


Internal Audit Unit  
MONTGOMERY COUNTY BOARD OF EDUCATION  
Rockville, Maryland

December 6, 2023

MEMORANDUM

To: Mr. Jeffrey T. Brown, Principal  
Roberto W. Clemente Middle School

From: Mary J. Bergstresser, Supervisor, Internal Audit 

Subject: Report on Audit of Overtime Payroll for the Period  
July 1, 2022, through September 30, 2023

Payroll audits are conducted to evaluate compliance with Board of Education policies and Montgomery County Public Schools (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 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 the MCPS Substitute Employee Management System's (SEMS) automated substitute teacher assignment report to the PACS timesheet to determine if leave was reported. 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 November 6, 2023, with you, and Ms. Elizabeth A. Shull, school financial specialist, we reviewed the status of the conditions described in this audit report that were disclosed during our audit of payroll records. 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

Examination of timesheets disclosed that many of the timesheets were not signed by the direct supervisor as required by MCPS Regulation DLB-RA, *Authorized Signatures for Payroll*

*Documents.* We noted many timesheets were improperly completed or were missing information, and many did not have leave requests attached to show approval. Employees must complete their timesheet and complete a leave slip when requesting leave. 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. The principal must approve the biweekly MM631 Approval Attendance Report to certify that the attendance data has been correctly reported on timesheets, and that it was accurately entered by the timekeeper into PACS. We noted that the attendance reports were not always signed/dated by the principal or designee and that your payroll was not being released by a designated staff member who is independent of PACS data entry. An important internal control process is certification by the independent staff member that attendance data has been correctly reported on timesheets, and accurately entered by the timekeeper into PACS and that the principal or designee should review and sign attendance reports indicating the information reported in PACS is accurate. We recommend that either you or a direct supervisor review and sign all timesheets and leave requests, and that payroll be released by a staff member independent of PACS data entry (refer to the *MCPS Finance Manual*, chapter 13, pp 1 and 5).

For the four pay periods selected, information was obtained from the MCPS SEMS to compare with the corresponding professional and supporting services timesheets and substitute timesheets. We found 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. We also noted that there was no central record kept of all absences in the building. 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 instances where leave forms (MCPS Form 430-1A) were approved by the principal for advance sick or illness in family, and no explanation was listed for the advance leave. When staff members are requesting advance sick leave or illness in family, they must list an explanation for the absence. All staff members must prepare their MCPS timesheets accurately to indicate hours worked and leave taken for each day, including the daily and biweekly hourly totals. Certification that attendance data has been correctly reported on timesheets and accurately entered by the timekeeper into PACS is an important internal control process. You, or your designee, must promptly review for validity and accuracy all the timesheets and leave request forms, ensuring that all required documentation is included prior to approval signature (refer to the *MCPS Financial Manual*, chapter 13, page 4). We recommend some sort of tracking report to list all staff who are out of the building and the reason why. A list of payroll discrepancies noted and their potential corrections were provided to you and your timekeeper.

MCPS provides preprinted quarterly certification statements for all employees who have a grant-funded position or assignment. The quarterly certification statements must be signed by either the employee or supervisor. For those employees who are funded from both, a grant and the MCPS operating budget, or from more than one grant, a biweekly Personnel Activity Report (PAR) is required to be completed and signed by the employee and supervisor. It is critical that these certifications are completed to satisfy federal documentation requirements and retained for seven years. We found that there were employees who received both the quarterly certification statements and biweekly PAR forms. These forms were not always signed by the employee and supervisor when required, and they were not filed in a separate binder or folder so they could be

retained for the required seven years. We recommend that the employee and or supervisor sign certifications and PAR forms and you file these in a separate binder or folder, together with the timesheets, and retain them for seven years as required. A copy of the timesheet should be kept with your regular payroll records.

We noted that several staff members were paid Extracurricular Activity (ECA) Class 1 and 3 Stipends during Fiscal Year 2023 for whom MCPS Form 430-59, *Extracurricular Assignment (ECA) Stipend Agreement and Assignment*, was not completed to include an assignment or evaluation upon conclusion of extracurricular activities. The principal is responsible for the management of the entire extracurricular activity program within the school. We recommend that you review the current extracurricular activity booklet for activity codes and descriptions, as well as the approval procedures and payment of stipends.

#### Notice Findings and Recommendations

- Principal or designee must sign and date all timesheets and leave slips.
- Timesheets and leave forms must be completed, and signed by employee prior to data entry into PACS.
- Principal must sign biweekly attendance approval reports to confirm that time reported is correct.
- Time and attendance must be accurately reported.
- All staff must report when they will not be in the building and this must be recorded and kept with payroll records.
- Payroll must be released by a staff member independent of the PACS entry.
- Approved leave forms and other required documentation must be attached to timesheets.
- Time and effort certifications must be signed and retained for 7 years.
- All ECA stipends need to be documented using MCPS Form 430-59.
- The list of payroll discrepancies must be reviewed for potential corrective action.

Other matters were discussed and satisfactorily resolved. We appreciate the cooperation and assistance of your staff. In accordance with MCPS Regulation DIA-RA, *Accounting for Financial Operations/Independent Activity Funds*, using the attached action plan, please provide a written response to the Internal Audit Unit within 30 calendar days of this report. In your response, please share a detailed plan for addressing these issues, including appropriate staff training and support. Also include what actions were taken for each payroll discrepancy noted.

Prior to returning your completed audit action plan, please contact Ms. Nicole A. Sosik, director of school support and well-being, Office of School Support and Well-Being, for written approval of your plan. Based on the audit recommendations, Ms. Sosik will indicate whether she will conduct an electronic review of your action plan or schedule a time to meet in person with you and your school timekeeper to support you with developing a well-defined plan to address the findings.

MJB:YSG:rg

Attachment

Copy to:

Members of the Board of Education

Dr. McKnight

Dr. Collins

Mr. Hull

Dr. Kimball

Mr. Stockton

Mrs. Williams

Ms. Dempsey

Mr. Reilly

Mrs. Chen

Ms. Eader

Mr. Klausling

Mrs. Ripoli

Ms. Sosik

Ms. Webb

## FINANCIAL MANAGEMENT ACTION PLAN

**Report Date:** December 6, 2023

**Fiscal Year:** 2024

**School or Office Name:** Roberto Clemente Middle School

**Principal:** Mr. Jeffrey T. Brown

**OSSWB**

**Associate Superintendent:** Dr. Peter O. Moran

**OSSWB**

**Director:** Ms. Nicole A. Sosik

**Strategic Improvement Focus:**

As noted in the financial audit for the period 7/1/22 - 9/30/23, strategic improvements are required in the following business processes :

RCMS employee timesheets, attendance reports, leave requests, and other related payroll processes.

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Administrative Secretary will collect staff leave requests and submit to Principal. Principal will review and sign staff leave requests, indicating approval or denial, and return forms to Administrative Secretary for processing.	Principal & Administrative Secretary	None	Leave requests received by Principal.	Principal & Administrative Secretary.  Daily.	
Principal to conduct comprehensive time & payroll training with staff in January 2024 to address the required corrections, including: timesheets & leave forms must be completed and signed by employee prior to data entry into the Payroll Attendance Collection System (PACS). Follow up memorandum will be provided to all staff.	All staff	MCPS Substitute Employee Management System (SEMS)	SEMS report will be compared to individual timesheets & leave requests.	Biweekly between Administrative Secretary, Financial Specialist, and/or Main Office Secretary II	
Administrative Secretary will provide timesheets with attached leave requests and biweekly Attendance Approval Reports to Principal. Principal will review to confirm attendance was accurately entered by the timekeeper into PACS, and sign each report.	Principal & Administrative Secretary	MM631 Attendance Approval Report	MM631 Attendance Approval Report and timesheets with attached leave requests received by Principal.	Biweekly meeting with Principal & Administrative Secretary	
All staff members will prepare their MCPS timesheets accurately to indicate hours worked and leave taken for each day, including the daily and biweekly hourly totals.  Principal to conduct comprehensive time & payroll training with staff in January 2024 (see Line 2 above).	All staff	SEMS & MCPS Forms: 430-70, 430-17, 430-12,	Timekeeper will verify daily and biweekly totals are completed. SEMS report for each pay period will be compared to individual timesheets & leave requests.	Biweekly meeting with Principal & Administrative Secretary	

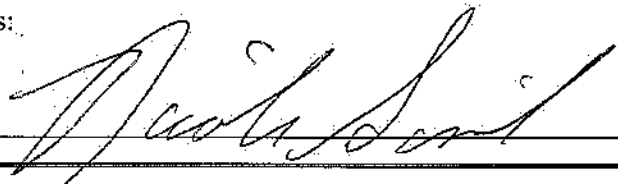
Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
<p>All staff must report when they will not be in the building and this must be recorded and kept with payroll records.</p> <p>Principal to conduct comprehensive time &amp; payroll training with staff in January 2024 (see Line 2 above).</p>	All staff	Staff Absence Calendar to report daily absences.	Daily staff absences reported on Staff Absence Calendar & SEMS Report.	Main Office Secretary II, Administrative Secretary, and Admin Team. Maintained Daily.	
Timekeepers will work together to maintain internal controls: Administrative Secretary will perform PACS data entry, Financial Specialist and/or Main Office Secretary II (independent of PACS data entry) will review the entered attendance data for accuracy and release payroll once verified.	Administrative Secretary, Financial Specialist, and/or Main Office Secretary II	Staff payroll records.	MM631 Attendance Approval Report identifying Financial Specialist and/or Main Office Secretary II as "Released by..."	Biweekly between Administrative Secretary, Financial Specialist, and/or Main Office Secretary II	
<p>Approved leave forms and other required documentation will be attached to timesheets.</p> <p>Principal to conduct comprehensive time &amp; payroll training with staff in January 2024 (see Line 2 above).</p>	All staff & Administrative Secretary	Employee leave requests & other required documentation	Staff timesheets with required documentation attached.	Biweekly meeting with Principal & Administrative Secretary	
For employees with grant-funded positions, the biweekly Personnel Activity Report (PAR) and Time & Effort Certifications will be signed by the employee & Principal (when required), and will be filed in a separate binder or folder to be retained for the required seven years. Copies of timesheets will be kept with regular payroll records.	Administrative Secretary	Personnel Activity Reports (PAR) and Time & Effort Certifications	Separate binder/folder for Personnel Activity Reports (PAR) and Time & Effort Certifications.	Biweekly meeting with Principal & Administrative Secretary	
<p>ECA Agreement &amp; Assignment Form 430-59 will be completed for each ECA stipend position, signed by sponsors, and collected for each year's ECA stipends.</p> <p>The principal will complete an evaluation for each activity using Form 430-59.</p>	Principal, Sponsors, & Administrative Secretary	Current ECA Handbook, MCPS Form 430-59	Separate folder for each school year's ECA Agreement & Assignment forms to be filed with payroll records.	Biweekly meeting with Principal & Administrative Secretary	
<p>The Principal, Financial Specialist, and Administrative Secretary have reviewed the list of he payroll discrepancies requiring corrective action and have completed the necessary PACS Corrections.</p> <p>Principal has communicated with those affected.</p>	Principal, Financial Specialist, & Administrative Secretary	Staff payroll records.	PACS Corrections attached to affected timesheets. ERSC ticket(s) created upon submission of PACS Corrections.	Biweekly meeting with Principal & Administrative Secretary	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence

**OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)**

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

Comments:

Director:       Date: 1/18/24