



Office of Internal Compliance (OIC)

***Audit Committee Meeting
October 15, 2020
2:00 PM***

Presented By: Connie Brown
Executive Director – Office of Internal Compliance

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Audit Report Discussions

Bus Operator Pay Review (Internal)

Background – District Pay Guidelines



To prevent the spread of COVID-19, the District closed schools beginning March 16, 2020. In a series of memorandums from the Superintendent, the following pay details were disclosed to all District employees:

Memorandum Date	Pay
March 12, 2020	<u>Pay and Timekeeping</u> Full-time employees will be compensated normally for their time. Affected bus drivers will be paid their base rate of pay during the time of closure.
April 3, 2020	<u>Hero Pay for Essential Employees</u> Pay rate of time and a half for all hours worked in person beginning April 13 for designated employees working on site.

Background – Level II Grievances



33 Bus Operators filed Level II Grievances with the District related to pay concerns on June 30, 2020.

Grievance concerns focused on:

- Time being removed from Kronos (Timekeeping system)
- Not being paid for time worked

Grievance Resolution

- OIC was asked to review Bus Operator's pay records to confirm accuracy.

Objective/Scope/Methodology



Objective

Confirm gross pay calculation accuracy for the Bus Operators.

Scope

March 16, 2020 through May 31, 2020.

Methodology

OIC selected 9 of the 33 Bus Operators' (27%) pay to review for three different pay cycles.

Results/Conclusion

Based upon the recalculations in the sample, the selected Bus Operators appear to have received their correct gross pay. However, potential time reporting discrepancies were noted during the review:

- Some of the timecards contained time code errors.
- The process of paying employees for Hero pay was partially performed outside of the timekeeping system. An excel spreadsheet format was used district wide to process Hero pay. Errors occurred with the completion of some Transportation Hero pay spreadsheets which resulted in some Bus Operators being over or under paid during a pay cycle.
- Some Bus Operators signed in to work via manual log sheets instead of using the timekeeping system.

Conclusion



Bus Operators' gross pay appears to be calculated accurately and in accordance with the District's pay guidelines outlined in the Superintendent's Memorandums. However, due to the noted timecard discrepancies and potential Hero pay spreadsheet errors, OIC recommends the following:

Recommendations

Recommendation #1	Manager's Corrective Action Plan
<p>Recalculate the gross pay amounts for each Bus Operator who participated in the food distribution process for the period dated March 16, 2020 through July 31, 2020. Identify a communication strategy for sharing results of the review with involved parties.</p>	<p>Rausch Advisory Services has been engaged to review payroll records for each Bus Operator involved in the Food Distribution process. An exception report will be generated to include any discrepancies against payroll and a detailed explanation per employee. Based on the results of the review, the Payroll Department will process any required corrective actions (i.e. overpayments/underpayments). The review is expected to be completed within a 3 to 4 week timeframe.</p> <p>Implementation Date: September 22, 2020</p> <p>Person Responsible for Implementation: Superintendent, Dr. Lisa Herring Lisa Bracken, CFO</p>

Recommendations

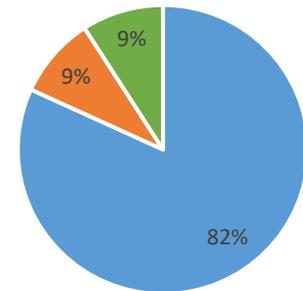
Recommendation #2	Manager's Corrective Action Plan
<p>Reconfigure and/or enhance the current employee pay stub to more accurately reflect the time an employee works in each pay cycle.</p>	<p>The paystub project has been a district initiative since May 2019. However, our Lawson implementation team has been working through several system upgrades (including a major migration to the Infor cloud platform last November 2019). The technology team has also had to shift focus to providing support for teleschooling and teleworking efforts in response to COVID-19, which has caused additional delays.</p> <p>The paystub enhancement has been reprioritized to begin in October 2020 and is estimated to be completed by the end of January 2021.</p> <p>Implementation Date: January 30, 2021</p> <p>Person Responsible for Implementation: Lisa Bracken – CFO, working with Olufemi Aina – Executive Director, Information Technology</p>

SY2021 Audit Plan Update

SY2021 Audit Plan Update

Project Name	Status 10/15/2020
SY20 Carry Over Audits	
Transportation - Parts vendor oversight	Not Started
Payroll Audit	In Process
Lawson ERP Upgrade Implementation Review	Completed
Follow Up - Open Recommendations	Not Started
Miscellaneous Cash Activity Account Funds (MCAAF) Audits	
School 1*	Not Started
School 2*	Not Started
School 3*	Not Started
School 4*	Not Started
School 5*	Not Started
SY2021 Audit Projects	
P-Card Continuous Auditing	Not Started
Grant Compliance/Management Program Review	Not Started
Recurring Projects	
Investigations	Ongoing
Special Projects	Ongoing

Audit Plan Status
10/15/2020



■ Not Started ■ In Process ■ Completed

*Dependent on District reopening plans and availability of staff and documentation.

SY2021 Audit Plan Update



Project Name	Budget Hours	Actual Hours	Variance Over (Under)	Comments
SY20 Carry Over Audits				
Transportation - Parts vendor oversight	400		(400.00)	
Payroll Audit	300		(300.00)	
Lawson ERP Upgrade Implementation Review	390	342.5	(47.50)	
Follow Up - Open Recommendations	400			
Miscellaneous Cash Activity Account Funds (MCAAF) Audits				
School 1*	80		(80.00)	
School 2*	80		(80.00)	
School 3*	80		(80.00)	
School 4*	80		(80.00)	
School 5*	80		(80.00)	
SY2021 Audit Projects				
P-Card Continuous Auditing	100		(100.00)	
Grant Compliance/Management Program Review	400		(400.00)	
Recurring Projects				
Investigations	400		(400.00)	
Special Projects	400		(400.00)	

*Dependent on District reopening plans and availability of staff and documentation.

Administrative Updates

Personnel Additions/Changes

Director, Internal Compliance



Petrina Bloodworth, MPA, CFE, CIA, CRMA (she-her-hers)

Petrina is an Internal Audit Leader and Subject Matter Expert with over 17 years of experience helping clients improve business operations, as well as build more efficient and effective audit shops. Experiences include Big 4 public accounting, radio broadcasting & media, retail, manufacturing, financial services, government and education. Skilled at executing Sarbanes-Oxley 404 and Green Book readiness & compliance, financial, general information system controls, operational and regulatory compliance audits, risk assessments, business process evaluation and design, risk management and fraud investigations. Diverse background in consulting, private industry, publicly traded companies, and government.

Lead Internal Auditor - Vacancy (effective 9/15/2020)

Administrative Updates

Internal Audit Activity Charter

Administrative Updates

Community Advisory Search

Questions

