



**TO:** Janice Kaneko, Area Superintendent  
**FROM:** Stephen Carr, Director, Office of Internal Audit *WSC*  
**DATE:** June 10, 2014  
**RE:** Miller Elementary School –Time and Labor Audit

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Our office conducted an audit of the Miller Elementary School Time and Labor for the period July 1, 2012 through June 30, 2013. 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  
M. Hudson



## **Payroll Time and Labor Audit Report**

### **Miller Elementary School**

**May 9, 2014**

#### **Introduction**

The Office of Internal Audit conducted an audit of the payroll time and labor at Miller Elementary School for the period July 1, 2012 through June 30, 2013.

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

In an elementary school, the Elementary School 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 Elementary School 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 Miller Elementary Schools totaled 64, 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, 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 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.

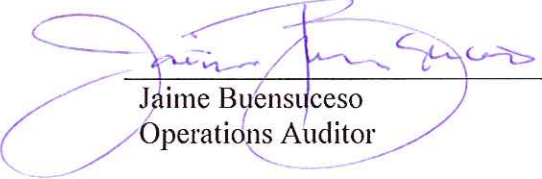
## Audit Findings Summary

1. Absences of several employees totaling 118 hours were not recorded in the Time and Labor system.
2. Supporting documentation for absences of several employees totaling 271 hours were missing. As a result the propriety of the absences could not be determined.


### Conclusion

In our opinion, the time and labor at Miller Elementary School for the period July 1, 2012 to June 30, 2013 was generally in order except for the above findings that need attention and reforms.

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 248 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 248 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
3	07/10/12 – 05/20/13	SLF	38.00	Per SAMS
1	06/03/13 – 06/07/13	IA	30.00	Per SAMS
4	05/08/13	DBSPD	32.00	Per SAMS
1	10/22/12	VAC	7.00	Per SAMS
1	09/06/12 – 09/07/12	PRB	6.00	Per form
1	10/26/12	PRN	5.00	Per SAMS
Total Hours			118.00	

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 271 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, 2012 through June 30, 2013 for certificated and classified employees. We found that 271 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	127.00
PRB	Personal Business	48.00
PRN	Personal Necessity	44.00
BRV	Bereavement	32.00
RWY	Reduction in Work Year	16.00
FLH	Floating Holiday	4.00
Total Hours		271.00

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.



**MEMORANDUM**

**TO:** W. Stephen Carr, Director, Office of Internal Audit  
**FROM:** Janice Kaneko, Interim Area 6 Superintendent *J.K.*  
**DATE:** June 3, 2014  
**RE:** Miller Elementary School Time & Labor Audit Report

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On March 27, 2014, I received a memo regarding Miller Elementary School Time & Labor Audit Report. Based on the audit these were the findings:

1. Absence of several employees totaling 248 hours were not recorded in the Time and Labor system.
  - a. Corrective measure: Time Sheet Error notices were submitted to payroll to correct time unreported. Time will be more closely monitored for corrections and changes when absences occur.
2. Supporting documentation for absences of several employees totaling 271 hours were missing. As a result the propriety of the absences could not be determined.
  - a. The importance of returning absence requests was reiterated to the staff in a staff meeting and in the staff bulletin.

The principal assures me that corrective measures have been taken to correct the unreported time discrepancies. All staff has been reminded on the importance of submitting documentation for absences. In addition the information was included in the staff bulletin.

JK:gg

Attachments



## San Diego Unified School District

MILLER ELEMENTARY SCHOOL

4343 Shields St., San Diego, CA 92124 Fax (658) 278-1649

(658) 496-8319

April 30, 2014

The office of Internal Audit conducted an audit of the payroll time and labor at Miller Elementary School for the period of July 1, 2013 through June 30, 2013. The following is a summary of the results and response from the audit.

Audit Findings Summary for Miller payroll time and labor and corrective measures:

1. Absences of several employees totaling 248 hours were not recorded in the Time and Labor system.  
Corrective measure by Miller: Time Sheet Error notices were submitted to payroll to correct time unreported. Time will be more closely monitored for corrections and changes when absences occur.
  2. Supporting documentation for absences of several employees were missing.  
Corrective measure by Miller: The importance of returning absence requests was reiterated to staff in a staff meeting and in the staff bulletin.
1. Conclusion of Auditors findings for above:  
Payroll Time and Labor: The time and labor at Miller for the period of July 1, 2012 to June 30, 2013 was generally in order except for the above findings that need attention and reforms.

  
Stacy Jones

Principal