



TO: Fabiola Bagula, Area Superintendent
FROM: Stephen Carr, Director, Office of Internal Audit *SC*
DATE: July 16, 2014
RE: Marshall Middle School Time & Labor Audit

Our office conducted an audit of the Marshall Middle School Time & Labor for the period July 1, 2013 through February 28, 2014. The audit report contains information regarding the audit findings and recommendations. Enclosed are copies of the audit report and the response.

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

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



Marshall Middle School
Payroll Time and Labor Audit Report

July 16, 2014

Introduction

The Office of Internal Audit conducted an audit of the payroll time and labor at Marshall Middle School for the period July 1, 2013 through February 28, 2014.

The review included an examination of PeopleSoft time and labor computer records, applicable district procedures, and payroll documentation maintained at the school site.

The administrative assistant is responsible for recording payroll data into the Time & Labor system. Based on timecards prepared by employees and approved by the site administrator, the administrative assistant enters the payable time, and absences such as sick leave, vacation leave, and additional earnings, into the Time & Labor system. The timecards must be entered as required by the Payroll Department to assure accurate payroll reporting.

The school site is also required to run the monthly payroll reports for example, Audit Paid to Reported Time, and Time Summary. The monthly payroll reports are to be reviewed and approved by the site administrator to certify the payroll, ensuring that the employees' wages and absences are properly authorized and recorded.

The employees assigned at Marshall Middle School totaled 82, including the principal.

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, 2013 through February 28, 2014.

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 payable hours were recorded timely and accurately.
- To verify that all absences are payable hours, are authorized and properly documented.
- To determine that monthly positions are valid and full time equivalent agrees to employee's actual hours worked.

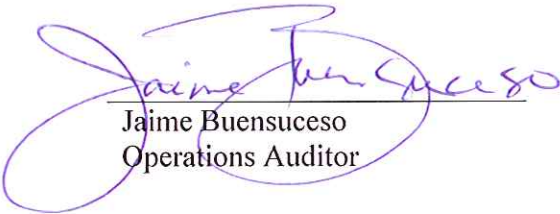
Audit Findings Summary

1. Absences of several employees totaling 32 hours were not recorded in the Time and Labor system.
2. Supporting documentation for absences of several employees totaling 329 hours were missing. As a result the propriety of the absences could not be determined.


Conclusion

In our opinion, the time and labor at Marshall Middle School for the period July 1, 2013 to February 28, 2014 was generally in order except for the above findings that need attention.

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



Jaime Buensuceso
Operations Auditor



W. Stephen Carr
Director, Office of Internal Audit

Audit Findings and Recommendations

1. Absences of several employees totaling 32 hours were not recorded in the Time and Labor system.

Our review of payroll records for the period July 1, 2013 through February 28, 2014, revealed that 32 hours of employee's absences were not reported to the Time and Labor system. As a result employee's accrued benefit balances in some instances were overstated.

Specifically, we noted the following:

No. of employees	Date	TRC	Hours	Remarks
2	10/14/13 – 01/28/14	SLF	24.00	Per SAMS/Form
1	09/18/13	PRB	8.00	Per SAMS
Total Hours			32.00	

Absences reported in the Substitute Assignment Management System (SAMS) are to be reported in the Time and Labor system and timecards are required to support the absences.

Recommendation:

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

The principal has the responsibility to institute practices that assures the accuracy and completeness of payroll records and data prior to processing and reporting of payroll.

2. Supporting documentation for absences of several employees totaling 329 hours were missing. As a result the propriety of the absences could not be determined.

We examined the benefit absences reported for the period July 1, 2013 through February 28, 2014 for certificated and classified employees. We found that 329 hours of absences did not have leave forms to support several employees' absences reported in Time and Labor. As a result, we were not able to determine the propriety of the absences as follows.

TRC	Description of Hours	Total
SLF	Sick Leave	149.00
DBSPD	District Business Professional Dev't.	48.00
PRB	Personal Business	40.00
SLH	Sick Leave Half	32.00
BRV	Bereavement	28.50
PRN	Personal Necessity	20.50
PPI	Professional & Personal Improvement	11.00
Total Hours		329.00

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

Recommendation:

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

The principal has the responsibility to institute practices that assures the accuracy and completeness of payroll records and data prior to processing and reporting of payroll.



San Diego Unified
SCHOOL DISTRICT

Fabiola Bagula
Area 6 Superintendent
619.725.7232
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TO: W. Stephen Carr, Director, Office of Internal Audit

FROM: Fabiola Bagula, Area Superintendent *FB*

DATE: July 11, 2014

RE: Marshall Middle School School Time & Labor Audit,
Associated Student Body Audit, and Purchase Card Audit

The Office of Internal Audit identified two (2) findings in the area of time and labor, five (5) findings in the area of ASB that need corrective action, and no findings in the purchase card audit. I have reviewed principal Michelle Irwin's responses to the recommendations made by the Office of Internal Audit and I am confident she will follow through with the actions outlined.



San Diego Unified
SCHOOL DISTRICT

Thurgood Marshall Middle School
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San Diego, CA 92131
858.549.5400
Fax 858.549-5490

DATE: June 19, 2014
TO: Stephen Carr, Director Office of Internal Audit
FROM: Michelle Irwin, Principal
RE: Thurgood Marshall Middle School Audit

Payroll Time and Labor Audit

1. **Absences of several employees totaling 32 hours were not recorded in the Time and Labor System:**
 - Cindy Ollison, Administrative Assistant, has recorded this information in Time and Labor to account for these hours and we have submitted the Time Error Correction Notices to Payroll.

2. **Supporting documentation for absences of several employees totaling 329 hours were missing. As a result the propriety of the absences could not be determined.**
 - These hours were recorded in Time and Labor, but the employees never returned the forms to the administrative assistant. We have since revised our system to ensure the return of each form to indicate an absence.

Cc:
Kaneko, J. – Interim Area 6 Superintendent
Buensuceso, J. – Operations Auditor