



# Follow-up Review Report



## Payroll and Timekeeping Practices at Maintenance Operations and Facilities Construction



**Some progress was made in implementing the prior audit recommendations, but most of the recommendations were not fully implemented, and require future follow-up.**

March 2009

## **THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA**

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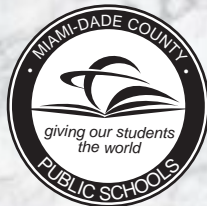
Mr. Alberto M. Carvalho  
Superintendent of Schools

Mr. Allen M. Vann, CPA  
Chief Auditor  
Office of Management and Compliance Audits

### **Contributors to this Report:**

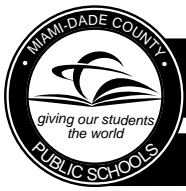
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# Miami-Dade County Public Schools

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## **Superintendent of Schools**

Alberto M. Carvalho

## **Miami-Dade County School Board**

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March 11, 2009

Members of The School Board of Miami-Dade County, Florida  
Members of the School Board Audit Committee  
Mr. Alberto M. Carvalho, Superintendent of Schools

Ladies and Gentlemen:

In accordance with School Board Rule 6Gx13-2C-1.14, Section IV.B.3 and the approved Audit Plan for FY 2008-2009, we have reviewed the actions taken by management to implement the recommendations included in our prior internal audit report of Payroll and Timekeeping Practices at Maintenance Operations and Facilities Construction. This report was issued October 25, 2005, and the audit objectives were to determine whether the payroll and timekeeping practices in place are in compliance with established District policies and procedures, and whether those practices effectively reduce the risks of lost wages, payroll irregularities, and inaccurate project and work order cost information. An additional objective of the audit was to compare various payroll timekeeping systems used by other public and private entities vis-à-vis M-DCPS.

Our initial follow-up report was included in the agenda of the January 29, 2009 Audit Committee meeting. However, at management's request, the presentation and discussion of the report were tabled. We subsequently received updated responses from management and have incorporated them in this report.

## **EXECUTIVE SUMMARY AND CONCLUSIONS**

Our prior audit report disclosed instances of non-compliance with District's policies, procedures and rules; significant weaknesses in internal controls; inefficient and ineffective timekeeping practices; lost wages; and costs mischarged in the Department of Maintenance Operations and Facilities Construction.

We made 11 recommendations to improve the process. Management was in general agreement with our recommendations and provided responses indicating the findings would be addressed. Of the 11 audit recommendations, three (3) were fully implemented, six (6) were partially implemented, and two (2) were not implemented.

In our follow-up review, we found that the instances of non-compliance found in our previous audit have not been entirely corrected. We recommended that the department needed to enhance and effectively employ the documentation of employees' attendance. Our follow-up review and observation of payroll records disclosed that daily attendance for a few employees was not properly documented. We observed instances

where employees did not indicate their attendance on a daily basis, but were reported present on the Final Payroll Roster. Subsequently, management has indicated that they will explore implementing an automated attendance and timekeeping system.

Our analysis of payroll records for two particular administrators based at the Central Maintenance office from May 2007 to September 2008 indicated that these employees did not document their attendance on a daily basis. In fact, emails from one of the employees indicated that she was absent on some of the days in question. The total days in questions for both employees are 220. Based on their daily pay rates, this amounts to unsupported payroll of \$105,185. We also completed a detailed review of seven pay periods in the 2007-08 and 2008-09 fiscal years at three different Maintenance locations. The same condition noted above was repeated. A total of 18 employees did not indicate their attendance on a daily basis for a total of 48 days. This amounted to an additional \$12,265 in questionable payroll. Management is reviewing the payroll records for each of the employees involved to determine the actual lost wages and the extent to which they can be recovered.

During our follow-up, we examined various documents demonstrating that the payroll clerk responsible for completing the payroll at the location where the majority of the discrepancies occurred had brought the discrepancies to her administrators' attention. Moreover, that payroll clerk provided us with payroll records requested and used to document the majority of the noted discrepancies. During the course of our review, the payroll clerk was transferred to another department.

In general, payroll clerks prepared daily reports to document employees requesting leave. However, when employees started their work day at a location other than their home base location, their time of arrival was not documented. Instead, employees signed Daily Attendance Sheets post factum. As indicated on the Payroll Processing Procedures Manual, a travelers log should be used to document "mobile employees" attendance. Our recommendation of submitting the Daily Status Forms to work order control clerks on a timely basis was implemented. In addition, we found that Daily Status Forms reviewed agreed with employees' payroll information.

Our second recommendation entailed strengthening processes and controls for overtime, compensatory time and part-time employees. Our follow-up review disclosed that this recommendation was partially implemented. Payroll processing for part-time hourly employees complied with District's payroll processing policies and procedures. However, compensatory time guidelines were not followed. Compensatory time leave was not reported as "other" on the Payroll Absence Report System (PARS), as required. Accumulated compensatory time for employees exceeded the maximum limit allowed. Compensatory time that was erroneously accrued, taken, and/or paid was not recovered, as previously recommended. Subsequently, management has commenced efforts to determine the actual amount of lost wages related to compensatory time and to recover amounts where possible. It was determined that some actual lost wages may not be recovered due to the fact that some employees who accrued these amount are no longer employed by the District. Moreover, the intent of certain collective bargaining

clause related to the accruing of compensatory time was not clearly stated and affected the amount of allowable compensatory time.

The labor unions representing the covered employees repeatedly rejected the various proposals made by Maintenance management to exclude hours not worked, with the exception of holidays, from the computation of overtime premium paid to employees and to align the labor contracts terms and District's policies and procedures with the Fair Labor Standards Act. Employees continue to be assigned and paid for overtime in the same work week that they are granted compensated leave.

According to Maintenance payroll clerks, subsequent to our prior audit, they attended only one refresher training session offered by Maintenance administration. Subsequently, Maintenance management conducted three additional training sessions on payroll procedures.

Mechanisms to manage and monitor mobile Maintenance staff were implemented but subsequently discontinued. Specifically, the piloted GPS technology introduced was discontinued, reportedly due to its high cost to maintain. Periodic on-site visitations by management have not substantially increased, due to a growth in the mechanic-to-supervisor ratio. Trades employees have increased by 14% and coordinators have decreased by 25%. However, we recommend that visits be done at least sporadically to encourage accountability. Additionally, management subsequently acted upon our recommendation and has implemented a Traveler's Log for remote employees.

A review of estimated work order costs and time is performed by supervisors. However, an explanation of significant variances is not documented.

Based on our observation, the Office of School Facilities management has taken some actions to address most of the findings and recommendations in our prior audit report; however, those actions fell short of fully correcting our previous findings. Subsequent to our field work, management has taken additional action towards implementing some of the recommendations. We believe these subsequent actions should resolve the internal control weaknesses noted.

Sincerely,



Allen Vann, CPA, Chief Auditor  
Office of Management and Compliance Audits

## **OBJECTIVE, SCOPE AND METHODOLOGY**

The objective of this follow-up review was to determine the progress and extent of the implementation of management's plans of action for addressing the 11 recommendations in our original audit report. The review covered actions taken by the administration subsequent to issuing our original audit report.

We performed the following procedures to satisfy our objective:

- Interviewed district staff involved in the payroll and timekeeping process;
- Reviewed the organizational structure;
- Examined, on a sample basis, completed payrolls and supporting documents;
- Observed current payrolls and employee sign-in procedures;
- Obtained information from school administration on employees' presence at schools;
- Performed other procedures deemed necessary.

This performance audit follow-up review is not an audit, but is intended to provide a current status on prior audit findings and recommendations. However, we believe that the evidence obtained and reviewed provides a reasonable basis for our conclusions on the status of prior audit findings and recommendations. This follow-up review did not include a specific assessment of the overall internal controls.

## **BACKGROUND**

The Office of School Facilities (Facilities) is responsible for constructing, renovating, remodeling, and maintaining Miami-Dade County Public Schools (M-DCPS) more than 390 schools and other facilities. The Office is organized into three sections: a design unit, a construction unit, and a maintenance unit.

The design and construction units (Facilities Construction) comprise 263 employees, of which 196 are administrative and support staff, 31 are project coordinators (project managers), and 36 are plan reviewers/code inspectors (including six asbestos project inspectors). The maintenance unit (Maintenance) comprises 951 tradespersons (including trades' forepersons) and 175 administrative and support staff, including 47 coordinators and project coordinators.

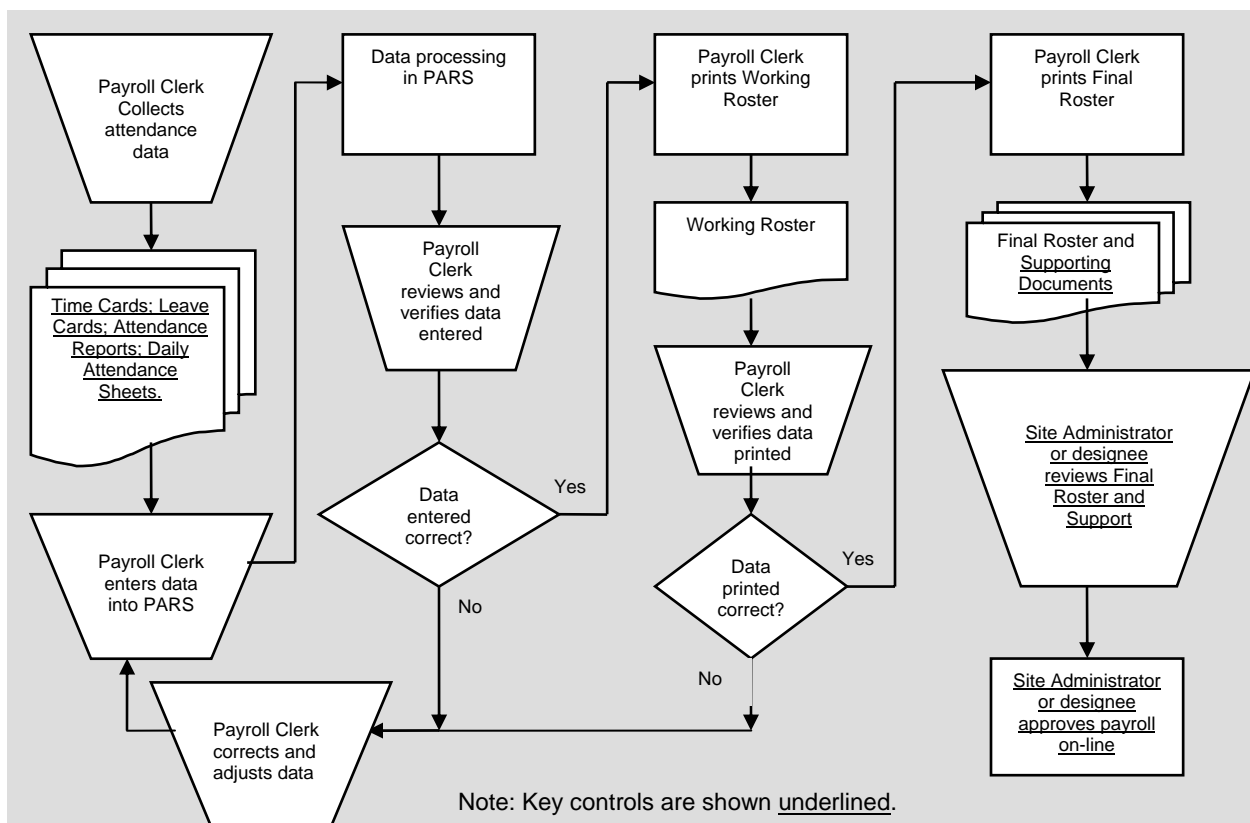
### **Payroll Timekeeping Process**

Facilities uses the District's Payroll Absence Reporting System (PARS) in conjunction with a series of manual processes to report all employees' attendance and time worked to the Payroll Department of the Office of Accounting. For full-time employees, the payroll and timekeeping process works on an exception basis, meaning, full-time employees are considered present for all 10 working days during each payroll period unless otherwise indicated and evidenced by documentation of employees' absence.

Hence, in preparing the payroll, only known absences (i.e., sick, personal, vacation, etc.) are recorded in PARS. Overtime pay and part-time hourly employees' payroll are recorded separately, and are based on the total number of actual hours worked. The process is manually driven, from the collection of employees' time to the processing of the payroll.

Each work location within Facilities is responsible for preparing its own payroll. All but one of the locations use either some form of daily attendance sheets, or a combination of daily attendance sheets and time cards to collect employees' attendance data. The one exception, a Region Maintenance Centers, uses swipe cards in lieu of time cards.

The following flowchart depicts how employee attendance data should be processed:





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<p align="center"><b>Audit Committee Meeting Presented – October 25, 2005</b></p>			
<p align="center"><b>Audit Findings</b></p>	<p align="center"><b>Recommendations</b></p>	<p align="center"><b>Corrective Action By Management</b></p>	<p align="center"><b>Auditors' Comment</b></p>
<p><b>1. The systems for documenting employees' attendance need to be enhanced and more effectively employed.</b></p>	<p>1.1 Enforce procedures requiring supervisors to review daily attendance reports to determine the attendance of each employee assigned to them. Quality control reviews by management, coupled with accountability, should be a part of this process.</p>	<p>Management has advocated for an automated time and attendance system to assist in monitoring employees' daily attendance, sites visited, related times and activities.</p> <p>Currently, the Maintenance location's payroll clerks provide management with twice daily (AM &amp; PM) leave reports.</p> <p><u>Note:</u> a pilot program utilizing GPS technology was undertaken but found to be unmanageable without significant additional staff and resources to consider full scale implementation.</p>	<p><b>Partially Implemented.</b> Leave reports are prepared daily. However, these reports do not account for employees that start their work day at a location other than their home base location. We recommended to management that a traveler's log, as required by the Payroll Processing Procedures Manual be implemented immediately, and they have subsequently done so.</p>
	<p>1.2 Ensure that employees' attendance is properly documented each day; Daily Status Forms are submitted to</p>	<p>As recommended, management has reduced the number of places for non-trade employees to sign in by consolidating the names on a</p>	<p><b>Partially Implemented.</b> Daily Status Forms reviewed agree with</p>

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	<p>the work order control clerks in a timely manner, entered into the work order system and reconciled to the payroll information. Consolidate the daily attendance sheets used and post them in one general location or a minimum of locations where payroll clerks can easily monitor the daily attendance and ensure that employees adhere to guidelines in the Payroll Processing Procedures Manual.</p>	<p>limited number of rosters and placing them in a more central location at each worksite.</p> <p>Maintenance management began to develop a request for proposals (RFP) for an automated Time and Attendance System to track employees' daily attendance, locations visited and the associated times. Due to the upcoming implementation of the District's Enterprise Resource Planning (ERP) system, management was instructed not to pursue the RFP.</p> <p>Currently, each Maintenance location payroll clerk determines the daily attendance status of the location's employees through multiple means including daily roster, call-in audio recording (AM &amp; PM), electronically (Zone Mechanics with computer access) and time cards. Use of a Traveler's Log is being implemented to further improve</p>	<p>payroll information and are submitted and entered into the work order system timely. Daily Attendance Sheets are consolidated and daily monitored by payroll clerks. However, employees' daily attendance is not properly documented. We observed instances where employees did not indicate their presence on a daily basis but were reported present on the Final Roster. Consequently, adherence to guidelines in the Payroll Processing Procedures Manual was not observed. Questioned payroll costs related to these</p>

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		<p>accountability.</p> <p>We are reviewing the payroll records of the two employees identified that attendance was not timely documented for a total of 220 days. One of the administrators with “questionable payroll cost” of \$80,701 (145 days) is no longer employed with the District. Records for these dates are being reconciled against other documentation to validate attendance.</p> <p>A meeting was held with the second administrator with “questionable payroll cost” of \$24,484 (75 days) and the employee was advised of the findings and responsibility of strict adherence to the District’s payroll attendance procedures. As of 03-10-09 the employee has identified two days where leave requests were submitted but not previously deducted. The review of the days in question for this employee is</p>	<p>inconsistencies amounted to \$117,000. Management is reviewing the payroll records to determine the actual lost wages and the extent to which they can be recovered.</p>

**Follow-up Review of Payroll and Timekeeping Practices at  
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**Audit Committee Meeting Presented – October 25, 2005**

Audit Findings	Recommendations	Corrective Action By Management	Auditors' Comment
		<p>being finalized and additional days will be deducted as appropriate.</p> <p>Additionally, we are reviewing the payroll records of the 18 employees identified with questionable payroll cost of \$12,265 (48 days). Meetings were held with each employee and they were advised of the findings and their responsibility of strict adherence to the District's payroll attendance procedures. Eight employees have provided documented evidence of their leaves and/or attendance totaling 21 days as of 03-10-09. The review of the days in question for these employees has not been finalized.</p> <p>Also, reimbursements will be sought where employees are unable to provide supporting documentation to substantiate their presence for the discrepancies noted by the</p>	

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		auditors.  Currently, employee's attendance is being reconciled prior to payroll being submitted.  Furthermore, staff is requesting the implementation of a time and attendance system to assist in better management of this process.	
	1.3 Leave cards should be submitted to the payroll clerks in a timely manner and the payroll clerks should reconcile these to daily attendance records on a daily basis.	Greater emphasis has been placed on the importance of submitting leave cards in a timely manner. Maintenance location payroll clerks provide supervisors with twice daily (AM & PM) leave reports that are reconciled with the "Daily Payroll Attendance Sheets." Each Maintenance location payroll clerk determines the daily attendance status of the location's employees through multiple means including daily roster, call-in audio recording (AM & PM), electronically (Zone Mechanics with computer access)	<b>Fully Implemented.</b>

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		and time cards. Also, each payroll clerk follows-up with the appropriate administrator when leave data for an employee does not reconcile with the employee's attendance records.	
<b>2. Processes and controls for overtime, compensatory time and part-time employees pay need to be strengthened.</b>	2.1 Adhere to rules for overtime pay, compensatory time and part-time hourly employees as stated in the M-DCPS Salary Handbook and Payroll Processing Procedures Manual. Except when impracticable, overtime and compensatory time worked must be pre-approved. Also, part-time hourly employees should not be allowed to work beyond established limits.	<p>Overtime and compensatory time is pre-approved, with the exception of emergencies.</p> <p>However, rules for compensatory time as stated in the M-DCPS Salary Handbook and Payroll Processing Procedures Manual are in conflict with provisions of the DCSAA contract governing compensatory time. Administration followed School Board Rule 6Gx13-4C-1.141 to determine compensatory time limits (see Attachment #1).</p> <p>Management continually strives to adhere to the established rules and policies for hourly employees.</p> <p>Additionally, staff is requesting the</p>	<b>Partially Implemented.</b> Adherence to M-DCPS Salary Handbook and Payroll Processing Procedures Manual for part-time hourly employees was observed for payrolls reviewed. However, compensatory time guidelines were not followed. Employees are granted compensatory time leave; however, time is not reported as "other" on the Payroll Absence Report System (PARS).

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		<p>implementation of an automated time and attendance system to assist in better management of this process.</p>	<p>Additionally, accumulated employees' compensatory time exceeded maximum established limit.</p>
	<p>2.2 The District should consider excluding hours not worked, with the exception of holidays from the computation of overtime premium paid to employees and consider aligning the labor contracts terms and District policies and procedures with this algorithm.</p>	<p>Proposals were proffered by M-DCPS management to four Unions: AFSCME, DCSAA, FOP, and DCSMEC. These proposals were offered during the 06-09 Successor Contract negotiations. Each of the four Unions "rejected" the proposal to stipulate that an employee will be paid overtime after working 40 hours not including paid leave such as vacation, sick, or personal leave.</p> <p>Proposals were proffered to DCSMEC on 12/5/06 and rejected the same day.</p> <p>Proposals were proffered to DCSAA on 8/22/06 and rejected the same day.</p>	<p><b>Not implemented.</b> Through no fault of management, the implementation of this recommendation was not effected. During negotiations with the labor unions for the affected employees, management proffered various proposals to address the recommendation; however all were rejected by each union.</p>

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		Proposal was proffered to FOP on 10/24/07 and rejected the same day.	
	2.3 Improve the management over the assignment of overtime to employees by not assigning employees overtime during the same work week that they were granted compensated leave.	This is the current practice within the District. This audit recommendation requires collective bargaining with the affected union(s). To date, no changes have occurred in the District's Overtime policy or Union agreements consequently, established District practices have not changed. Management continues to pursue necessary revisions to existing labor agreements.  Additionally, staff is requesting the implementation of an automated time and attendance system to assist in the appropriate management of overtime.	<b>Not implemented.</b> Please refer to comment to Recommendation 2.2. Consequently, employees continue to be assigned overtime in the same work week that they are granted compensated leave.
	2.4 Recover amounts related to erroneous time accrued, taken and/or paid.	Staff has reviewed the compensatory/overtime and a total of \$5,094 was used and/or paid in error (\$3,420 to five (5)	<b>Fully implemented.</b> Employees' earnings and leave history disclosed that



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		<p>current employees and \$1,674 to two (2) former employees of the District). Supporting documentation has been provided to the auditors (see Attachment #2).</p> <p>Meetings have been held with all current employees to discuss the findings. The District's Payroll Department is being provided with the names and amounts to seek recovery. Additionally, staff is requesting the implementation of a time and attendance system to assist management.</p>	<p>erroneous time accrued, taken and/or paid was not recovered. Subsequently, management has commenced efforts to determine the actual amount of lost wages related to compensatory time and to recover amounts where possible. It was determined that some actual lost wages may not be recovered due to the fact that some employees who accrued these amount are no longer employed by the District and that contractual terms conflicted with the intended policy.</p>

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	<p>2.5 Train staff responsible for processing payroll on established payroll procedures, and provide periodic refresher training.</p>	<p>Payroll personnel have received refresher training from the District's Payroll Department. Training occurred on 10/16/2008, 11/6/2008 and 2/26/2009. Meetings will be held as necessary with all payroll personnel to discuss best practices and receive updates on various payroll processes.</p>	<p><b>Fully Implemented.</b> Payroll clerks indicated that prior to this follow-up; they received only one training session offered by management. Subsequently, three additional training sessions were completed.</p>
<p><b>3. Better controls are needed to ensure employee availability.</b></p>	<p>3.1 Improve supervision over employees' daily activities. Require supervisors of "mobile employees" to periodically visit remote worksite where "mobile employees" are assigned.</p>	<p>As noted above in responses 1.1, 2.1, and 2.3 management has advocated for an automated time and attendance system that will assist in monitoring mobile employees.</p> <p>Due to attrition and ongoing District hiring freezes, the mechanic-to-supervisor ratio has continued to grow. This has made it more challenging for supervisors to visit their mobile employees. Further, because of competing priorities, the</p>	<p><b>Partially implemented.</b> To their credit, management piloted GPS technology, but discontinued its use due to costs constraints. We agree with management that mechanic-to supervisor ratio has increased. Nevertheless, we recommend</p>

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		<p>frequency of visits has not substantially increased.</p> <p>Improvements will be made when supervisory staff is restored.</p> <p>Additionally, when budgetary resources improve, management will revisit the use of GPS technology for monitoring mobile employees.</p> <p>Until an automated time and attendance system is implemented and/or span of control is reduced, we will attempt to increase periodic visits.</p>	<p>performing periodic supervisory visits.</p>
	<p>3.2 Continue to pursue the identification and implementation of a system to monitor the whereabouts of “mobile employees” and M-DCPS vehicles.</p>	<p>Upon implementation of the District’s ERP system, additional controls will be in place to assist management. Meanwhile, the implementation of a Traveler’s Log will improve accountability for mobile employees.</p> <p>A pilot program utilizing GPS technology was previously</p>	<p><b>Partially implemented.</b> Please refer to comment to Recommendation 3.1. Procedures to document daily attendance for “mobile employees” were not in place.</p>

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		<p>undertaken but found to be unmanageable without significant additional staff and resources to consider full scale implementation. Consequently, management discontinued the GPS pilot.</p> <p>Please refer to management's comment on 3.1.</p>	<p>However, at our request, a Traveler's Log and related procedures were implemented.</p>
	<p>3.3 Require supervisors to review work order costs and explain significant variances from expected costs and time.</p>	<p>Management has developed a pre-cost estimate protocol for service work orders based on historical data. This practice forces supervisors to review the work orders requiring an increase to the pre-established estimate.</p> <p>Maintenance projects are estimated and actual costs are tracked through the use of project software. These projects are managed, reviewed, and updated as necessary on a monthly basis.</p> <p>Procedures are being finalized and will be implemented by April</p>	<p><b>Partially Implemented.</b> Review of estimated work order costs and time is performed by supervisors. However, an explanation of significant variances is not documented.</p>

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		2009, to provide direction to staff on how to document the explanation of the work orders with significant variances.	

MIAMI-DADE COUNTY PUBLIC SCHOOLS  
 FOLLOW-UP REVIEW REPORT  
 PAYROLL AND TIMEKEEPING PRACTICES AT MAINTENANCE OPERATIONS AND FACILITIES CONSTRUCTION  
 COMPARISON OF THE RULES GOVERNING COMPENSATORY TIME  
 FISCAL YEARS 2004-2005 AND 2008-2009

Attachment Supporting Management’s Response to Audit Recommendation 2.1

<p>Contract between the Miami-Dade County Public Schools and the Dade County School Administrators’ Association (Effective July 1, 2003 through June 30, 2006 ARTICLE XI - WORKING CONDITIONS - Section 5, Compensatory Time)</p>	<p>PAYROLL PROCESSING PROCEDURES MANUAL (Board Rule 6Gx13-4D-1.09) Final Reading August 18, 2004</p>	<p>MIAMI-DADE COUNTY PUBLIC SCHOOLS SALARY HANDBOOK</p>
<p>When an employee is required by the supervising administrator to work in excess of 37.5 hours during a standard work week, the employee shall receive compensatory time in lieu of overtime pay.</p>	<p>All employees entitled to overtime who work more than their regularly scheduled number of hours in a work week must be paid "time and one-half" (overtime pay) for those hours over and above regular. Since compensatory time is a form of overtime, the above definition also applies to compensatory time (Sec 1.9).</p>	<p>Overtime pay or compensatory time must be granted to all covered employees (nonexempt) who work over forty (40) hours per week in one or more positions, at one or more work locations. Compensatory time is authorized <u>only</u> for eligible non-instructional employees and is accrued at a rate of one and one-half hours of compensatory time for each hour of work (Sec. B &amp; C).</p>
<p>The employee must have the expressed approval of the supervising administrator to work beyond his/her regular work days.</p>	<p>Overtime worked must be pre-approved. Those locations which choose not to pay overtime, but grant compensatory time instead, must account for the overtime hours using the Compensatory Time Report (Sec 1.2 and 1.8).</p>	<p>No language or time frame included.</p>
<p>The maximum number of working hours an employee may accrue for compensatory time is 20; however the Bureau/Office Head or designee may authorize exceptions to the stated accrual cap.</p>	<p>Compensatory time may be granted up to a maximum balance of thirty (30) hours (i.e., twenty (20) hours of employment at time and one-half) at any given time (Sec 1.8).</p>	<p>The maximum number of hours of compensatory time which an eligible M-DCPS employee may accrue is 30 hours (i.e. 20 hours of employment at time-and one-half) at any given time (Sec. C).</p>
<p>All accrued compensatory time must be taken within 60 calendar days after accrual.</p>	<p>No language or time frame included.</p>	<p>No language or time frame included.</p>
<p>Compensatory time accrued prior to April 30th will be paid the last pay period of the fiscal year. Compensatory time accrued after April 30th will be carried over to the next fiscal year.</p>	<p>Accrued compensatory time shall not be carried over into the next fiscal year. Authorized, accrued compensatory time must be reported for payment no later than the last pay period of the fiscal year (Sec 1.8).</p>	<p>Accrued compensatory time shall not be carried over into the next fiscal year. Payment for such authorized, accrued compensatory time must be reported for payment no later than the last pay period of the fiscal year (Sec. C).</p>

MIAMI-DADE COUNTY PUBLIC SCHOOLS  
FOLLOW-UP REVIEW REPORT  
PAYROLL AND TIMEKEEPING PRACTICES AT MAINTENANCE OPERATIONS AND FACILITIES CONSTRUCTION  
COMPARISON OF THE RULES GOVERNING COMPENSATORY TIME  
FISCAL YEARS 2004-2005 AND 2008-2009

Attachment Supporting Management's Response to Audit Recommendation 2.1

<p>2004-2005 Addendum to the Contract between the Miami-Dade County Public Schools and the Dade County School Administrators' Association (Effective July 1, 2003 through June 30, 2006) Board approved March 16, 2005 (ARTICLE XI - WORKING CONDITIONS - Section 5. <u>Overtime/Compensatory Time</u>)</p>	<p>PAYROLL PROCESSING PROCEDURES MANUAL (Board Rule 6Gx13-4D-1.09) Final Reading August 18, 2004</p>	<p>MIAMI-DADE COUNTY PUBLIC SCHOOLS SALARY HANDBOOK</p>
<p>When an employee is required by the supervising administrator to work in excess of 37.5 hours during a standard work week, the employee shall receive <u>overtime pay</u>. <u>This provision shall be effective the date of the School Board ratification of the 2004-2005 Addendum to this contract. In lieu of overtime pay, the employee may request to receive compensatory time in lieu of overtime pay with the approval process to be mutually agreed to between the employer and the Union.</u></p>	<p>All employees entitled to overtime who work more than their regularly scheduled number of hours in a work week must be paid "time and one-half" (overtime pay) for those hours over and above regular. Since compensatory time is a form of overtime, the above definition also applies to compensatory time (Sec 1.9).</p>	<p>Overtime pay or compensatory time must be granted to all covered employees (nonexempt) who work over forty (40) hours per week in one or more positions, at one or more work locations. Compensatory time is authorized <u>only</u> for eligible non-instructional employees and is accrued at a rate of one and one-half hours of compensatory time for each hour of work (Sec. B &amp; C).</p>
<p>The employee must have the expressed approval of the supervising administrator to work beyond his/her regular work days. <u>Subject to Section 5A above, Employees authorized to work in excess of 37.5 hours shall be paid overtime or accrue compensatory time at a rate of 1:1.5 for each hour worked in excess of 37.5 hours.</u></p>	<p>Overtime worked must be pre-approved. Those locations which choose not to pay overtime, but grant compensatory time instead, must account for the overtime hours using the Compensatory Time Report (Sec 1.2 and 1.8).</p>	<p>No language or time frame included.</p>
<p>The maximum number of working hours an employee may accrue for compensatory time is 20; however the Bureau/Office Head or designee may authorize exceptions to the stated accrual cap.</p>	<p>Compensatory time may be granted up to a maximum balance of thirty (30) hours (i.e., twenty (20) hours of employment at time and one-half) at any given time (Sec 1.8).</p>	<p>The maximum number of hours of compensatory time which an eligible M-DCPS employee may accrue is 30 hours (i.e. 20 hours of employment at time-and one-half) at any given time (Sec C).</p>
<p>All accrued compensatory time must be taken within 60 calendar days after accrual; <u>if not taken, the employee will be paid for such time in accordance with the standard overtime payroll procedures.</u></p>	<p>No language or time frame included.</p>	<p>No language or time frame included.</p>
<p><del>Compensatory time accrued prior to April 30th will be paid the last pay period of the fiscal year. Compensatory time accrued after April 30th will be carried over to the next fiscal year.</del></p>	<p>Accrued compensatory time shall not be carried over into the next fiscal year. Authorized, accrued compensatory time must be reported for payment no later than the last pay period of the fiscal year (Sec 1.8).</p>	<p>Accrued compensatory time shall not be carried over into the next fiscal year. Payment for such authorized, accrued compensatory time must be reported for payment no later than the last pay period of the fiscal year (Sec C).</p>

**MIAMI-DADE COUNTY PUBLIC SCHOOLS**  
**FOLLOW-UP REVIEW REPORT**  
**PAYROLL AND TIMEKEEPING PRACTICES AT MAINTENANCE OPERATIONS AND FACILITIES CONSTRUCTION**  
**COMPARISON OF THE RULES GOVERNING COMPENSATORY TIME**  
**FISCAL YEARS 2004-2005 AND 2008-2009**

Attachment Supporting Management's Response to Audit Recommendation 2.1

<p>Contract between the Miami-Dade County Public Schools and the Dade County School Administrators' Association (Effective July 1, 2006 through June 30, 2009 ARTICLE XI - WORKING CONDITIONS - Section 5, Compensatory Time)</p>	<p>PAYROLL PROCESSING PROCEDURES MANUAL (Board Rule 6Gx13-4D-1.09) Final Reading August 18, 2004</p>	<p>MIAMI-DADE COUNTY PUBLIC SCHOOLS SALARY HANDBOOK</p>
<p>When an employee is required by the supervising administrator to work in excess of 37.5 hours during a standard work week, the employee shall receive overtime pay. In lieu of overtime pay, the employee may request to receive compensatory time with the approval of the supervising administrator through the use of the mutually agreed upon Request for Pre-Approval of Overtime (and/or Compensatory Time) form(s).</p>	<p>All employees entitled to overtime who work more than their regularly scheduled number of hours in a work week must be paid "time and one-half" (overtime pay) for those hours over and above regular. Since compensatory time is a form of overtime, the above definition also applies to compensatory time (Sec 1.9).</p>	<p>Overtime pay or compensatory time must be granted to all covered employees (nonexempt) who work over forty (40) hours per week in one or more positions, at one or more work locations. Compensatory time is authorized <u>only</u> for eligible non-instructional employees and is accrued at a rate of one and one-half hours of compensatory time for each hour of work (Sec. B &amp; C).</p>
<p>The employee must have the expressed approval of the supervising administrator to work beyond his/her regular work days. Subject to Section 5(A) above, employees shall be paid overtime or accrue compensatory time at the rate of 1:1.5 for each hour worked in excess of 37.5 hours.</p>	<p>Overtime worked must be pre-approved. Those locations which choose not to pay overtime, but grant compensatory time instead, must account for the overtime hours using the Compensatory Time Report (Sec 1.2 and 1.8).</p>	<p>No language or time frame included.</p>
<p>The maximum number of working hours an employee may accrue for compensatory time is 20; however the Bureau/Office Head or designee may authorize exceptions to the stated accrual cap.</p>	<p>Compensatory time may be granted up to a maximum balance of thirty (30) hours (i.e., twenty (20) hours of employment at time and one-half) at any given time (Sec 1.8).</p>	<p>The maximum number of hours of compensatory time which an eligible M-DCPS employee may accrue is 30 hours (i.e. 20 hours of employment at time-and one-half) at any given time (Sec. C).</p>
<p>All accrued compensatory time must be taken within 60 calendar days after accrual; if not taken, the employee will be paid for such time in accordance with the standard overtime payroll procedures.</p>	<p>No language or time frame included.</p>	<p>No language or time frame included.</p>
<p>No language included.</p>	<p>Accrued compensatory time shall not be carried over into the next fiscal year. Authorized, accrued compensatory time must be reported for payment no later than the last pay period of the fiscal year (Sec 1.8).</p>	<p>Accrued compensatory time shall not be carried over into the next fiscal year. Payment for such authorized, accrued compensatory time must be reported for payment no later than the last pay period of the fiscal year (Sec. C).</p>



**Attachment Supporting Management's Response to Auditor's Recommendation 2.4**

**Table 1**

The following employees worked and were paid for Hurricane Frances in FY 2004-2005. The employees also received compensatory time for some of the hours.

**Pending Collections**

Employee Names	Hours Erroneously Paid and/or Taken	Balance Due from Current Employees	Balance Due from Former Employees	Total
██████████	9.58	\$332.88		\$332.88
██████████	12.00	\$419.43		\$419.43
██████████	32.25		\$1,446.74	\$1,446.74
██████████	6.00	\$208.57		\$208.57
██████████	6.00		\$226.92	\$226.92
<b>TOTAL</b>	<b>65.83</b>	<b>\$960.88</b>	<b>\$1,673.66</b>	<b>\$2,634.54</b>

**Table 2**

The following employees took more compensatory time hours than payroll records indicate that they earned.

Employee Names	Hours Erroneously Paid and/or Taken	Balance Due from Current Employees	Balance Due from Former Employees	Total
██████████	38.00	\$566.53		\$566.53
██████████	105.00	\$1,893.02		\$1,893.02
<b>TOTAL</b>	<b>143.00</b>	<b>\$2,459.55</b>		<b>\$2,459.55</b>

**TOTAL AMOUNT DUE TO THE DISTRICT                      \$3,420.43                      \$1,673.66                      \$5,094.09**

The School Board of Miami-Dade County, Florida, adheres to a policy of nondiscrimination in employment and educational programs/activities and programs/activities receiving Federal financial assistance from the Department of Education, and strives affirmatively to provide equal opportunity for all as required by:

**Title VI of the Civil Rights Act of 1964** - prohibits discrimination on the basis of race, color, religion, or national origin.

**Title VII of the Civil Rights Act of 1964**, as amended - prohibits discrimination in employment on the basis of race, color, religion, gender, or national origin.

**Title IX of the Education Amendments of 1972** - prohibits discrimination on the basis of gender.

**Age Discrimination in Employment Act of 1967 (ADEA)**, as amended - prohibits discrimination on the basis of age with respect to individuals who are at least 40.

**The Equal Pay Act of 1963**, as amended - prohibits sex discrimination in payment of wages to women and men performing substantially equal work in the same establishment.

**Section 504 of the Rehabilitation Act of 1973** - prohibits discrimination against the disabled.

**Americans with Disabilities Act of 1990 (ADA)** - prohibits discrimination against individuals with disabilities in employment, public service, public accommodations and telecommunications.

**The Family and Medical Leave Act of 1993 (FMLA)** - requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons.

**The Pregnancy Discrimination Act of 1978** - prohibits discrimination in employment on the basis of pregnancy, childbirth, or related medical conditions.

**Florida Educational Equity Act (FEEA)** - prohibits discrimination on the basis of race, gender, national origin, marital status, or handicap against a student or employee.

**Florida Civil Rights Act of 1992** - secures for all individuals within the state freedom from discrimination because of race, color, religion, sex, national origin, age, handicap, or marital status.

**School Board Rules 6Gx13- 4A-1.01, 6Gx13- 4A-1.32, and 6Gx13- 5D-1.10** - prohibit harassment and/or discrimination against a student or employee on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference, pregnancy, or disability.

*Veterans are provided re-employment rights in accordance with P.L. 93-508 (Federal Law) and Section 295.07 (Florida Statutes), which stipulate categorical preferences for employment.*

***INTERNAL AUDIT REPORT***



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