


Internal Audit Unit
MONTGOMERY COUNTY BOARD OF EDUCATION
Rockville, Maryland

November 15, 2017

MEMORANDUM

To: Mr. Andrew J. Winter, Principal
Lucy V. Barnsley Elementary School

From: Roger W. Pisha, Supervisor, Internal Audit 

Subject: Report on Audit of Payroll for the Period
July 1, 2016, through September 30, 2017

Payroll audits are conducted to evaluate compliance with MCPS policies, 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 MCPS 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 MCPS Form MM 631, *Attendance Approval Report*, for evidence of adequate control over the approval and reporting of leave.

At our meeting on November 13, 2017, with you; Mrs. April D. Longest, assistant principal; and Miss Monika C. Roberts, 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 October 12, 2017. 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. 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 also noted 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. 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 *MCPS Finance Manual*, chapter 13, pp. 1 and 5). A list of payroll discrepancies noted, and their potential corrections, was provided to you and your timekeeper at our November 13, 2017, meeting.

Summary of Recommendations

- Principal or direct supervisor must ensure validity and accuracy of the payroll.
- Payroll must be released by a staff member independent of PACS data entry.
- 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 Miss Roberts. 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 through Ms. Loretta M. Favret, director of school support and improvement of elementary schools. 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

Dr. Kimball

Mrs. Camp

Mrs. Chen

Ms. Diamond

Ms. Favret

Mr. Tallur

Mr. Ikheloa

LUCY V. BARNSLEY ELEMENTARY SCHOOL

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December 12, 2017

MEMORANDUM

To: Mr. Roger W. Pisha, Supervisor, Internal Audit
Ms. Loretta Favret, Director of School Support and Improvement

LF

From: Andrew J. Winter, Principal

Subject: Lucy V. Barnsley Audit of Independent Activity Funds

The purpose of this memorandum is to respond to the findings of Mr. Pisha, Internal Audit Supervisor, during the recent audit of payroll at Lucy V. Barnsley Elementary School. The following steps are in place to address Mr. Pisha's findings and recommendations:

- Staff has been advised and met with to review expectations of timesheets, substitute time, and payroll process.
- Payroll will be released by administration.

I have been in contact with the aforementioned items with Ms. Monika Roberts, administrative secretary for Barnsley. We will work in unison to make sure items of concern are not continued and the recommendations from the report are followed. We have discussed the audit findings and have scheduled several meetings to discuss new procedures to ensure improved payroll responsibility. I am confident that the steps outlined in this memorandum will ensure the necessary improvements with payroll responsibility at Barnsley.