



**Auditor of State
Betty Montgomery**

WARRENSVILLE HEIGHTS CITY SCHOOL DISTRICT
TABLE OF CONTENTS

Title	Page
Schedule of Elected and Administrative Personnel	1
Independent Accountants' Report	3
Supplement to the Special Audit Report	
Background Information	5
Issue – Overcompensation of Non-Certified Employees	6

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WARRENSVILLE HEIGHTS CITY SCHOOL DISTRICT
SCHEDULE OF ELECTED AND ADMINISTRATIVE PERSONNEL
AS OF JUNE 30, 2002

Mrs. Jean A. Smith	Board President
Mrs. Lisa N. Burton	Board Vice-President
Mrs. Sandra E. Noble	Board Member
Mrs. Martha L. Bonner	Board Member
Mr. Clarence Love	Board Member
Dr. Gwendolyn Cooke	Superintendent
Mrs. Patricia Beale	Treasurer
Dr. Gary Zoldesy	Business Manager

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Mr. M. Clarence Love, Board President
Dr. Gwendolyn Cooke, Superintendent
Warrensville Heights City School District
4500 Warrensville Center Road
Warrensville Heights, Ohio 44128

At your request, we have conducted a Special Audit and performed the procedures summarized below, and detailed in our "Supplement to the Special Audit Report," for the period July 1, 2001 through June 30, 2002 ("the Period"). These procedures were performed solely to determine whether the Warrensville Heights City School District ("the District") over compensated non-certified employees of the District during the Period.

This engagement was conducted in accordance with consulting standards established by the American Institute of Certified Public Accountants. The procedures we performed and the results of those procedures are summarized below and detailed in the attached "Supplement to the Special Audit Report":

1. We compared the hours worked by 44 non-certified employees to the hours for which those employees were compensated according to the District's payroll ledgers. We calculated the hours worked by those employees by reviewing payroll ledgers, time cards, time card summaries, daily time sheets, District policies, and the contract between the District and the Ohio Association of Public School Employees Chapter #318, AFSCME, AFL-CIO. We also verified the authorized rates of pay for those employees by reviewing District salary notifications, the contract between the District and the Ohio Association of Public School Employees Chapter #318, AFSCME, AFL-CIO, and District Board minutes.

Significant Results - The District over-compensated 27 non-certified employees, including Bruce Bonner, the District's then payroll bookkeeper, in amounts totaling \$45,071. We issued Findings for Recovery against the employees individually, including Mr. Bonner, ranging from \$143 to \$7,263. Mr. Bonner was named jointly and severally in the Finding for Recovery for the entire \$45,071 because as payroll bookkeeper, he was the District employee responsible for computing District employees' payroll and entering their payroll data into the payroll system.

The District was unable to provide us with the following documents:

- Time cards of 37 District employees for 120 pay periods
- The payroll ledger for the pay date of November 9, 2001
- Time summaries prepared by the Business Manager's office of hours worked by non-certified employees for the pay dates of October 12, 2001, October 26, 2001, November 9, 2001, and November 23, 2001.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Mr. M. Clarence Love, Board President
Dr. Gwendolyn Cooke, Superintendent
Warrensville Heights City School District
Independent Accountants' Report
Page 2

As a result, we could not determine whether compensation paid to non-certified District employees during the identified periods was accurate. We issued a noncompliance citation for not maintaining public records.

We also issued 3 management comments related to numerous internal control weaknesses identified within the District's payroll system.

2. On April 15, 2003 we held an exit conference with the following District personnel:

Jean Smith, Board President
Lisa N. Burton, Board Vice President
Martha Bonner, Board Member
Dr. Gwendolyn J. Cooke, Superintendent

The District was given an opportunity to respond to this special audit report. We received responses from the District on May 1, 2003. The response was evaluated and changes were made to the report as we deemed appropriate.

This report is intended for the use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties. Reports by the Auditor of State are a matter of public record and use by other components of state government or local government officials is not limited.



Betty Montgomery
Auditor of State

April 4, 2003

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

BACKGROUND INFORMATION

Shortly prior to July 5, 2002, Mr. M. Clarence Love, Board President, informed Ms. Patricia Beale, District Treasurer, that there may have been irregularities related to the District's payroll compensation to Ms. Consuelo Robertson, a District school bus driver. This over-compensation was allegedly intentional and allegedly perpetrated by Mr. Bruce Bonner, the former payroll bookkeeper for the District. Subsequent to receiving this information from Mr. Love, Ms. Beale was contacted by Mrs. Martha Bonner, a Board member and grandmother to Mr. Bonner. Mrs. Bonner informed Ms. Beale that the time cards of Consuelo Robertson were missing. After her own physical inspection, Ms. Beale determined that the individual time cards of Consuelo Robertson were indeed missing from each payroll pack of time cards. Based upon her review of the available records, Ms. Beale determined there were discrepancies related to the District's compensation to Ms. Robertson.

On July 10, 2002, Ms. Beale informed the Warrensville Heights Police Department of those discrepancies, at which time, the Warrensville Heights Police Department initiated an investigation of those matters.

On September 19, 2002, Gwendolyn J. Cooke, District Superintendent, submitted a request to the State Auditor's office to perform a special audit of compensation to non-certified employees of the District.

On October 15, 2002, the Auditor of State's Special Audit Committee considered the request from the District and voted to initiate a special audit of the compensation paid to non-certified employees of the District.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

ISSUE – DETERMINE WHETHER THE WARRENSVILLE HEIGHTS CITY SCHOOL DISTRICT OVER-COMPENSATED NON-CERTIFIED EMPLOYEES OF THE DISTRICT DURING THE PERIOD

PROCEDURE

We compared the hours worked by 44 non-certified employees to the hours for which those employees were compensated according to the District’s payroll ledgers. We calculated the hours worked by those employees by reviewing payroll ledgers, time cards, time card summaries, daily time sheets, District policies, and the contract between the District and the Ohio Association of Public School Employees Chapter #318, AFSCME, AFL-CIO. We also verified the authorized rates of pay for those employees by reviewing District salary notifications, the contract between the District and the Ohio Association of Public School Employees Chapter #318, AFSCME, AFL-CIO, and District Board minutes.

RESULTS

The District over-compensated 28 non-certified employees in amounts totaling \$45,071. Bruce Bonner, payroll bookkeeper, was the District employee responsible for computing District employees’ payroll and entering their payroll data into the payroll system. The following chart identifies those employees and their related overcompensation for which we will issue Findings for Recovery.

<u>Employee</u>	<u>Position</u>	<u>Amounts</u>
Bruce Bonner	Payroll Bookkeeper	1,565
Elaine Callahan	10 Month Bus Driver	1,876
Z. T. Dobbins	10 Month Bus Driver	2,543
Nichelle Doss	Custodian	1,254
Abraham Goggins	10 Month Bus Driver	2,195
Lynda Hall	10 Month Bus Driver	1,759
Wade Hamilton Jr.	Custodian	1,092
Jeanette Hampton	Custodian	448
Robert L. Harris	Custodian	2,852
Robert Hayles	Maintenance	599
Chris Hodges	Custodian	143
Forenda Hollins	Bus Driver	851
Dorothy J. Jackson	Custodian	904
Arthur Jones	10 Month Bus Driver	159
Priscilla McMullen	10 Month Bus Driver	4,215
Stacy M. Middleton	Custodian	364
Nathan G. Oliver	Custodian	1,580
Gary Reeves	Custodian	1,285
Tandy L. Rencher	Custodian	1,246
Consuelo Robertson	10 Month Bus Driver	7,263
Donald Schmook	10 Month Bus Driver	1,246
Rebecca Shambley	10 Month Bus Driver	1,942
Benjamin Sharp	Custodian	225
Earl B. Smedley	Custodian	583
Dorothy Smith	Bus Driver	989
Sharon O. Taylor	Custodian	4,799
Alice Watkins	Custodian	1,094
Total		<u>\$ 45,071</u>¹

¹ Mr. Bonner will be named in the Finding for Recovery jointly and severally liable for the entire amount.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Eight District employees were over-compensated in amounts totaling \$486 during the Period. Since those 8 employees were over-compensated in amounts which individually did not exceed \$100, we did not issue Findings for Recovery against those individuals. We will recommend the District review the over-compensation to those employees, officially notify those employees of the over-compensation, and make arrangements with those employees to recover the amounts over-compensated.

Seven District employees appeared to be under-compensated in amounts totaling \$1,441 during the Period. We will recommend the District review the compensation paid to those employees during the Period.

The District was unable to provide us with the following documents during our special audit:

- Time cards of 37 District employees for 120 pay periods.
- The payroll ledger for the pay date of November 9, 2001.
- Time summaries prepared by the Business Manager's office of hours worked by non-certified employees for the pay dates of October 12, 2001, October 26, 2001, November 9, 2001, and November 23, 2001.

As a result, we could not determine whether compensation paid to District employees during those periods was accurate. We will issue a noncompliance citation related to retaining public records.

As noted in the Background Information, it was alleged Mr. Bonner manipulated the payroll of Ms. Consuelo Robertson, former District employee. While examining documents related to the District's over-compensation to non-certified employees, we noted the following discrepancies pertaining to Ms. Robinson:

- It appeared that the total hours worked, as reflected on her time card for the work week beginning July 9, 2001, was altered to reflect a total of 38 hours worked rather than the actual 28 hours worked.
- Ms. Robinson was paid for hours worked on August 24, 2001 which overlapped. One time card submitted reflected she worked from 7:00 AM to 3:30 PM while another time card submitted reflected she worked from 9:04 AM to 3:43 PM.
- For the pay dates of August 31, 2001 and September 14, 2001, Ms. Robertson was paid at the bus driver rate of \$13.53 per hour rather than the custodian rate of \$9.20 per hour.
- Ms. Robinson submitted two different time cards for payment in two different pay periods which both included the same 7.5 hours worked on September 1, 2001.
- Ms. Robinson submitted two different time cards for the pay date of September 28, 2001 which both included hours for holiday pay for September 3, 2001. One time card reflected 8 hours for holiday pay and the other time card reflected 5 hours for holiday pay.
- The total hours worked, as submitted by Ms. Robinson on her time card, during the week of September 17, 2001, exceeded by 4 hours the actual time worked according to the time clock notations.
- For the pay dates of October 26, 2001, November 9, 2001, November 23, 2001, January 18, 2002, February 15, 2002, March 29, 2002, April 12, 2002, May 10, 2002, May 24, 2002, June 7, 2002, and June 21, 2002, the total work hours for which Ms. Robertson was compensated, as reflected in the District's payroll records, were overstated in amounts ranging from 8 hours to 30 hours per pay period when compared to the hours worked as supported by her time cards during those same periods.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

- It appeared that the total hours worked, as reflected on her time card for the work week beginning November 19, 2001, was altered to reflect a total of 58.45 hours worked rather than the actual 28.45 hours worked.
- It appeared that the total hours worked, as reflected on her time card for the work week beginning December 12, 2001, was altered to reflect a total of 45.4 hours worked rather than the actual 15.4 hours worked.
- It appeared that the total hours worked, as reflected on her time card for the work week beginning February 26, 2002, was altered to reflect a total of 46.9 hours worked rather than the actual 16.9 hours worked.

In addition to the payroll calculation errors noted with respect to Ms. Robinson's payroll, we also noted the following types of errors with respect to the payroll calculations of the other non-certified employees:

- Conversion of time (i.e. hours and minutes worked) to decimal units.
- Addition of hours and sub-totals of hours worked.
- Calculation of hours worked based on time card punch-in and punch-out notations.
- Incorrect reading of the total hours worked on a time card. For instance, Mr. Bonner entered 72 hours worked to the payroll ledgers for an employee, when in fact, the actual hours worked by that employee, as reflected on the time card, were 7.2 hours.
- Calculation of "blended" overtime rates².
- Unauthorized or incorrect rates of pay.

We will issue a management comment related to these payroll calculation weaknesses.

While examining documents related to the District's compensation to District employees during the Period, we noted the following weaknesses related to scheduling, time clock usage, and time cards:

- The District did not maintain a detailed work schedule to identify the hours, dates, and locations where all non-certified employees³ were to work.
- Time cards were not always punched in or out. Time cards often had handwritten in and out times.
- Duplicate time cards were sometimes submitted; one card time punched and the other card handwritten.
- The same time cards were submitted in different pay periods. Also, the same dates were reflected on different time cards.
- Most time cards were neither punched in or out for lunch nor reflected if or when lunch was taken.
- Two different jobs were punched in and out on the same card, thus we could not make a determination of which jobs were performed.
- Bus drivers were paid from punch in times to punch out times while custodians were paid their scheduled time regardless of when they punched in.

² This is the overtime rate of pay when an employee works multiple jobs with different rates of pay.

³ There were schedules for custodians.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

- Employees did not sign their time cards.
- There was no review of time cards by employees' immediate supervisors to verify the hours worked by those employees.
- There was no evidence of overtime approval by supervisors.

We will issue a management comment related to these scheduling, time clock usage, and time card weaknesses.

In addition to the calculation, scheduling, time clock usage, and time card weaknesses reflected previously, we noted the following other weaknesses while examining documents related to the District's compensation to District employees during the Period:

- The District sometimes had more than one payroll run for a pay period.
- Employees were paid triple time for hours worked on Labor Day; however, the District could not provide documentation authorizing triple time.
- Leave hours were not always adequately identified.
- In many instances, we could not determine how stipends paid to employees were calculated.

We will issue a management comment related to these other payroll related weaknesses.

FINDING FOR RECOVERY

The District over-compensated non-certified employees in amounts totaling \$41,764. Bruce Bonner, payroll bookkeeper, was the District employee responsible for computing District employees' payroll and entering their payroll data into the payroll system.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is issued against Bruce Bonner, former District payroll bookkeeper, Elaine Callahan (\$1,876), Z.T. Dobbins (\$2,543), Nichelle Doss (\$1,254), Abraham Goggins (\$2,195), Lynda Hall (\$1,759), Wade Hamilton Jr. (\$1,092), Jeanette Hampton (\$448), Robert Harris (\$2,852), Robert Hayles (\$599), Chris Hodges (\$143), Forenda Hollins (\$851), Dorothy Jackson (\$904), Arthur Jones (\$159), Priscilla McMullen (\$4,215), Stacy Middleton (\$364), Nathan Oliver (\$1,580), Gary Reeves (\$1,285), Tandy Rencher (\$1,246), Consuelo Robertson (\$7,263), Donald Schmook (\$1,246), Rebecca Shambley (\$1,942), Benjamin Sharp (\$225), Earl Smedley (\$583), Dorothy Smith (\$989), Sharon Taylor (\$4,799), Alice Watkins (\$1,094), and the Fidelity and Deposit Company of Maryland, jointly and severally, in the amount of \$45,071, and in favor of the District's General Fund. The District employees listed above are liable to the extent of the amounts which they were over-compensated which are reflected next to their names. Mr. Bonner is named jointly and severally liable for the entire \$45,071 which included over-compensation to him in the amount of \$1,565.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

NONCOMPLIANCE CITATION

Ohio Rev. Code Section 149.351 requires that public records not be removed, destroyed, mutilated, transferred or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under Ohio Rev. Code Sections 149.38 to 149.42. The District was unable to provide us with the following documents:

- Time cards of 37 District employees for 120 pay periods
- The payroll ledger for the pay date of November 9, 2001
- Time summaries prepared by the Business Manager's office of hours worked by non-certified employees for the pay dates of October 12, 2001, October 26, 2001, November 9, 2001, and November 23, 2001.

Missing government documents may raise suspicion of wrongdoing and make it difficult for management to support that their actions complied with applicable laws, regulations, policies and procedures.

We recommend the District review its policies and procedures to determine whether they adequately address record retention and storage, and monitor compliance with existing or newly developed policies and procedures in this area.

MANAGEMENT COMMENTS

Payroll Calculations

The former payroll bookkeeper made numerous errors when calculating the compensation of non-certified employees during the Period. Those errors went undetected for the following reasons:

- There was no review of time cards by employees' immediate supervisors to verify the hours worked by those employees.
- The District did not fully utilize their automated payroll system during the Period. Components of payroll calculations, such as weighted average overtime, were calculated manually by the payroll bookkeeper and entered into the system.
- The accuracy of the payroll bookkeeper's work was never verified by a supervisor or any other District employee.

We recommend the District review the identified instances of overcompensation which are not subjects of the Finding for Recovery and the instances of possible underpayments and resolve those matters with the respective employees. We recommend the District discontinue the practice of manually calculating certain components of payroll compensation, such as weighted average overtime, to District employees. The District should evaluate their needs related to the calculation of payroll and either fully utilize the automated payroll system in place or purchase or develop a computerized payroll system which meets those needs. Data entry should be adequately monitored and reviewed by an appropriate level of management. Any modifications to standing data, such as employees' rates of pay, should be properly approved by an appropriate level of management.

SUPPLEMENT TO THE SPECIAL AUDIT REPORT

Scheduling, Time Clock Usage, and Time Cards

Numerous payroll errors occurred related to the scheduling of District employees, time clock usage, and time cards during the Period. Those errors went undetected for the following reasons:

- Work schedules were not developed in accordance with Article 13 of the contract between the District and the Ohio Association of Public School Employees Chapter #318, AFSCME, AFL-CIO.
- The District had no policies or procedures in place which governed time clock and time card usage.
- The District had no policies or procedures in place which required employees' immediate supervisors to verify the hours worked by those employees.
- Different time cards were not used when different jobs⁴ were performed.
- The District had no policies or procedures in effect which required employees to sign their own time cards to attest to the time they worked.
- Overtime was not in accordance with Article 21 of the contract between the District and the Ohio Association of Public School Employees Chapter #318, AFSCME, AFL-CIO.

We recommend the District comply with all of the requirements outlined in the contract between the District and the Ohio Association of Public School Employees Chapter #318, AFSCME, AFL-CIO. This contract contains inherent controls, which, if complied with, will provide accountability over the payroll process. We also recommend the District develop and approve policies and procedures necessary to improve accountability over the time clock/time card usage process, including employee sign-offs and approvals by an appropriate level of District management.

Other Payroll Related Discrepancies

We noted various other weaknesses while examining documents related to the District's compensation to District employees during the Period. Those weaknesses included multiple payroll runs during a pay period, employees being paid triple time on Labor Day, undocumented leave hours, and the calculation of stipends.

We recommend the District perform only one payroll run for a pay period. We also recommend the District pay overtime and stipends in accordance with Articles 21 and 37, respectively, of the contract between the District and the Ohio Association of Public School Employees Chapter #318, AFSCME, AFL-CIO.

⁴ Jobs performed at different rates of pay.



**Auditor of State
Betty Montgomery**

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WARRENSVILLE HEIGHTS CITY SCHOOL DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 22, 2003**