


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

June 27, 2019

MEMORANDUM

To: Mrs. Brandice C. Heckert, Principal  
Winston Churchill High School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Payroll for the Period  
July 1, 2018, through May 31, 2019

Payroll audits are conducted to evaluate compliance with Board of Education policies, MCPS regulations, and procedures, as well as to assess the effectiveness of existing controls for approval of employee absences and the accuracy of time and attendance reporting. A payroll audit does not review every transaction, but seeks to provide reasonable assurance that there is compliance with policies, regulations, and procedures, and that any significant errors or omissions in the payroll records are detected. The auditors selected four biweekly payroll periods falling within the audit period to examine employee timesheets, attendance reports, leave requests, and other related payroll documents.

For each of the four pay periods selected, the auditors examined all of the Payroll Attendance Collection System (PACS) timesheets (MCPS Form 430-70: *PACS Timesheet*) for required signatures. In addition, the auditors compared MCPS Form 430-17: *PACS Timesheet Short-Term Substitute Teachers and Staff Development Substitute Teachers*, and MCPS Substitute Employee Management System's automated substitute teacher assignment report to the professional staff MCPS Form 430-70 to determine if leave was reported. The auditors selected five employees in each pay period to review their records in detail. Their timesheets and leave requests (MCPS Form 430-70, MCPS Form 430-1, *Leave Request (Requiring ERSC Authorization)*, and MCPS Form 430-1A, *Leave Request (Not Requiring ERSC Authorization)*) were compared to the PACS Form MM 631, *Attendance Approval Report*, for evidence of adequate control over the approval and reporting of leave.

At our meeting on June 21, 2019, with you; Ms. Lisa L. Wellek, school business administrator; Mrs. Lynn M. Besch, school financial specialist; and Mrs. Stephanie K. Burroughs, school administrative secretary, we reviewed the status of the conditions described in this audit report that were disclosed during our audit of payroll records conducted at your school on May 9, 2019. This audit report presents the findings and recommendations resulting from our examination of the payroll records for your school for the period designated above.

Findings and Recommendations

For the four pay periods selected, the corresponding information was obtained from the MCPS Substitute Employee Management System (SEMS) to compare with professional and supporting services timesheets and substitute timesheets. We found several instances in which staff members were absent from the school for all or part of the day without these absences being accurately recorded in PACS. It is critical that the SEMS report for each pay period be compared to individual leave requests and timesheets as well as other records of staff absences to ensure payroll procedural compliance. We noted some staff members were requesting sick leave in advance with no explanations and at times it appears the employees had used all of their available personal leave. Many timesheets were improperly completed or were missing information. It is imperative that all staff members prepare their MCPS timesheets to indicate hours worked and leave taken for each day, including the daily and biweekly hourly totals, to reduce the potential for input errors by the timekeeper. Certification that attendance data has been correctly reported on timesheets and accurately entered by the timekeeper into PACS is an important internal control process. We recommend that staff accurately report time and attendance and that you review and sign all timesheets and leave requests (refer to *MCPS Financial Manual*, chapter 13, pp. 1 and 5). A list of payroll discrepancies noted, and their potential corrections, were provided to you and your timekeepers at our May 21, 2019 meeting.

Summary of Recommendations

- Time and attendance must be accurately reported.
- Principal or direct supervisor must ensure validity and accuracy of the payroll.
- The list of payroll discrepancies must be reviewed for potential corrective action.

We appreciate the cooperation and assistance of you and your staff, especially that of Mrs. Burroughs. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, please provide a response to the Internal Audit office with documentation of corrective actions taken, within 30 calendar days of this report, with a copy to Dr. Peter O. Moran, director of learning, achievement, and administration, Office of School Support and Improvement. In your response, please share a detailed plan for addressing these issues including appropriate staff training and support. The Office of School Support and Improvement will follow up on this audit.

RWP:MJB:Ish

## Attachment

## Copy to:

Members of the Board of Education  
 Dr. Smith  
 Dr. Navarro  
 Dr. Statham  
 Dr. Zuckerman

Mr. Civin  
 Dr. Johnson  
 Mrs. Dyson  
 Mrs. Camp  
 Mrs. Chen

Ms. Diamond  
 Ms. Klein  
 Dr. Moran  
 Mr. Tallur  
 Ms. Webb

## FINANCIAL MANAGEMENT ACTION PLAN

<b>Report Date:</b> 7/1/18-5/31/19	<b>Fiscal Year:</b> 7/1/18-5/31/19
<b>School:</b> Winston Churchill HS - 602	<b>Principal:</b> Brandi Heckert
<b>OSSI Associate Superintendent:</b> Cheryl Dyson	<b>OSSI Director:</b> Peter Moran
<p><b>Strategic Improvement Focus:</b>          As noted in the financial audit for the period <u>7/1/18-5/31/19</u>, strategic improvements are required in the following business processes :</p> <p>The accuracy and validity of the WCHS payroll.</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Time and attendance must be accurately reported.	Stephanie Burroughs-Professional Staff Kelly Weigand-SEIU Staff	None	Review, bi-weekly	Brandi Heckert, Professional Staff Lisa Wellek, SEIU Staff	Time and attendance will be reported accurately
Pre-service meeting with staff to instruct proper procedures	Brandi Heckert and Lisa Wellek	None	Separate meetings with professional and support during pre-service	Brandi Heckert, Professional Staff Lisa Wellek, SEIU Staff	Time and attendance will be reported accurately
Supervisors report all absences to Admin. Secretary, who will send out daily report to timekeepers. The absences will be verified against submitted leave/timesheets.	Supervisors Stephanie Burroughs Kelly Weigand	None	Review, bi-weekly	Brandi Heckert, Professional Staff Lisa Wellek, SEIU Staff	Time and attendance will be reported accurately
Principal or direct supervisor must ensure validity and accuracy of payroll.	Brandi Heckert	None	Review, bi-weekly	Brandi Heckert, releases Professional Staff Lisa Wellek, releases SEIU Staff	Payroll will be verified prior to release.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
List of payroll discrepancies must be reviewed for potential corrective action	Stephanie Burroughs, Lisa Wellek	None	See attached results. Some cannot be completed until the staff returns in August	Brandi Heckert	Corrective actions, if needed will be submitted for PACS Correction.

**OFFICE OF SCHOOL SUPPORT AND IMPROVEMENT (OSSI) REVIEW & APPROVAL**

Approved       Please revise and resubmit plan by \_\_\_\_\_

Comments:

Director: Peter O. Moran, JLS      Date: 8-13-19