00 p.m. to 4:00 p.m.	XTP	2.00	97.02
26 Feb 15	3:30 p.m. to 4:30 p.m.	PRO	1.00	59.36
22 Apr 15	3:30 p.m. to 4:30 p.m.	NCT	1.00	32.74
<b>Total Hours and Compensation Overpaid – Teacher A</b>			<b>6.00</b>	<b>\$291.57</b>

Source: Analysis of payroll records and T&L data entered into the payroll system

Table 2-B  
Resource Teacher B – Regularly Scheduled Hours — 8:00 a.m. to 4:30 p.m.

Date	Time Recorded	TRC	Compensation Approved	Appropriate Compensation	Overpayment
7 Apr 15	6:30 a.m. to 4:00 p.m. recorded as 8 hours regular and 2 PRO should be 1 PRO	PRO	87.98	43.99	43.99
8 Apr 15	7:00 a.m. to 3:30 p.m. recorded as 8 regular hours and 3 hours PRO (7:00 a.m. to 10:00 am) – No PRO hours	PRO	131.96	-0-	131.96
5 May 15	9:30 a.m. to 7:00 p.m. recorded as 8 regular hours 2 hours PRO (9:00 a.m. to 11:00 a.m. and 2 hours XTP (no time recorded)	PRO XTP	184.99	48.51	136.48
<b>Total Compensation Overpaid –Teacher B</b>			<b>404.93</b>	<b>92.50</b>	<b>312.43</b>

Source: Analysis of payroll records and T&L data entered into the payroll system

Table 2-C  
Resource Teacher C -- Regularly Scheduled Hours — 8:00 a.m. to 4:30 p.m.

Date	Time Recorded	TRC	Compensation Approved	Appropriate Compensation	Overpayment
2 Jan 15	7:30 a.m. to 8:30 a.m. recorded as 8 hours PRO should be 1 PRO	PRO	354.55	44.32	310.23
<b>Total Compensation Overpaid –Teacher B</b>			<b>354.55</b>	<b>44.32</b>	<b>310.23</b>

Source: Analysis of payroll records and T&L data entered into the payroll system

### **Recommendations**

OIA recommends that the Director, TSPD take the following actions:

- Ensure that all XTP hours are approved, accurately recorded, and appropriately documented and supported with sufficient detail such as the date, description of the service/assistance provided, and the starting and ending time of the overtime work performed.
- Ensure that the XTP hours recorded in the PeopleSoft T&L modules reflect the specific date and hours of the services performed. Prohibit the spreading of hours of service over times and days when the services were not actually performed.
- Direct the Administrative Aide to submit *Time Reporting Error Notice* to the Payroll Department in order to correct and recover the overpayments to the resource teachers.

### **Corrective Action Plan**

The Director provided a response to OIA on 22 April 2016. The response highlighted that our observations were based on practices that were in place during the prior year. The Director stated that she has made significant changes to those practices to improve the reporting and controls for time and labor. These changes that were described to us during our exit conference on 8 April 2016 and the planned corrective actions included in the 22 April memorandum to OIA are responsive to the intent of

our recommendations. We did not apply any tests or procedures to the TPSD responses, and consequently do not express an opinion on those responses. We attached a copy of the response, as Appendix I to this report.

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OIA will provide copies of the final report to the Board of Education, Audit and Finance Committee, the Superintendent of Public Education, General Counsel, Chief of Staff, the Chief Financial Officer, and the Director, Payroll/Benefits. A copy of the report will be placed on the District's webpage at <https://www.sandiegounified.org/audit-reports>. Should you have any questions regarding this report, please contact Mr. Buensuceso at [jbuensuceso@sandi.net](mailto:jbuensuceso@sandi.net) or 619.725.5694; you may contact John Cashmon at [jcashmon@sandi.net](mailto:jcashmon@sandi.net) or 619.725.5696.



John M. Cashmon  
Director, Internal Audit

# Appendix I: Response from the Director, Teacher Preparation and Support Department



**Dianne Cordero**

Director

Teacher Preparation and Support Department


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To: John M. Cashmon

From: Dianne Cordero 

Date: April 22, 2016

RE: Review of Time and Labor Practices for 2014-15

On March 30, 2016, I received the results of an examination of 2014-15 time and labor practices from the Office of Internal Audit. The review examined practices in place the year before I became director of the Teacher Preparation and Support Department.

The review listed three recommendations:

- Ensure that all XTP hours are approved, accurately recorded, and appropriately documented and supported with sufficient detail such as the date, description of the service/assistance provided, and the starting and ending time of the overtime work performed.
- Ensure that the XTP hours recorded in the PeopleSoft T&L modules reflect the specific date and hours of the services performed. Prohibit the spreading of hours of service over times and days when the services were not actually performed.
- Direct the Administrative Aide to submit *Error Correction Notices* to the Payroll Department in order to correct and recover the overpayments to the resource teachers.

On April 8, 2016, the Induction Program Manager and I met with John Cashmon and Jaime Buensuceso to discuss the review and explain our current time and labor procedures. The review by the Office of Internal Audit had begun in late fall of 2015. We explained that prior to the review, the Induction Program Manager and I met with the payroll department supervisor to revise our time and labor reporting practices to ensure proper and accurate time and labor protocols. The new procedure eliminates the previous practice of spreading the hours of service over times and days when the services were not actually performed. It also ensures that all XTP hours are accurately reported and appropriately documented. The new procedure is outlined below:

## **Support Provider Compensation Policy and Procedures**

### **Mentoring compensation:**

- Support providers are paid for five (5) hours of direct and indirect support per month for each participating teacher assigned, up to forty (40) hours per year per participating teacher assigned.
- Support providers are paid at the XTP earning code hourly rate.
- Monthly compensation for mentoring is dependent upon the following conditions:

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- At least one hour of direct support (face-to-face, email, phone, skype/facetime, etc.) for each week the participating teacher is on calendar during the months of October through May, as evidenced by submitting the Support Provider Visitation Form no later than 10 calendar days following the end of each month of support.
- All required indirect support per month (reviewing/grading work, completing forms, viewing job aides, etc.) during the months of October through May, as evidenced by submitting all required documentation for the month (e.g. Assignment Completion Verification Record, CSTP Record of Evidence, Support Provider Visitation Form, and written feedback on participating teacher assignments).
- For each month that support providers meet all of the conditions for compensation, they will be paid for the full 5 hours of support.
- For each month that support providers do NOT meet all of the conditions for compensation, they will not be paid for that month.

**Training compensation:**

- Support providers are paid at the XTM earning code hourly rate for all required evening trainings.
- Support providers who do not complete a timecard by signing in at the training will not be paid for that training.

**Pay schedule:**

- Mentoring hours will be paid on the month end paycheck following the month of support.
- Training hours will be paid monthly on a separate paycheck on the 10th of each month following the month of attendance.

In addition, department resource teachers have been directed to keep an accurate, detailed calendar indicating their job related duties for each eight hour work day. This practice was not previously in place. Teachers who are asked to perform services outside of their regularly scheduled hours will provide detailed documentation and attest to the accuracy of the documentation.