

TO: Lamont Jackson, Area Superintendent
FROM: Stephen Carr, Director, Office of Internal Audit *SK*
DATE: June 26, 2014
RE: San Diego MET – Time & Labor Audit

Our office conducted an audit of the San Diego MET Time & 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



San Diego Metropolitan Career and Technical (MET) High School

Payroll Time and Labor Audit Report

May 20, 2014

Introduction

The Office of Internal Audit conducted an audit of the payroll time and labor at San Diego MET for the period July 1, 2012 through June 30, 2013 at the request of the current principal.

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 San Diego METs totaled 21, including the principal.

The former principal, who was in charge of the payroll time and labor from July 2012 to June 30, 2013, had transferred to another department on 7/1/2013. The current principal assumed the supervision of the payroll time and labor on 10/21/2013.

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.

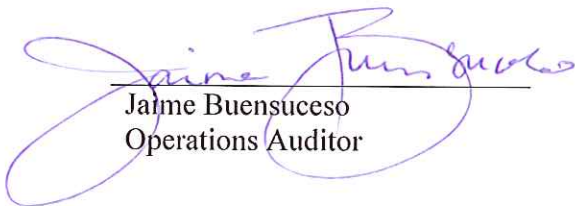
Audit Findings Summary

1. Absences of several employees totaling 56 hours were not recorded in the Time and Labor system.
2. Supporting documentation for absences of several employees totaling 224 hours were missing. As a result the propriety of the absences could not be determined.
3. An employee submitted "Bereavement Leave" form without explanation and comments such as relationship to the employee and location of the funeral.


Conclusion

In our opinion, the time and labor at San Diego MET 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 56 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 56 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
5	09/28/12 – 03/08/13	SLF	40.00	Per SAMS
2	12/04/12 – 12/14/12	PRN	16.00	Per SAMS
Total Hours			56.00	

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 224 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 224 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
JUR	Jury Duty	72.00
SLF	Sick Leave	64.00
DBS	District Business	64.00
PRN	Personal Necessity	14.00
PRB	Personal Business	10.00
Total Hours		224.00

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.

3. An employee submitted "Bereavement Leave" form without explanation and comments such as relationship to the employee and location of the funeral.

An employee submitted five (5) days bereavement leave from 5/17/13 to 5/23/13 without explanation and comments such as relationship to the deceased employee and location of the funeral indicated on the timecard.

Recommendation:

We require that the bereavement leave form submitted by employees adhere to district requirement and indicate the relationship of the employee to the deceased and the location of the funeral.

MEMORANDUM

TO: W. Stephen Carr, Director, Office of Internal Audit
FROM: Lamont A. Jackson, Area Superintendent
DATE: May 12, 2014
RE: San Diego MET Audit Reports

On April 29, 2014, I received a memo regarding San Diego MET audit reports. Based on the audit there were major findings with the Associated Student Body (ASB) and Time and Labor:

Major findings with Associated Student Body (ASB):

1. The former principal approved inappropriate expenditures totaling \$5,514.12.
2. Collections totaling \$530.00 were not receipted.
3. Four ASB check stubs and its supporting documentation totaling \$1,342.22 are missing.
4. Two ASB checks totaling \$250.00 were issued without supporting documentation.
5. The proceeds from a fund-raiser totaling \$873.00 were not deposited in the financial office.
6. The ASB requisitions were not completed for expenditures totaling \$10,427.84 charged to the Principal's Fund.
7. The ASB requisitions for expenditures totaling \$1,601.40 were not signed by the student representative.
8. The ASB consultant form was not completed for the payment of services.

Major findings with Time and Labor:

1. Absences of several employees totaling 56 hours were not recorded in the Time and Labor system.
2. Supporting documentation for absences of several employees totaling 224 hours were missing. As a result the propriety of the absences could not be determined.
3. An employee submitted "Bereavement Leave" form without explanation and comments such as relationship to the employee and location of the funeral.

I am satisfied with the principal's direction to remedy the audit findings. She will ensure that all district policies and procedures are followed. However, the current principal has no jurisdiction to require the former principal and/or teachers to reimburse the Principal's Fund. I recommend any requirement to reimburse the district should be handled by another district office. Thank you for providing me with the information and I look forward to a positive audit in the future.

LJ:lb

Attachments



To: Lamont Jackson, Area Superintendent
From: Sara Leonard, Principal 
Date: May 14, 2014
Re: Responses to San Diego Met ASB & Payroll Time and Labor Audits

Associated Student Body Audit

Finding #1:

The former Principal approved inappropriate expenditures totaling \$5,514.12.

Recommendation #1:

Donations received are accompanied by a donor's letter specifying the purpose for the donation's use. Donations no accompanied by a donor's letter are deposited into the ASB General Fund. Following Administrative Procedure 2235, Section 2.c.

Donation's in part for use for staff and district related obligations have a letter specifying the purpose and the donation is deposited into the site's district discretionary account. Questions related to the conduct of ASB are directed to the Office of Internal Audit.

Response #1:

The current Principal has put in place practices to ensure district procedures are followed in regards to donations received.

Finding #2:

Collections totaling \$530.00 were not receipted.

Recommendation #2:

We require that student body receipts be issued at the time money is collected, and enter the activity or fund involved, purpose of collection, and name of person or organization from whom the money was received.

All ASB receipts (used, unused, and voided) must be on file for audit purposes.

Response #2:

The current Principal has put in place practices to ensure district procedures are met. Student body receipts have been issued at the time money is collected documenting the collection accordingly.

The current Principal has put in place practices to ensure district procedures are met and all ASB receipts (used, unused, and voided) be kept on file for audit purposes.

Finding #3:

Four ASB check stubs and its supporting documentation totaling \$1,342.22 are missing.

Recommendation #3:

We require that the principal institute practices to assure that all ASB checks have supporting documentation such as invoices and receipts kept on file per district requirements and audit purposes.

Response #3:

The current Principal has instituted practices to assure that all ASB checks have supporting documentation such as invoices and receipts kept on file per district requirements and audit purposes.

Finding #4:

Two ASB checks totaling \$250.00 were issued without supporting documentation.

Recommendation #4:

We require that the principal institute practices to assure that all ASB checks have supporting documentation such as invoices and receipts be kept on file per district requirements and audit purposes.

Response #4:

The current Principal has instituted practices to assure that all ASB checks have supporting documentation such as invoices and receipts on file per district requirements and audit purposes.

Finding #5:

The proceeds from a fundraiser totaling \$873.00 were not deposited in the financial office.

Recommendation #5:

We require that the principal institute methods assuring all collections must be deposited intact in the financial office and all payments paid by an ASB check.

Response #5:

The current Principal has instituted methods assuring all collections are deposited intact in the financial office and all payments are paid by an ASB check.

Finding #6:

The ASB requisitions were not completed for expenditures totaling \$10,427.84 charged to the Principal's Fund.

Recommendation #6:

To comply with administrative procedure, student body requisitions should be completed before issuing an ASB check.

Response #6:

The current Principal has instituted practices to comply with administrative procedure ensuring student body requisitions are completed prior to issuing an ASB check.

Finding #7:

The ASB requisitions for expenditures totaling \$1,601.40 were not signed by the student representative.

Recommendation #7:

To comply with Administrative Procedure and Education Code, approval of the representative of the student body organization, the ASB advisor or club sponsor, and the principal is required before issuing an ASB check.

The principal, having responsibility for the ASB, institutes a process that assures compliance to this Education Code and Administrative Procedure.

Response #7:

The current Principal has instituted practices in compliance with Administrative Procedure and Education Code requiring the representative of the student body organization, the ASB advisor or club sponsor, and principal to approve requisitions prior to issuing an ASB check.

The current Principal has instituted a process that assures compliance to this Education Code and Administrative Procedure.

Finding #8:

The ASB consultant form was not completed for the payment of services.

Recommendation #8:

The ASB Consultant Form must be completed by any individual who is not an employee of the district but hired by the school to perform services on behalf of the students.

Response #8:

The current Principal has instituted practices to ensure the ASB Consultant Form is completed by an individual who is not an employee of the district but hired by the school to perform services on behalf of the students.

Conclusion Response:

Since Interim appointment in October 2013 and permanent appointment in December 2013, practices have been instituted by the current Principal to ensure compliance with Administrative Procedures and Education Code.

Payroll Time and Labor Audit

Finding #1:

Absences of several employees totaling 56 hours were not recorded in the Time and Labor system.

Recommendation #1:

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.

Response #1:

The timekeeper submitted Time Error Correction Notices to payroll on April 30, 2014 to make corrections identified by the auditor.

The current Principal has instituted practices to assure the accuracy and completeness of payroll records and data prior to processing and reporting payroll.

Finding #2:

Supporting documentation for absences of several employees totaling 224 hours were missing. As a result the propriety of the absences could not be determined.

Recommendation #2:

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.

Response #2:

The current Principal has instituted practices requiring responsible staff to complete an absence request form and that the timekeeper ensures all absence requests' supporting documentation are kept on file.

The current Principal has instituted practices to assure the accuracy and completeness of payroll records and data prior to processing and reporting payroll.

Finding #3:

An employee submitted "Bereavement Leave" form without explanation and comments such as relationship to the employee and location of the funeral.

Recommendation #3:

We require the bereavement leave form submitted by employees adhere to district requirement and indicate the relationship of the employee to the deceased and the location of the funeral.

Response #3:

The current Principal has instituted practices requiring the bereavement forms submitted by employees adhere to the district requirement indicating the relationship of the employee to the deceased and the location of the funeral.

Conclusion Response:

Since Interim appointment in October 2013 and permanent appointment in December 2013, practices were instituted by the current Principal to ensure compliance with Administrative Procedures and Education Code.