

Table of Contents
Substitute Services
February, 2012

	Page Number
BACKGROUND	2
OBJECTIVE	2
SCOPE AND METHODOLOGY	2
COMMENDATION	2
FINDINGS AND RECOMMENDATIONS	2-3

BACKGROUND

Since 2006, Orange County Public Schools has engaged the services of an outside firm to recruit, interview, select, hire and assign substitute teachers. The substitute teachers are employees of the outside firm, not OCPS. Within OCPS, the Substitute Services Division of the Human Resources Department administers the agreement with the outside firm and coordinates the services provided and the district's payment for those services.

Successful administration of this arrangement requires attention to detail, follow-through on matters requiring attention and close coordination between and among district personnel and the outside firm's personnel.

OBJECTIVE

Our audit objective was to determine whether the Substitute Services contract is managed in an efficient and effective manner and whether management practices include appropriate controls.

SCOPE AND METHODOLOGY

Our audit covered the period from July 1, 2010, through June 30, 2011.

Our audit was performed in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors. The procedures performed were those we deemed necessary to meet the audit objective.

COMMENDATION

In general, the Substitute Services Department is managing the substitute teachers process effectively. The absentee fill rate is very high and school principals have expressed, via a survey conducted by Substitute Services, satisfaction with the arrangement. The results of our tests revealed no significant issues. However, we do have several findings and recommendations that we believe will further improve the substitute process.

FINDINGS AND RECOMMENDATIONS

Eleventh Day Pay:

When a substitute with a Bachelor's degree or higher serves more than 10 consecutive days in the same position, (s)he is paid based on the instructional salary schedule of OCPS, exclusive of benefits.

We noted 7 of the 62 substitute transactions we tested involved 11th day pay. Two of those 7 transactions had errors in the 11th day pay. In one case the substitute was paid at the 11th day rate when she should not have been. In the other case, the substitute was not paid at the 11th day rate when she did meet the criteria and should have received it. Neither of these errors was detected by the outside firm or OCPS personnel.

We recommend that the 11th day process be clarified and re-communicated to the involved parties. We also recommend that billings for these particular substitutes be adjusted as appropriate.

Error in Computer Program for Absences:

A key control in the payment procedure for substitute services is a process that matches each day's billing for a substitute with a recorded absence in OCPS time and attendance records. This matching is performed by a computer program developed by the district's ICTS Department.

Our testing revealed that deductions of sick time for contribution to the district's sick leave bank are read as absences by the matching program. In our test, this resulted in false verification of an absence for an employee who was, in fact, not absent on the day in question.

We recommend that the computer program be revised to properly read the code for sick leave bank contributions so that they are not read as absences.

Changes to Employee Leave Records:

During our audit we noted the reversal of leave recorded at a time when a substitute teacher was on duty. A five day absence that was originally recorded in September, 2010, was reversed in May, 2011. The substitute did work at the school on the day in question and the outside firm has been paid for those services.

We recommend that the OCPS Payroll Department develop a procedure to periodically review changes in recorded leave to ensure that they are proper.

School Board Policy GCG:

School Board Policy GCG, Part-time and Substitute Professional Staff Employment, has become outdated due to procedural and statutory changes.

We recommend that this policy be reviewed and updated as necessary.

Invoice Reconciliation Procedures:

While there are written procedures describing the reconciliation of billings from the outside firm, they lack a clear narrative of the overall process and a clear identification and description of the approval points for non-routine transactions.

We recommend that the process be refined to add these clarifications.

We wish to thank the staff of Substitute Services for their cooperation and assistance during the audit.

Robert Sicolo, CIA, Auditor

AUDIT RESPONSE MATRIX

FISCAL PERIOD: 2011-2012

DEPARTMENT/SCHOOL:
 ADMINISTRATOR/PRINCIPAL:
 DEPARTMENT HEAD/AREA SUPERINTENDENT:

Substitute Services and Special Projects
Javier Melendez, Director
Carol Kindt, Executive Director, Human Resources

Exception Noted What is? What should be?	Management Response What needs to be done?	Responsible Person Who needs to do it?	Outcome Timeline When will the action be completed? What is the evidence of completion?
<p>1. Substitutes with a Bachelor's degree or higher serving more than 10 consecutive days in the same position are paid based on the instructional salary of OCPS, exclusive of benefits.</p> <p>Recommendation: Clarify the 11th day process and re-communicate it to the parties involved in the process.</p>	<p>1. Policy language will be recommended to the School Board for approval and adoption on policy GCG pertaining to the 11th day pay. An on-line training containing an explanation of the 11th day pay and the importance of the fiscal accountability will be delivered for selected school-based personnel</p> <p>Address the topic of an accurate payroll for Kelly Substitute Teachers at Principal meetings.</p>	<p>1. Director Substitute Services and Special Projects</p> <p>Senior Executive Director, Human Resources</p>	<p>1. Policy language will be recommended through the appropriate channels leading to School Board consideration and approval on its regularly scheduled meeting of April 24, 2012.</p> <p>The online training will be designed and ready to be delivered prior to the beginning of 2012-2013 academic year. A roster containing the names of training completers will be kept.</p> <p>At the Principal meeting held on December 8, 2011, the subject of accurate payroll for Kelly Substitute Teachers was addressed.</p>

<p>2. The payment procedure for substitute services matches each days billing for a substitute with a recorded absence in OCPS time and attendance records. The deduction of sick time for contribution to the sick leave bank is read as absences by the matching program. Recommendation: Revise the computer program to properly read the code for sick leave bank contributions so they are not read as absences.</p> <p>3. School Board Policy GCG, part-time and substitute professional staff employment, has become outdated due to procedural and statutory changes. Recommendation: The policy should be reviewed and updated as necessary.</p>	<p>2. Remove the code pertaining to Sick Bank contribution (050830) from being read as an absence for the purpose of billing substitute services invoices.</p> <p>3. Substitute Services and Special Projects will undertake, under consultation with pertinent departments, the crafting of policy language to be recommended to the School Board for updating policy GCG.</p>	<p>2. Director Substitute Services and Special Projects ICTS Application Analyst IV</p> <p>3. Director Substitute Services and Special Projects Various OCPS departments involved in the process of the delivery of Substitute Services.</p>	<p>2. The removal of the code for the sick bank contribution will be completed no later than March 15, 2012. The invoicing process will not reflect the sick bank contribution as an absence.</p> <p>3. Policy language will be recommended through the appropriate channels leading to School Board consideration and approval on its regularly scheduled meeting of April 24, 2012.</p>
---	---	---	---

AUDIT RESPONSE MATRIX

FISCAL PERIOD: 2010-2011

DEPARTMENT/SCHOOL:
ADMINISTRATOR/PRINCIPAL:
DEPARTMENT HEAD/AREA SUPERINTENDENT:

Substitute Services – Payroll Recommendation		
Tonya Godley	<i>Tonya Godley</i>	8-13-12
Rick Collins	<i>Rick Collins</i>	5/13/12

Exception Noted What is? What should be?	Management Response What needs to be done?	Responsible Person Who needs to do it?	Outcome Timeline When will the action be completed? What is the evidence of completion?
<p>During our audit we noted the reversal of leave recorded at a time when a substitute teacher was on duty. A five day absence that was originally recorded in September, 2010, was reversed in May, 2011. The substitute did work at the school on the day in question and the outside firm has been paid for those services.</p> <p>We recommend that the OCPS Payroll Department develop a procedure to periodically review changes in recorded leave to ensure that they are proper.</p>	<p>Employee Self-Service – Reporting Leave Using A Certificate of Absence is currently in the blueprinting stage. It will be evaluated and a determination rendered by the end of the 2012 calendar year for the funding and feasibility of this project.</p> <p>Employee Self-Service will allow employees to access information associated with their hours worked and request for approval of leave using the on-line Absence Request. Employees will be able to record timesheet information for leave usage using an electronic Certificate of Absence for on-line time and leave tracking. The intent is to replace paper timesheets.</p> <p>The system will be accessed through the Integrated System’s Employee Self-Service function.</p>	<p>Tonya Godley</p>	<p>To be determined.</p>

	<p>Any employee who currently is required to report hours worked and/or leave taken, including Classified Staff, Instructional and Administrators will use ESS.</p> <p>Managers will approve time on-line rather than sign a paper time sheet. Everyone who is designated as a manager or supervisor in the Integrated System will be given access. This tool will allow managers to see employment information for all their direct reports, all in one place. Managers can use the Integrated System to approve time, or they can approve directly from an email notifying them that a staff member has submitted a timecard for review.</p>		
--	--	--	--