



TO: Gilbert Gutierrez, Area Superintendent
FROM: W. Stephen Carr, Director, Office of Internal Audit *WSC*
DATE: May 15, 2012
RE: San Diego High School Complex, Time and Labor Audit

Jaime Buensuceso, Operations Auditor, and Ines G. Abitria, Operations Auditor, have completed the attached audit review of the San Diego High School Educational Complex. The audit report contains information regarding the scope, the audit findings and recommendations.

Enclosed is a copy of the audit report and the principal's response. In this report, the principal responded to multiple audits, the response to this audit begins on the third page.

The Office of Internal Audit takes a necessary action to respond to statements in the principal's response to the audit report findings.

- 1) In the absence of a job description, in the role of principal overseeing athletics..

SDUSD has a singular job description for principal that applies to all principal positions and states the duties to be performed by all in this position.

- 2) The organization chart for the Small Schools at SDHS (Attachment 1) shows the alignment of Athletics under this principal and, reporting to him, the assignment of an Athletic Director with duties specified as Extended Day Units, Timecards and other like duties. Attachment 2 also shows the principal listed as Principal in charge of Athletics.

Based on the job description for principal and SDHS's organization chart showing the principal's assigned duties, the Office of Internal Audit holds to this principal having responsibility and accountability for the findings in this report.

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

- c. Members, Board of Education
 - W. Kowba
 - N. Meyer
 - L. Schoenke
 - B. Rhinerson

e-mail report: Members, Audit committee
M. Hudson

**San Diego High Educational Complex
2010-2011**

School of Communication	LEADS School	MVP Arts	International Studies	Science and Technology	School of Business
TV Studio / Cover Connection Complex Enrollmt. Clerk PE Dept. Complex Library and Staff Yearbook Scholarships: <ul style="list-style-type: none"> • Optimist Club • Scottish Rite 	ASB Advisor 21 st Century Champions Cheer Clubs Complex PD Registrar ROTC Extended Day Alumni Foundation Special Education (Cordero) Cluster Support Teacher (CST) (Cordero) School Psychologists (Cordero) Transportation (SpEd)	Facilities: Rental Williams Settlement New Arrival Center (NAC) Complex Band School Safety Disaster Preparedness Interagency Committee School Police Campus Security Parking PBIS (Cordero)	Athletics Transportation (Magnet) Custodial Operations Senior Activities: <ul style="list-style-type: none"> • Senior Advisor • Breakfast • Lunch • Cap Gown • Graduation • Graduation Coach 	Articulation with Memorial and Roosevelt MS Complex Nurse(s) ROP/CTE Chemical Hygiene Officer (HAZMAT) GEAR UP Journalism (<i>The Rust</i>) PBIS PIQE Testing Summer School 10-11	Technology <ul style="list-style-type: none"> • Zangle • Web • Voice Mail • Shared Calendars • Complex Web Food Services Community Outreach: <ul style="list-style-type: none"> • Rotary Club • Price Scholars Construction <ul style="list-style-type: none"> • Prop S • Prop 1D • ORG Building
Staff Supervision: Librarian: Library Calendar	Financial Clerk: Complex Budgets (Athletics, custodial supplies, etc.)	English Learner Support Teacher (ELST)	POS: Facilities: Plant Operations (Work orders, etc.) Athletic Director: Extended Day Units Coaches (hiring, packets, and timecards) Buses for Athletic Events Rental of Athletic Facilities Saint Augustine's Use Athletics Calendar Keys	CST Special Education Department	Network Systems Tech

Attachment 1

2) IMPORTANT CONTACT INFORMATION LIST

This sheet includes the numbers for the sports administration that you may contact when you have an emergency issue that needs to be dealt with immediately. This list includes private numbers that are for the Coach's knowledge only and should be kept confidential. *These numbers are not to be given out to the players, parents or the general public.*

Name	Title	Primary Number	Secondary Number
[REDACTED]	Principal in charge of Athletics	[REDACTED]	[REDACTED]
[REDACTED]	Athletic Director	[REDACTED]	[REDACTED]
[REDACTED]	Asst. Athletic Director/Finance	[REDACTED]	[REDACTED]
[REDACTED]	ASB Advisor	[REDACTED]	[REDACTED]

If none of the sports administration team can be contacted and there is any emergency issues please contact school police. We have also listed other contact information for you. If there is ever a problem with a Scoreboard or Scoreboard Controller please contact the AD but if he is unavailable you may try Tom (from the district). Also, we have included the Plant Operations Specialist (he is the head of custodial as well) for SDHS, Rodney Thomas.

Name	Title	Primary Number	Secondary Number
School Police	City Schools	[REDACTED]	N/A
[REDACTED]	City Schools Scoreboard	[REDACTED]	N/A
[REDACTED]	POS (Head Custodial)	[REDACTED]	N/A
[REDACTED]	SDHS Night Custodial Head	[REDACTED]	N/A

EMAIL ADDRESSES:

Name	Title	EMAIL
[REDACTED]	Principal In Charge of Athletics	[REDACTED]
[REDACTED]	Athletic Director	[REDACTED]
[REDACTED]	Asst. AD/Financial Clerk	[REDACTED]
[REDACTED]	ASB Advisor	[REDACTED]
[REDACTED]	POS	[REDACTED]
[REDACTED]	SDHS Night Custodial Head	[REDACTED]
[REDACTED]	Website Designer	[REDACTED]

OTHER IMPORTANT CONTACT INFORMATION:

CIF: [REDACTED] [REDACTED]
 [REDACTED] (helpful CIF secretary, [REDACTED])

SDUSD: www.sandi.net/athletics/ (San Diego Unified School District)
 (Shows District and League Information, including schedules)

[REDACTED] [REDACTED]
 SDUSD Advocate/Head of PE and Athletics for SDUSD
 [REDACTED]

Union Tribune: sports@uniontrib.com 619-293-1341 [REDACTED]
 [REDACTED]

Max Preps: www.maxpreps.com (send rosters, scores, and stats to them)



Payroll Time and Labor Audit Report

San Diego High Educational Complex

February 24, 2012

Introduction

The Office of Internal Audit conducted an audit of the payroll time and labor at San Diego High Educational Complex for the period July 1, 2010 through June 30, 2011, at the request of the new Principal of Operations who started 08/08/2011 and the Area 6 Superintendent.

The review included an examination of PeopleSoft time and labor computer records and payroll documentation maintained at the school site pertaining to Extended-Day Assignments and Coaching Assignments.

Extended-day payments are made by the district to regular contract and substitute teachers who are given responsibility for supervision or direction of student activities involving a degree of service and responsibility beyond the range of normal teaching responsibilities as measured by an extended-day classification plan, and to limited assignment teachers supervising athletic activities of students.

Coaching assignments are given to any person (Walk-on Coach) employed to coach and supervise athletic teams who is not a full-time certificated teacher in the district.

California Code of Regulations, Title 5, Section 5590 provides that under certain conditions the Board of Education may employ a noncertificated person to coach and supervise athletic teams in no credit physical education programs and extracurricular activities. Non certificated coaches shall have no authority to give grades to students.

Administrative staff established assignments and the San Diego High Educational Complex 2010-2011 organization has a designated position for a principal of athletics identifying a specific principal and not listing anyone else as having this responsibility. Various documents reference this position, Principal in Charge of Athletics.

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, 2010 through June 30, 2011.

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 determine that extended-day assignments and coaching assignments are authorized and properly documented.

Audit Findings Summary

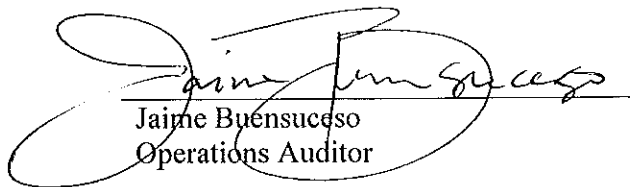
1. All extended-day payments entered by the timekeeper for school year 2010-2011 totaling \$125,626.44 for several employees lacked written approval or certification from the principal for services rendered by the employees.
2. The timekeeper entered 3 units of extended-day payments for himself totaling \$2,721.16, for additional assignment that he did not actually perform.
3. The timekeeper entered one (1) unit of extended-day payments to a teacher totaling \$907.05 for an additional assignment that the teacher did not actually perform.
4. The timekeeper unofficially approved/certified 14.5 units of extended-day payments totaling \$13,152.05 to six (6) employees.
5. Extended-day units totaling \$11,111.38 were given to several employees although there was no allocated extended unit for each of these assignments.
6. The extended-day units, paid to several employees totaling \$9,750.81, exceeded the number of units allocated to each assignment.
7. The financial clerk, a classified employee, served as a Freshman Club advisor.
8. The timecards for extended-day payments were not filled out completely.
9. The "Audit Paid to Reported Time" reports for the period July 1, 2010 through June 30, 2011 reports were not printed and signed by the principal documenting review and approval of the payrolls that processed.

Conclusion

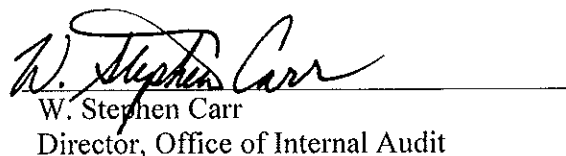
Our review of the time and labor at San Diego High Educational Complex disclosed a need to improve compliance with prescribed policies and procedures to ensure that financial and operational activities relating to payroll time and labor are properly accounted for and controlled. The principal at the time of this audit had not implemented practices to adequately govern and control this payroll process. The required accountability was not exercised. Extended-day assignments and coaching assignments entered into the payroll time and labor must be properly supported and authorized to protect district's assets.

The principal is responsible for certifying each payroll and must adequately supervise the time and labor operations of the school. Internal controls that include appropriate reviews and approvals of timecard transactions must be implemented immediately. The monthly payroll reports must be printed and submitted to the principal for review and signature in order to verify that the time and labor entries are accurate. The principal must ensure that 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.



Jaime Buensuceso
Operations Auditor



W. Stephen Carr
Director, Office of Internal Audit

Audit Findings and Recommendation

1. All extended-day payments entered by the timekeeper for school year 2010/2011 totaling \$125,626.44 for several employees lacked written approval or certification from the principal for services rendered by the employees.

For school year 2010/2011, the timekeeper entered extended-day payments totaling \$125,626.44 for several employees without written approval or certification from the principal for services rendered by the employees.

As a result, there was no reasonable assurance that the extended-day payments are accurate, and there was an increase risk that employees may have been paid for extended-day assignments that they did not actually work.

The above conditions occurred because the principal did not require the employees to have their timecards approved/certified by the principal before entering the extended-day payments in Time and Labor. The timekeeper explained that the allocated units for extended-day payments for coaches were verbally approved by the athletic director and the principal in charge of Athletics.

District procedure no. 7232, states, "Since time required to complete extended-day assignments varies, extended-day payments are made only when a principal certifies actual completion of an assignment."

This absence of documentation coupled with the then principal's non-performance of the required review of payroll processing (see finding #9) increases the risk for improper payments occurring and not being detected. Performing the required review of payroll processing would have detected the incomplete timecards.

Recommendation:

We require the principal to certify completion of assignments on extended-day pay timecards before processing payments.

The principal is to comply with the requirement to review and sign as having reviewed, the Audit To Paid Time Report.

2. The timekeeper entered 3 units of extended-day payments for himself totaling \$2,721.16, for additional assignment that he did not actually perform.

The timekeeper paid himself a total amount of \$2,721.16 for 3 extended day units for unauthorized additional assignments that he did not actually perform, as follows.

Date paid	No. of units	Additional Assignment	Amount
5/18/2011	1.0	Athletic Assistant	907.05
5/18/2011	1.0	Freshman Club Advisor	907.05
1/28/2011	.5	Assistant Athletic Director	453.53
5/17/2011	.5	Announcer	453.53
		Total	2,721.16

Recommendation:

Intervention against a staff member is required. Following District Procedure 7570 D.1., the principal, as manager of the staff in this instance, is required to take action appropriate to this audit finding in accordance with assigned managerial duties. The Human Resources Department and the Legal Services Office are available for support when proceeding with an appropriate course of action.

To improve internal controls, we require that payable time such as overtime, extra time, and extended-day payments to an employee must not be entered in the time and labor by that employee.

3. The timekeeper entered one (1) unit of extended-day payments to a teacher totaling \$907.05 for an additional assignment that the teacher did not actually perform.

The timekeeper paid a teacher on 4/20/2011 a total amount of \$907.05 for one (1) extended day unit. The payment was for an unauthorized additional assignment as scorekeeper, this function was not performed.

Recommendation:

We recommend that site administration take action according to the Collective Negotiations Contract relative to article 34 relative to the teacher receipt of unearned earnings.

4. The timekeeper unofficially approved/certified 14.5 units of extended-day payments, totaling \$13,152.05, paid to six (6) employees.

Instead of the principal, the timekeeper approved/certified the timecards for 14.5 units of extended-day payments to six (6) employees totaling \$13,152.05. He was also the one who entered the payroll data in the system, as follows.

Assignment Title	No. of units	Amount
Girls Basketball Coach/Scorekeeper	5.50	4,988.78
Girls Soccer Coach	3.50	3,174.68
Varsity Football Head Coach	2.00	1,814.10
Girls Soccer Coach	1.50	1,360.58
Cheer Coach	1.50	1,360.58
Cheer Coach Assistant	.50	453.53
Total	14.50	13,152.25

District procedure no. 7232, states, “Since time required to complete extended-day assignments varies, extended-day payments are made only when a principal certifies actual completion of an assignment.”

Due to lack of appropriate approval and absence of checks and balances, there was no reasonable assurance that the extended-day payments made to the above employees are accurate, and there was an increase risk that employees may have been paid for extended-day assignments that they did not work.

Recommendation:

We require that the principal, the authorized approver, certify completion of assignments on extended-day pay time cards before processing payments.

5. Extended-day units totaling \$11,111.38 were given to several employees although there was no allocated extended unit for each of these assignments.

Each school site is allocated a number of units per assignment for nonathletic activities. These units are to be based on a schedule of appropriate categories stated in district procedure no. 7233.

Comparison of the extended-day units paid to several employees with the schedule of extended-day units and unit allotments for senior high school stated in district procedure no. 7233 revealed that there were no allocated units for the following paid extended-day assignments.

Assignment	Paid Units	Allocated Units	Over	Amount
ASB Concessions (2)	2.5	0.0	2.5	2,267.63
Frosh Volleyball Coach (2)	2.75	0.0	2.75	2,494.39
Scorekeeper & Announcer	1.0	0.0	1.0	907.05
Athletic Director & Coaching	2.0	0.0	2.0	1,814.10
Scorekeeper	1.0	0.0	1.0	907.05
Athletic Assistant	1.0	0.0	1.0	907.05
Freshman Club Advisor	1.0	0.0	1.0	907.05
Announcer	0.5	0.0	0.5	453.53
Assistant Athletic Director	0.5	0.0	0.5	453.53
Total				11,111.38

As a result, the site paid \$11,111.38 for the above assignments that are not included in the allocations for authorized nonathletic activities.

Recommendation:

We require that the principal adhere to district requirement.

We require that unallocated extended day assignments must not be paid.

6. The extended-day units, paid to several employees totaling \$9,750.81, exceeded the number of units allocated to each assignment.

Each school site is allocated a number of units per assignment for athletic activities. These units are to be based on a schedule of appropriate categories stated in district procedure no. 7233.

Comparison of the extended-day units paid to several employees with the schedule of extended-day units and unit allotments for senior high school stated in district procedure no. 7233 revealed that paid units exceeded the allocated units, as follows.

Assignment	Paid Units	Allocated Units	Over	Amount
Football Head Coach	8.0	5.0	3.0	2,721.15
Basketball Coach, Boys	6.0	4.0	2.0	1,814.10
Volleyball Coach, Boys	4.75	3.0	1.75	1,587.34
Track Head Coach	5.5	4.0	1.5	1,360.58
Baseball Head Coach	4.0	3.0	1.0	907.05
Basketball Coach, Girls	4.5	4.0	0.5	453.53
Soccer Head Coach, Girls	3.5	3.0	0.5	453.53
Softball Head Coach	3.5	3.0	0.5	453.53
Total				9,750.81

The above conditions occurred because the coaches decided the number of units each individual coach would get rather than based on the schedule of appropriate categories stated in district procedure no. 7233.

As a result, the district overpaid the above employees in the amount of \$9,750.81.

Recommendation:

We require that extended-day unit assignments shall be limited to extended-day units and unit allotments stated in district procedure no. 7233.

We require that administration take appropriate action with Human Resources to determine whether these expenses are collectible as overpayments.

We require that the principal effect payroll processes that comply with district policy and procedure to control and regulate the use of extended day unit assignment.

7. The financial clerk, a classified employee, served as a Freshman Club advisor.

The financial clerk, a classified employee, was paid one (1) unit of additional assignment in the amount of \$907.05 to act as a Freshman Club advisor.

District procedure no. 6240, section C.2.d. states "Faculty Advisor: A certificated member of the school faculty who supervises and is responsible for the school club activities."

Recommendation:

We require that the school club advisor be a certificated member of the faculty.

8. The timecards for extended-day payments were not filled out completely.

Thirty-six out of seventy-two (50%) of the timecards for extended-day assignments did not indicate the length of the assignment, such as one season, six months, or one year.

As a result, there might be assignments that overlapped and would result in an increase risk of overpayment.

Recommendation:

We require that the principal have the period of assignments be indicated in the timecards.

9. The "Audit Paid to Reported Time" reports for the period July 1, 2010 through June 30, 2011 reports were not printed and signed by the principal documenting review and approval of the payroll that processed.

The monthly and hourly payroll reports must be printed and submitted to the principal for review and signature in order to verify and have the principal certify that the time and labor entries are accurate. Our audit revealed that all "Audit Paid to Reported Time" reports were not printed by the school and were not signed by the principal certifying that the processed payroll reflected time actually worked and accrued.

Due to lack of appropriate written approval that authorized and validated the work performed, there was an increased risk in loss of funds because employees may have been paid for time that they did not work.

Recommendation:

The "Audit Paid to Reported Time" reports must be printed for each payroll cycle and submitted to the principal for review and signature. The principal is responsible for certifying each payroll.

To: Gilbert Gutierrez
From: Kirk Ankeney
Date: 25 April 2012
RE: Response to Audit Reports

Audit Findings Summaries and Responses

I. P-Card (International Studies)

1. The cardholder split a purchase totaling \$1,080.00 in violation of the Purchase Card Policy and Procedure.
2. The cardholder paid membership dues using the purchase card in violation of the Purchase Card Policy and Procedure.

Response (International Studies)

- The above occurred due to human error.
- The cardholder and the approving official have reviewed the Purchase Card Policy and Procedure and will strictly adhere to district policy and procedures.

II. Payroll Time and Labor (International Studies)

1. Eleven employees submitted additional hourly timecards totaling 35.00 hours that are within the normal teaching days and accordingly since part of regular service contract, result in overpayments of \$1,094.55.

Response

- The timekeeper and the school administrator were unaware of the conflict with 21st Century grant hours and normal teaching hours.
- The principal required the timekeeper to make the corrections by submitting Time Error Correction Notices to Payroll.
- The principal instituted practices for timecard review to assure processing only allowable time.

2. Five employees submitted timecards with overlapping hours resulting in a total overpayment of \$571.58.

Response

- The above was a result of human error.
- The principal met with the timekeeper to review district requirements and directed her to make required corrections by submitting Time Error Correction Notices to payroll.

3. The principal authorized the misuse of district assets by paying a Pupil Advocate 20 hours amounting to \$668.59 for time that she did not actually work—to reimburse for expenditures incurred in attending two conferences.

Response

- The principal was new to the position and unfamiliar with this policy until informed after the fact by a colleague. He began PeopleSoft for Administrators/ Time & Audit training (on 15 March 2012, interrupted by district-wide server crash), and is registered to complete the course on 10 May 2012. The principal will strictly adhere to payroll policy and procedure and processing of travel according to district requirements.

4. Eleven employees absences totaling 86.00 hours were not recorded in the Time and Labor

system.

Response

- The principal required the timekeeper to make the corrections by submitting Time Error Correction Notices to Payroll.
- The timekeeper will review the accuracy and completeness of payroll records and data, prior to processing and reporting of payroll.

5. Classified staff, lacking management authority, signed as the approver for a timecard for 1.5 units and \$1,360.58 in payment. The signing staff member also input the data into the time and labor system.

Response

- Neither the principal nor the timekeeper at the school were aware of this activity. No documents were submitted for approval, no authorization of any sort was sought or given, and it was not detected on the monthly Audit Paid to Reported Time report signed by the principal.
- The timekeeper will review the accuracy and completeness of payroll records and data, prior to processing and reporting of payroll. Timekeeper and administrator will closely analyze monthly Audit Paid to Reported Time reports.
- Administrator attended PeopleSoft for Administrators/Time & Audit training on 15 March 2012 (interrupted by district-wide server crash), and is registered to complete the course on 10 May 2012.

6. Timekeepers, without the timecards having an authorized signature, posted 53 hours of additional pay and 5 Extended Day Units (Walk on Coach) that totaled \$6,486.77 to Time and Labor.

Response

- The timekeeper at the school cited human error in neglecting to obtain principal's signature authorizing hours in three of the instances noted in the finding.
- The additional activity in this finding was conducted by a timekeeper from another site, who neither sought nor received authorization for the timecards.
- The timekeeper will review the accuracy and completeness of payroll records and data, prior to processing and reporting of payroll. Timekeeper and administrator will closely analyze monthly Audit Paid to Reported Time reports.

7. Timecards need to support 27.50 hours paid totaling \$872.46 were missing and prevent a determination that the payments were allowable, valid and properly authorized.

Response

- The timekeeper cited human error in regard to this finding. The principal will require responsible staff to complete a timecard and timekeeper to ensure that proper supporting documentation is on file when processing time and labor.
- The timekeeper will review the accuracy and completeness of payroll records and data, prior to processing and reporting of payroll. Timekeeper and administrator will closely analyze monthly Audit Paid to Reported Time reports.

8. Supporting documentation for 401 benefit absence request forms totaling 2,893.61 hours were missing, hence authorized request and subsequent authorization cannot be determined.

Response

- Human error was cited pertaining to the above.

- The principal will continue to require responsible staff to complete an absence request form, and ensure that the timekeeper maintain all absence requests supporting documentation on file.
- The timekeeper will review the accuracy and completeness of payroll records and data prior to processing and reporting of payroll.

9. Errors in proper completion of timecards were noted on 141 instances. Errors including missing time in, time out, date, timekeeper's signature and attendance sheet.

Response

- Human error was cited pertaining to the above.
- Site practices to assure the completeness of payroll records and data, prior to processing and reporting payroll, have been reviewed by the timekeeper and administrator.
- Administrator attended PeopleSoft for Administrators/Time & Audit training on 15 March 2012 (interrupted by district-wide server crash), and is registered to complete the course on 10 May 2012. The principal will strictly adhere to district Payroll and Time and Labor policies and procedures.

III. Payroll Time and Labor (San Diego High Educational Complex)

1. All extended-day payments entered by the timekeeper for school year 2010/2011 totaling \$125,626.44 for several employees lacked written approval or certification from the principal for services rendered by the employees.

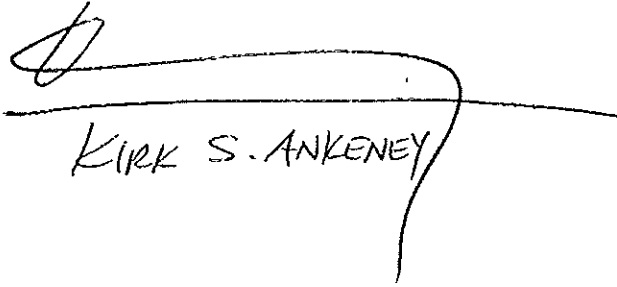
Response

- In the absence of a job description, in my role as principal overseeing athletics for the SDHEC I provided logistical support to the athletics program by arranging supervision schedules, attending athletic events, monitoring student eligibility, attending district Athletic Council meetings, participating in CIF hearings, meeting with parents, and facilitating student releases from class to participate in athletic events.
- Budget for athletics was not assigned to my school's cost center. Therefore, payroll, processing, and time and labor associated with athletics was beyond my scope of authority. I did not have access to other cost centers, and activity in this realm did not appear in my Audit Paid to Reported Time reports for the period July 1, 2010 through June 30, 2011.
- I did not approve—either verbally or in writing—the timecards or extended-day payments during the 2010/2011 school year that are referenced in this finding. These timecards were not submitted to me for authorization, and in any event I had no authority to do so.
- Neither the timekeeper, financial clerk, nor athletic director involved in this finding were assigned to my cost center. I was neither the supervisor nor evaluator of any of these individuals.
- One timecard, for a single extended-day unit for the athletic director, was submitted and approved through my cost center in May 2011, per the request of Bruce Ward.

9. The Audit Paid to Reported Time reports for the period July 1, 2010 through June 30, 2011 reports were not printed and signed by the principal documenting review and approval of the payroll that processed.

Response

- The activity referenced in the findings above does not appear in Audit Paid to Reported Time reports for my school because they were beyond my scope of authority.
- Audit Paid to Reported Time reports for the period July 1, 2010 through June 30, 2011 for my school were printed and signed documenting review and approval of the payroll that processed in my cost center. These documents are on file.


KIRK S. ANKENY

14 May 2012