



## **Elderly and Veterans Services Division Payroll Processing Review**

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September 17, 2009

Report No. 09-16



**Office of the County Auditor**  
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## Executive Summary

This report presents the results of our payroll processing review at the Elderly and Veterans Services (EVS) Division. Our objective was to evaluate whether the EVS Division's payroll is processed in compliance with the County's policies and procedures. The review covered the pay period ended June 13, 2009.

We selected a sample of 30 hourly and salaried employees and reviewed time cards, leave forms, batch balancing forms and other documentation used in the payroll process. In general, we found that EVS Division complied with the County's payroll policies and procedures. Although time cards included supervisors' signatures, they lacked evidence of review for accuracy.

To strengthen controls over the payroll process, we recommend the Board of County Commissioners direct the County Administrator to implement procedures to ensure time cards are reviewed for accuracy by supervisors, prior to approval and submission to the Payroll Liaisons for entry into Cyborg.

## Purpose and Scope

The objective of this review was to evaluate whether the EVS Division's payroll is processed in compliance with County policies and procedures. Our review covered the pay period May 31, 2009 through June 13, 2009.

## Methodology

To accomplish our objectives, we:

- Reviewed:
  - The Internal Control Handbook (ICH):
    - Volume 6: Accounting, Payroll and Tangible Property Procedures, Chapter 4, Payroll, and
    - Volume 15: Human Resources Procedures, Chapter 4, Hours of Work and Work Schedules.
  - Payroll documentation for a sample of 30 employees<sup>1</sup> for the pay period ended June 13, 2009.
- Interviewed EVS Division's personnel.

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<sup>1</sup> Of the 30 employees selected, 26 were selected randomly and 4 selected judgmentally.

## Background

The Elderly and Veterans Services Division (EVS) provides support services to elders, veterans and their families to improve their quality of life and maintain successful community living. The Division has three sections<sup>2</sup> with approximately 108 employees<sup>3</sup>, of which 70 (65%) are salaried and 38 (35%) are compensated on an hourly basis. The EVS division's represented employees are paid in accordance with their respective labor bargaining agreements<sup>4</sup>.

Table 1 below shows EVS gross payroll amounts and the number of employees for Fiscal Year 2008 and Eight Months Ended May 2009.

**Table 1**  
**EVS Gross Payroll and Employees**  
**FY 2008 and Eight Months Ended May 2009**

Payroll Period	Gross Payroll	Number of Employees
<b>FY 2008</b>	\$4,912,029	118
<b>Eight Months Ended May 2009</b>	\$3,201,057	108

*Source – Cyborg Payroll System*

### **EVS Payroll Processing**

EVS utilizes the County's Cyborg payroll system (Cyborg) to record hours worked and leave requests for each employee. The Division has three Payroll Liaisons, one for each of the three sections, who perform the following payroll functions:

- Compile and review manual time cards and leave forms,
- Enter payroll data into Cyborg, and
- Perform batch balancing of hours entered into Cyborg.

### ***Time Cards and Leave Forms Compilation and Review Process***

The payroll cycle is two weeks in duration, Sunday through Saturday. No later than noon on the Thursday prior to the pay period ending (PPE) date, section supervisors collect all required time cards and leave forms from employees. After review and approval, the supervisor prepares a Supervisor Attendance/Leave Report, which lists all the employees, the leave dates and number of hours requested. The report serves

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<sup>2</sup> The three sections include: Veteran's Services, Community Care for the Elderly and Behavioral Health.

<sup>3</sup> The number of employees reflected is as of May 30, 2009.

<sup>4</sup> The two labor bargaining agreements are: Amalgamated Transit Union, Local 1591(white collar) and the Government Supervisors Association of Florida, Local 100, Professional Unit.

as a cover sheet, which is submitted to the designated payroll liaison, along with all time cards and leave forms. Each payroll liaison quality assures the submitted documents by performing the following steps:

- Compares time cards and leave forms to the employee roster,
- Reviews employee leave balances to ensure sufficiency, and
- Ensures a time card is submitted for each hourly employee.

The Cyborg system automatically shows 80 hours for all full time employees and scheduled hours for part time employees. Hourly employees are required to complete bi-weekly time cards and leave forms to document actual time worked. Salaried employees are not required to complete time cards, but must complete a County leave form when requesting leave. All leave requests are subject to supervisory approval.

### ***Cyborg Entry, Batch Balancing and Transmittal Approval***

Prior to entering data into Cyborg, the Payroll Liaison reviews payroll documents for accuracy. After review, the liaison manually prepares a “Time Entry Batch Balancing Form” which shows the total regular hours per section and the total number of entries to be entered into Cyborg. Subsequently, each liaison signs into Cyborg and performs the following steps:

- Enters the hours worked and leave hours shown on time cards or leave forms,
- Prints the “Time Entry Batch Balancing Screen” generated by Cyborg after all entries are made, and
- Compares the “Time Entry Batch Balancing Screen” to the “Time Entry Batch Balancing Form” created manually, to ensure input accuracy.

If no input errors are noted, each Payroll Liaison meets with the Director or Assistant Director to ensure total hours entered into Cyborg agrees to total hours on the Batch Balancing Forms. The Assistant Director reviews and approves the Batch Balancing Form. If no adjustments are needed, one Payroll Liaison prepares a grand total “Batch Balance Form”, which is also reviewed and approved by the Assistant Director. The approved form is faxed to Payroll Central no later than noon Monday following the end of the pay period.

The Payroll Liaison for each section reviews and reconciles reports sent by Payroll Central to ensure accuracy of payroll information. Corrections to discrepancies are emailed back to Payroll Central.

### ***Payroll Check Pick-up/Distribution***

The Division Accountant or an authorized employee (Director or Assistant Director) collects paychecks and deposit notices from Payroll Central on Thursday after the pay period ends. The Accountant or authorized employee provides the paychecks and deposit notices to the Customer Relations Unit (CRU) Supervisor to hold for distribution. Prior to distribution, pay checks and deposit notices are sorted by section

and then distributed by a CRU Senior Office Support Specialist. Each employee is required to sign the Distribution List to verify receipt of paychecks and deposit notices. Unclaimed checks are kept locked in a safe for up to 30 days then returned to Payroll Central.

## Finding

### **Time cards lacked evidence of supervisory review for accuracy.**

The Elderly and Veterans Services Payroll Internal Procedures, Number F001 states, “It is the responsibility of designated and authorized Broward County Elderly and Veterans Services Division employees to quality assure pay authorization documents and enter accurate leave information electronically into the CYBORG system so Accounting, Payroll Section can produce employee paychecks”.

We reviewed a sample of 30 hourly and salaried employees<sup>5</sup>. Although we found no payroll errors, we found a lack of evidence of review by supervisors as follows:

- All 12 time cards supporting payments to hourly employees contained supervisors’ signatures, but showed no evidence of review for accuracy by the supervisor, prior to entry into Cyborg by the Payroll Liaison. Failure to perform thorough verification of hours could result in payroll errors.
- One time card did not accurately reflect the leave hours for the pay period. Although the correct amount was entered into Cyborg, the time card was not updated to reflect the leave taken.

A supervisor’s signature indicates approval of time cards not a review for accuracy. Therefore, supervisors should ensure that time cards and leave slips are accurate and properly completed prior to approval and entry into Cyborg. Failure to properly perform and document payroll reviews can result in overpayments and/or underpayments to employees.

## Recommendation

To strengthen controls over the payroll process, we recommend the Board of County Commissioners direct the County Administrator to implement procedures to ensure time cards are reviewed for accuracy by supervisors prior to approval and submission to the Payroll Liaisons for entry into Cyborg.

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<sup>5</sup>Of the 30 employees selected, 26 were selected randomly and 4 selected judgmentally.