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OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

Internal Audit Section

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January 11, 2007

William L. Kincaid, M.D., M.P.H., Director
Department of Health
634 N. Grand Blvd., Room 920
St. Louis, MO 63103-1002

RE: Payroll Distribution of Environmental Health Division for the Payroll Period Ending
9/16/2006 (Project # 2007-12)

Dear Dr. Kincaid:

The Internal Audit Section of the Comptroller's Office has conducted a payroll distribution of Environmental Health Division for the pay period ended September 16, 2006. The objectives of this review were to:

- Determine if eligible City Employees received wages.
- Determine whether wages are adequately safeguarded.
- Determine if employees are only paid for actual hours worked.
- Determine if the accrual and use of paid leave was accurate.

Our fieldwork was completed on October 18, 2006. Management responses to the observation and recommendations noted in the report were received on January 9, 2007 and have been attached to the report. We have made the following observation and recommendations:

- **Opportunity to Improve Control over Employees' Vacation Leave and Compensatory Time Balances**

Proper management of the employees' vacation leave hours and compensatory time will ensure accurate records of vacation, sick leave and compensatory time.

We noted that the "vacation leave used" balance reported for an employee did not reflect hours taken during the period reviewed. As per the approved employee leave request form, on September 8, 2006 the employee took eight (8) hours of vacation leave. This was not included in the Vacation, Sick Leave and Compensatory Time Report.

Additionally, for the above pay period, the Environmental Health Division allowed two employees to use compensatory time when the Division's Vacation, Sick Leave and Compensatory Time Report showed negative compensatory time balances of .7 and .3 hours

for these employees. Apparently, the Division's management approved employees' requests for the use of compensatory hours without confirming the available hours with the Payroll Clerk.

Failure to keep accurate records of vacation and compensatory time balances may result in the City incurring losses for compensating employees for hours not earned.

Recommendation

We recommend that the Environmental Health Division ensure that:

1. Vacation leave hours taken and compensatory hours earned during the pay period are reported to the Comptroller's Payroll Section promptly.
2. Employees have sufficient compensatory hours in hand before allowing their use.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

If you have any questions, please contact me at (314) 589-6132.

Respectfully,


Sedrick D. Blake, CPA
Audit/ Fiscal Executive

cc: Melba Moore, Commissioner for Health
Kathryn Lawson, Payroll Manager



FRANCIS G. SLAY
Mayor

WILLIAM L. KINCAID, MD, MPH
Director of Health

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December 18, 2006

Sedrick D. Blake, CPA
Internal Audit Executive
Carnahan Courthouse Building
1114 Market Street, Room 608
St. Louis, Missouri 63101

RE: Payroll Distribution of Environmental Health Division for the Payroll Period
Ending 9/16/2006 (Project #2007-12)

Dear Mr. Blake:

Please find the management response from the Department of Health related to the payroll audit of the Environmental Health Division for pay period ending September 16, 2006.

**Opportunity to Improve Control over Employees' Vacation Leave and
Compensatory Time Balances**

The Payroll Clerk for the Department of Health will send to the Bureau Chief and the designee the vacation, sick leave and compensatory report on a bi-weekly basis. The Bureau Chief along with their designee will review the report and update their attendance logs for the employees.

When an employee requests time off, the Bureau Chief and the designee will pull the attendance log for the employee and verify the time requested is available. In instances when time is not available the employee will be notified accordingly and offered time that is available.

**Department of Health
Vacation, Sick Leave and Compensatory Policy**

To improve control over Employee's Vacation, Sick Leave and Compensatory time, Daily Sign in sheets are generated to ensure each employee is compensated for time worked. Each section within the Department of Health has a designated area where the Daily Sign in sheet is kept.

Each employee is to sign in and out daily. The Bureau Chief or designee must verify that everyone signs in and out and that an Off Time slip is attached in case of absence. If the employee calls in and requests to take leave time, the Clerk for that section must verify the employee has the available time. If not, the clerk will let the employee and supervisor know. If the employee does not have leave time requested he/she can request to use other available time if any. If not the supervisor and/or clerk must inform the employee no leave time is available and that he/she will receive a dock for that time.

To ensure accurate records are being kept on each employee, a bi-weekly Vacation, Sick Leave and Compensatory Balance report will be generated by the Payroll Specialist for each section the Monday after pay day and forwarded to the Bureau Chief to review with the employee. If there are any discrepancies, the Bureau Chief will notify Payroll immediately and all corrections, if any, will be made and a Vacation, Sick Leave and Compensatory Time Adjustment form will be forwarded to the Comptroller's Office.

The Payroll Clerk and Bureau Chief will review and reconcile the employee's attendance logs against the vacation, sick leave and compensatory report which is received from the Department of Personnel on a bi-weekly basis, to ensure accurate records and avoid opportunities for incurring losses for compensating employees for hours not earned.

If you have any questions, please contact me at (314) 612-5112.

Sincerely,



Melba R. Moore, MS
Commissioner of Health

Enclosure: Vacation, Sick Leave and Compensatory Policy

cc: William L. Kincaid, MD, MPH, Director
Valda Croskey, Environmental Health Bureau Chief
Jacqueline Hobbs-Watson, Payroll Clerk