



**TO:** Julie Martel, Area 3 Superintendent  
**FROM:** Stephen Carr, Director, Office of Internal Audit *usc*  
**DATE:** April 2, 2014  
**RE:** Linda Vista Elementary School Time and Labor Audit

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Our office conducted an audit of the Linda Vista Elementary School Time and Labor for the period July 1, 2012 to June 30, 2013. The audit report contains information regarding the audit findings and recommendations. Enclosed are copies of the audit reports and the response.

The site administrator was responsive to all of our recommendations and corrective actions had been taken or planned.

If you have any questions concerning the information in this report, please call me at 725-5696.

c: Members, Board of Education  
C. Marten  
S. Monreal  
A. Donovan  
S. Weir

email: BOE, Audit Committee  
C. Marten  
S. Monreal  
M. Hudson



## Payroll Time and Labor Audit Report

### Linda Vista Elementary School

April 2, 2014

#### Introduction

The Office of Internal Audit conducted an audit of the payroll time and labor at Linda Vista Elementary School for the period July 1, 2012 through June 30, 2013. The review included an examination of PeopleSoft time and labor computer records and payroll documentation maintained at the school site.

Currently, the employees assigned at Linda Vista Elementary School totaled 52, of the total employees 30 are certificated employees and 22 are classified employees.

#### Audit Scope and Objectives

The scope of this audit included a review of all supporting documentation for the payroll time and labor input from July 1, 2012 through June 30, 2013.

The specific objectives of this audit were:

- To determine that internal controls exist to protect the assets of the school district.
- To determine that the time keeping process complied with District policies and procedures.
- To verify that all absences and hours were recorded timely and accurately.
- To verify that backup documentation existed for all absences and hours recorded.

#### Audit Findings Summary

1. Twenty nine (29) employees' absences totaling 865.25 hours were not recorded in the Time and Labor system.
2. Timecards for 117.00 additional pay hours that paid totaling \$3,969.87 were missing and prevented a determination that the payments were allowable, valid and properly authorized.
3. Supporting documentation for 176 leave benefit absence request forms totaling 900.00 hours were missing, hence the request and subsequent authorization cannot be determined.


4. Errors in the proper completion of timecards were noted in 550 instances that included missing logging time in and time out, and the time reporting codes for paid extra hours.
5. Three employees submitted timecards for jury duty without the attendance certification.

### Conclusion

Our review of the time and labor at Linda Vista Elementary School determined that performance of the time and labor function requires improvement. Request for absences and hours entered into the payroll time and labor must be properly recorded, supported and authorized to protect district's assets.

The principal must ensure that additional pay entered into the payroll time and labor system is properly supported by timecards and authorized to protect district assets and all identified errors are corrected and policies are implemented to certify compliance with School District procedures in the future.

We appreciate the cooperation extended by the staff during the examination.



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Ines G. Abitria  
Operations Auditor



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W. Stephen Carr  
Director, Office of Internal Audit

## Audit Findings and Recommendation

- 1. Twenty nine (29) employees' absences totaling 865.25 hours were not recorded in the Time and Labor system.**

Our review of payroll records for the period July 1, 2012 through June 30, 2013, revealed that 865.25 hours of employees' absences were not reported to the Time and Labor system. The majority of the unrecorded time was for district business and does not affect the employees' pay.

Specifically, we noted the following:

TRC	Description	Instances	Hours
DBSPD	District Business Professional Dev.	101	805.00
PB2HR	Personal Business 2 Hours	6	10.75
PBUNP	Personal Business Unpaid	1	3.50
PRN	Personal Necessity	1	5.00
SLF	Sick Leave Full	5	29.00
VAC	Vacation	2	12.00
Total Hours not Posted		116	865.25

Absences reported in the Substitute Assignment Management System (SAMS) are to be posted in the Time and Labor system and timecards are required to support the absences. Failure to post the absences can result in overpayment should unposted leave hours exceed earned balances.

### **Recommendation:**

We recommend that the principal require the timekeeper to make the corrections by submitting Time Error Correction Notices to Payroll.

Administration, to comply with payroll processing requirements, has the management responsibility to implement site practices that assure the completeness of payroll records and data, prior to processing and reporting payroll.

- 2. Timecards for 117.00 additional pay hours that paid totaling \$3,969.87 were missing and prevented a determination that the payments were allowable, valid and properly authorized.**

Our review of payroll records for the period July 1, 2012 through June 30, 2013, revealed that 117.00 hours totaling \$3,969.87 were reported and paid without timecards. As a result we could not determine if the hours paid were authorized or valid.

Listed below is the summary of hours paid that did not have supporting documentation.

TRC	Description of Hours Paid	Total Hours	Amount
CRG	Regular time-Certificated Employee	116.50	\$3,963.70
EXTRA	Extra time	0.50	6.17
Total Without Supporting Documents		117.00	\$3,969.87

Timecards are to be retained at the site to substantiate the hours or units reported in the Time and Labor system and for audit purposes.

Timecards for additional pay require principal approval and a description of the work performed justifying the basis for the additional pay.

**Recommendation:**

The principal is to effect those processes needed to review the accuracy and completeness of payroll records and data prior to processing and reporting of payroll.

We recommend that the principal require staff to complete a timecard and the timekeeper should ensure that proper supporting documents are on file when processing time and labor.

The timekeeper also should review the accuracy and completeness of payroll records and data prior to processing and reporting of payroll.

**3. Supporting documentation for 176 leave benefit absence request forms totaling 900.00 hours were missing, hence the request and subsequent authorization cannot be determined.**

We examined the benefit absences reported and paid for the pay period starting July 1, 2012 through June 30, 2013 for certificated and classified employees. We found that absence requests in 176 instances, representing 900.00 hours, did not exist to support the posting of benefit absences for several employees.

Listed below is the summary of absence requests that did not have supporting documentation.

TRC	Description	Instances	Hours
BRV	Bereavement	8	40.00
FLH	Floating Holiday	2	12.00
JUR	Jury Duty	3	21.50
LHS	Sick Leave Half Pay	7	10.50
PRB	Personal Business	8	55.00
PRN	Personal Necessity	13	81.50
SLF	Sick Leave	123	603.00
SLH	Sick Leave Half Pay	5	48.00
VAC	Vacation	7	28.50
Totals		176	900.00

Timecards are to be retained at the site to substantiate the hours reported in the Time and Labor system – are valid and to enable a determination that district requirements are being met.

**Recommendation:**

The principal is to effect those processes needed to review the accuracy and completeness of payroll records and data prior to processing and reporting of payroll.

We recommend that the principal require responsible staff to complete an absence request form and the timekeeper should ensure that all absence requests' supporting documentation are on file.

The timekeeper also should review the accuracy and completeness of payroll records and data prior to processing and reporting of payroll.

**4. Errors in the proper completion of timecards were noted in 550 instances that included missing logging time in and time out, and the time reporting codes for paid extra hours.**

We reviewed all payroll time and labor documents completed by employees that were maintained by the school to determine that they were properly completed. We noted 550 instances where timecards time in and time out and the time reporting codes for paid extra hours were missing.

- **District Administrative Procedure No. 2600 states "Principal/department heads establish procedures providing for prompt and accurate reporting of assignments, time worked and absence information of district employees on designated forms."**

**Recommendation:**

Administration, to comply with payroll processing requirements, has the management responsibility to implement site practices that assure the completeness of payroll records and data, prior to processing and reporting payroll.

Internal Audit recommends that timecards are to be completed properly. The timekeeper is to review the timecards to determine if properly completed, before reporting into the Time and Labor system.

**5. Three employees submitted timecards for jury duty without the attendance certification.**

Our review of employee's timecards revealed three employees submitted timecards for Jury Duty service without attaching the attendance certification forms to validate the days and hours served as follows:

Employee No.	Date	Description	Hours
1	11/13/2012	Jury Duty	8.00
1	11/14/2012	Jury Duty	8.00
1	11/15/2012	Jury Duty	8.00
2	10/16/2012	Jury Duty	8.00
3	10/30/2012	Jury Duty	7.00


- **District Administrative Procedure No. 7144 D.2. states "Principal/department head approves leave; files request, jury summons and attendance certification at school site; requests substitute, if needed and audits time reported and jury attendance certification forms to verify actual days served by employee and validate pay status.**

**Recommendation:**

Administration, to comply with payroll processing requirements, has the management responsibility to implement site practices that assure the completeness of payroll records and data, prior to processing and reporting payroll.



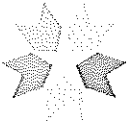
**MEMORANDUM**

**TO:** S. Carr  
**FROM:** J. Martel   
**DATE:** April 2, 2014  
**SUBJECT:** LINDA VISTA ELEMENTARY SCHOOL AUDIT

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The Office of Internal Audit identified five (5) findings in the area of Time and Labor and five (5) findings in the area of ASB that need corrective action. I have reviewed principal Deborah Hatchell-Carter responses to the recommendations made by the Office of Internal Audit and I am confident she will follow through with the actions she has outlined.





March 25, 2014

TO: Julie Martel, Area 3 Superintendent

FROM: Deborah Hatchell-Carter, Principal

SUBJECT: **RESPONSE TO PAYROLL TIME AND LABOR AUDIT FINDINGS**

An audit was conducted of Time and Labor from July 1, 2012 to June 30, 2013. This is my response to those findings.

- 1. Twenty nine (29) employees' absences totaling 865.25 hours were not recorded in the Time and Labor system.**

As stated in the audit findings, the majority of the unrecorded time (815.75 hours) was for district business and does not affect the employees' pay. The secretary was unaware that she had to report mandatory district PDs in Time and Labor ... she thought only non-district workshops, conferences, etc. Had she known, she would have been recording these absences. Only 49.5 hours of those not reported affected employees pay.

*Absences for ANY PD away from the site will now be reported in Time and Labor.*

- 2. Timecards for 117.00 additional pay hours that paid totaling \$3,969.87 were missing and prevented a determination that the payments were allowable, valid and properly authorized.**

Of the 117.00 hours, 116.5.00 hours were for a teacher who had a leave replacement contract for the year ending on June 30, 2013. Because we are a year-round school we were instructed to extend her time for 14 days using TRC-CRG. She continued to sign in on the regular contract teacher sign in (that she had done all year) rather than a time card. The secretary thought this would be sufficient. Aside from this situation, only .5 hours of time were reported without timecards.

3. **Supporting documentation for 176 leave benefit absence request forms totaling 900.00 hours were missing, hence the request and subsequent authorization cannot be determined.**

The secretary is well aware that she is responsible for getting supporting documentation for employee leave requests. The leave forms are accessible to staff at the sign in sheets. She does make an effort to get the documentation from employees by partially filling out the forms and putting it in their mailbox the day of their absence. Not all are returned, as indicated in the audit. The follow-up on getting the documentation was difficult this particular school year (12-13) because for almost that entire period of **time our site was understaffed (School Clerk 1 vacancy)**. In addition to her own demanding job, the secretary took on the job duties/responsibilities of that position (Enrollment Clerk).

*The secretary and principal will inservice the staff on the importance of submitting documentation when they are absent. The secretary will ensure that all supporting documentation is on file.*

4. **Errors in the proper completion of timecards were noted in 550 instances that included missing log in time in and time out, and the time reporting codes for paid extra hours.**

The secretary works closely with the site budget. She also works closely with those staff members who work on an hourly basis. There are 3 hourly resource teachers, and a few classified employees who work extra hours. For the most part their hours are repetitive each week. There is no disputing the fact that the forms should be filled out completely (and in many cases they were), however, they all included the dates and hours worked, and the secretary is knowledgeable about why they worked, how long they should have worked and what TRC/budget should be used.

*The secretary and principal will inservice hourly staff on the importance of completely filling out, and also how to fill out, their time card,. The secretary will ensure that all time cards are filled out completely, with time in, time out and TRC before hours are entered in Time and Labor.*

**5. Three employees submitted timecards for jury duty without the attendance certification.**

Although the staff has been informed that they are to let the secretary know that they have received a subpoena for jury duty, many times the secretary does not know until the morning of the absence via the SAMS system. When she knows ahead of time she reminds them that they are to make a copy of their subpoena to give to her and make sure they return with the attendance certification.

*The secretary and principal will inservice the staff on the importance of turning in a copy of their subpoena and attendance certification to the secretary when called for jury duty.*