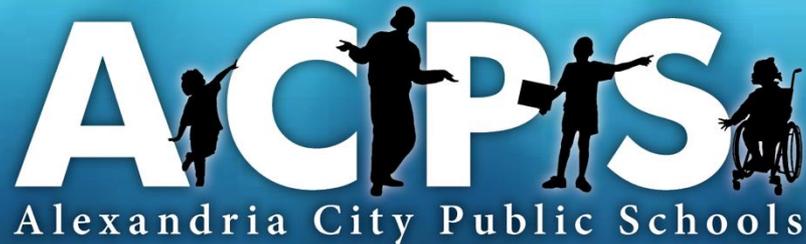


Performance Audit Staff Updates

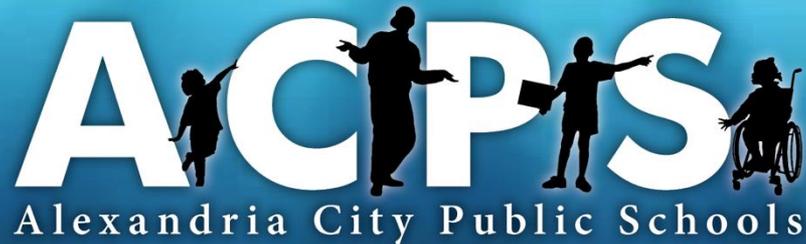
Payroll Processes

School Board Meeting
September 13, 2018



Every Student Succeeds

Payroll Audit Update

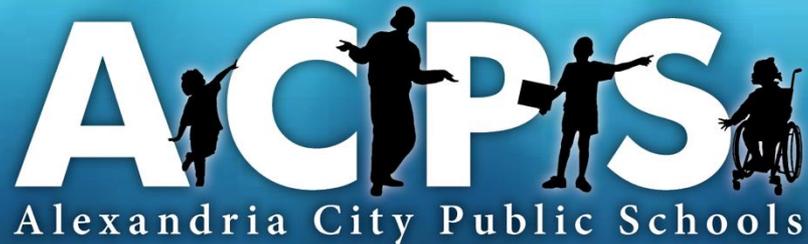


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Essential Questions

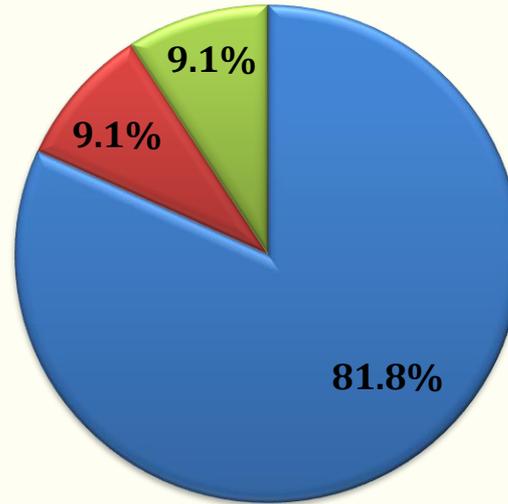
- What were the recommendations of the Gibson audit of our payroll processes that have not yet been completed?
- How did ACPS management respond initially to those recommendations?
- What work has been completed to implement the recommendations subsequent to the audit?

Payroll Audit Update



Every Student Succeeds

Recommendation Implementation



Key	Status	Number of Recommendations	Percentage of Recommendations
	Recommendation Fully Implemented on Schedule	9	81.8%
	Ongoing Items	1	9.1%
	Implementation Not on Schedule	1	9.1%
	Implementation In-progress on Schedule	0	0.0%
	Management Disagreed with Recommendation	0	0.0%
	Total	11	100.0%

Recommendations and Status

#	Recommendation	Gibson Priority	Target Completion	Status
1	Evaluate opportunities to streamline the payroll process.	High	On-going	On-Going
2	Conduct an analytical review of all overtime, including historical trends and extra duty hours, to ensure appropriateness.	Medium	February 2018	Completed On Time
3	Require all employees to enroll in direct deposit.	Low	June 2018	Not on Schedule Will not be Prioritized
4	Implement performance measures to monitor the payroll function's efficiency.	Low	November 2017	Completed On Time
5	Update the division payroll manual to reflect all current procedures.	Low	April 2018	Completed On Time
6	Reduce the number of off-cycle payroll runs/warrants.	Medium	April 2018	Completed On Time
7	Implement controls to eliminate late time reporting.	High	June 2018	Completed On Time
8	Implement controls to ensure that stop payment orders are implemented for all checks that are reissued.	Medium	October 2017	Completed On Time
9	Enhance supervisory review procedures for all payout calculations.	High	May 2018	Completed On Time
10	Implement controls to consistently record coaching compensation and student activity stipend pay under related pay types within MUNIS.	Medium	October 2017	Completed On Time
11	Implement controls to ensure that all employees who receive a monetary supplement for middle school and club sports assignments receive separate contracts executed by the School Board, as outlined by School Board Policy.	High	October 2017	Completed On Time

Recommendation #3

Direct Deposit for All Employees

Recommendation

- Require all employees to enroll in direct deposit.

Management Response

Target Completion: June 2018

- Management agreed with the recommendation.

Status: Decision Not to Prioritize Implementation →

Implementation

Implementation Not on Schedule

- Direct Deposit is required for all new employees. Some employees were grandfathered in.
- Financial Services analyzed the annual costs associated with regular-pay-cycle check processing (for employees not set up for direct deposit) at only \$2,376.
- Determination made that this would not offset the costs of expedited implementation.
- Staff will continue to work towards the goal of enrolling employees in direct deposit, however, this will not be prioritized.

IN PROGRESS

Recommendation #7

Eliminate Late Time Reporting

Recommendation

- Implement controls to eliminate late time reporting (timesheets).

Management Response

Target Completion: June 2018

- Management agreed with the recommendation.

Implementation

Status: Completed on Time

- Process enacted (beginning with the May 15 payroll) to report to the Superintendent's Leadership Team on late timesheet submittals after every regular pay period during the school year.
- The relevant Chief or Executive Director then discusses late timesheet submittals with the employee responsible for submitting the timesheets.

COMPLETED

Upcoming Performance Audit Updates

Date	Performance Audit Covered in Update
COMPLETED	Procurement Process Update ✓
COMPLETED	Payroll Process Update ✓
October 2018	Facilities Process Update
Date TBD	HR Audit – Initial Presentation
<i>Note: Staff will continue to update the School Board quarterly on each audit until all recommendations have been implemented.</i>	

Questions/Comments

Michael A. Covington
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Superintendent

Dr. Gregory C. Hutchings, Jr.

School Board

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