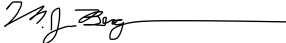


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

June 18, 2024

MEMORANDUM

To: Mrs. Christine D. Oberdorf, Principal
Piney Branch Elementary School

From: Mary J. Bergstresser, Supervisor, Internal Audit 

Subject: Report on Audit of Overtime Payroll for the Period
July 1, 2023, through January 31, 2024

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 overtime, 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 reviewed all overtime reported during this audit period to determine accuracy of reporting and verification of approval.

At our meeting on May 10, 2024, with you and Mrs. Victoria M. Welch, school administrative secretary, we reviewed the status of the conditions described in this audit report that were disclosed during our audit of payroll overtime 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

It is the principal's or direct supervisor's responsibility to maintain fiscal control of payroll and to manage employee work schedules without the use of overtime, except when authorized in advance for emergency situations, outside use events, or school events. As the payroll supervisor for your school location, you should ensure that employee overtime is not permitted unless authorized in advance by the appropriate account managers who are responsible for funding the overtime expenses. You should ensure that, when necessary and properly authorized, overtime hours are accurately reported on employee timesheets and that the necessary approval documentation is attached (refer to the *MCPS Financial Manual*, chapter 13, page 6). We noted that overtime reported on an employee's timesheet was not always authorized by the principal or a direct supervisor, and did not always have the appropriate overtime forms attached. We found that your building service manager was paid overtime to fill a vacancy at your school and that this overtime was requested by the employee, instead of their immediate supervisor, after the hours had been

worked. We did find that all hours worked were approved by Division of Maintenance and Operations, but not offered to any other building service workers. All unit members who are qualified to do the overtime work should be informed of overtime opportunities. Overtime assignments should be distributed as equally as possible among the location's unit members who are willing and qualified to do the work. Operational requirements will be considered when assigning overtime (refer to the SEIU Agreement). We recommend that the principal requests any needed overtime and that a properly authorized overtime approval form is attached to an employee's timesheet. We also recommend that any overtime hours available be offered to all eligible unit members.

For the audit period reviewed we found many timesheets did not have a leave request form attached when leave was taken by employees. We also noted that the correct type of leave was not always reported. 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 bi-weekly 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 you, or a direct supervisor, 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).

Notice Findings and Recommendations

- Overtime approval must be requested in advance and by immediate supervisor.
- Approved leave forms and approved overtime forms must be attached to timesheets.
- Principal or designee must ensure validity and accuracy of the payroll.

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.

Prior to returning your completed audit action plan, please contact Ms. Natasha Bolden, executive 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. Bolden will indicate whether she will conduct an electronic review of your action plan or schedule a time to meet in person with you and Mrs. Welch to support you with developing a well-defined plan to address the findings.

MJB:rg

Attachment

Copy to:

Members of the Board of Education
Dr. Felder

Mrs. Christine Oberdorf

3

June 18, 2024

Mrs. Alfonso Windsor

Ms. Dempsey

Dr. Johnson

Dr. Moran

Mrs. Williams

Mr. McGee

Mr. Reilly

Ms. Bolden

Mrs. Chen

Dr. Allen

Mr. Klausling

Mrs. Ripoli

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: June 18, 2024	Fiscal Year: SY24
School or Office Name: Piney Branch Elementary School	Principal: Christine Oberdorf
OSSWB Associate Superintendent: Sean McGee	OSSWB Director: Yolanda Allen
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>7.1.23 - 1.31.24</u>, strategic improvements are required in the following business processes :</p> <p>Overtime approvals and paperwork for building service staff members and validity and accuracy of payroll.</p>	

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
All overtime requests for building service staff must be requested by the immediate supervisor using the Division of Maintenance and Operations Overtime Authorization Request Form. Approval must be received prior to working the hours and the hours must be offered to various staff members.	BSAM BSM Asst. Principal Principal	Overtime Authorization Request Form	Overtime Authorization Request Form for Building Service Employees	Supervisor submitting request prior to working the overtime hours	Section 5: Operations Manager Approval Signature, Date, and Hours Approved attached to timesheet
Ensure the validity and accuracy of payroll. This includes the appropriate leave has been requested/approved and the required documentation has been provided with the timesheet for the pay period. Remind staff during pre-service of types of leave and the approval process.	Admin Secretary Principal	Time Sheets Leave Forms SEIU/MCEA Contract Guidance on Leave	Daily Staff Absence Record Leave Forms - submitted daily for principal approval Timesheets	Admin Secretary monitor receipt of leave forms in advance or immediately following leave	Type of leave and leave amounts match contract guidance and as reported accurately on bi-monthly timesheets

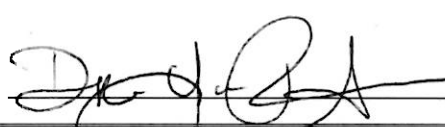
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OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

Approved

 Please revise and resubmit plan by _____

Comments: _____

Director: 

 Date: 7/30/24