


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

February 23, 2023

MEMORANDUM

To: Mrs. Kathryn D. Bradley, Principal
Bannockburn Elementary School

From: Mary J. Bergstresser, Supervisor, Internal Audit 

Subject: Report on Audit of Payroll for the Period
January 1, 2022, through December 31, 2022

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. The auditors selected five employees' records in each pay period to review 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 February 9, 2023, with you, and Ms. Carol L. Lange, school administrative secretary, 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

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 a few 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. A few timesheets were improperly completed or were missing information. In addition, a few timesheets did not have the proper leave request form attached when required. We also 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 should 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). A list of payroll discrepancies noted and their potential corrections were provided to you and your timekeeper.

Notice Findings and Recommendations

- Time and attendance must be accurately reported.
- Principal or designee must ensure validity and accuracy of the payroll.
- Leave forms for advance sick or illness in family should state a reason.
- 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.

Prior to returning your completed audit action plan, please contact Dr. Donna Redmond Jones, 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, Dr. Redmond Jones 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. Lange 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. McKnight

Mr. Hull

Dr. Murphy

Ms. Reuben

Mr. Stockton

Mrs. Williams

Dr. Floyd-Cooper

Mr. Reilly

Mrs. Chen

Ms. Eader

Mr. Klausling

Dr. Redmond Jones

Mrs. Ripoli

Ms. Webb

FINANCIAL MANAGEMENT ACTION PLAN

Report Date: 2023	Fiscal Year: 2023
School: Bannockburn ES - 420	Principal: Kate Bradley
OSSWB Associate Superintendent: Dr. Rotunda Floyd-Cooper	OSSWB Director: Dr. Donna Redmond Jones
<p><u>Strategic Improvement Focus:</u> As noted in the financial audit for the period <u>1/01/22-12/31/22</u>, strategic improvements are required in the following business processes : alignment between leave slips and PACS entry; use of correct leave form; completion of ECA forms; class coverage payments; accuracy of timesheets and leave slips</p>	


Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Leave did not always match in PACS and on leave slips or in sub system. Moving forward all pay reported will be extra carefully reviewed.	Carol Lange Kate Bradley	none	Double check all leave slips and sub pay reported with what is reported in PACS system	Carol Lange-prior to release Kate Bradley-when signing slips/timesheets	All findings were reviewed and 11 PACS corrections were submitted
Staff not using most current leave slip. Will do so moving forward	Kate Bradley	430-1a from September 2022	Provide most current slip to staff and remind them to use the most current only	Carol Lange, Kate Bradley -when staff are requesting leave	Carol will make copies of most current version and put in file.
ECA Stipend paperwork needs to be filled out prior	Kate Bradley	Form 430-59	Forms will be filled out prior to submitting request in PACS	Kate Bradley-in Summer months to set up stipends	Kate will ensure 430-59 is completed in a timely manner
Class coverage incorrect in some instances and the process will be corrected moving forward	Kate Bradley	none	Some staff were paid for coverage when the teacher was in the building but not in the classroom.	Kate Bradley, Dana Mayberg. Ensure support staff are only paid when teacher is absent from school	Support staff will not be paid for class coverage for less than one hour, nor if the teacher is absent from classroom only

Action Steps	Person(s) Responsible	Resources Needed	Monitoring Tools / Data Points	Monitoring: Who & When	Results/Evidence
Some time sheets and leave slips were not always completed correctly with corrections and notifying school of leave. Moving forward this procedure will be reviewed more carefully.	Kate Bradley Carol Lange	none	Time sheets, leave slips, staff reporting time, will be triple checked for accuracy	Kate, and Carol	All slips and time sheets will be reviewed and ensure for accuracy

OFFICE OF SCHOOL SUPPORT AND WELL-BEING (OSSWB)

Approved **Please revise and resubmit plan by _____**

Comments: _____

Director:  Date: 3/6/23