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Office of Internal Auditing

David J. Bryant
CPA, CGAP
Director

Michèle A. Kiker
CGAP
Senior Auditor

Justin B. Cook
Auditor

Jeanne Pilgrim
*Property Records
Technician*

Vacant
*Administrative
Secretary*

215 West Garden St.
Room 217
Pensacola, Florida
32502

Call: 850-469-6272
Fax: 850-469-6290

[http://old.escambia.k12.fl.us
/adminoff/audit](http://old.escambia.k12.fl.us/adminoff/audit)

Transportation Extra Pay Analysis

Audit Number: 2009-004

Report date: March 05, 2009

Period covered: October 06, 2008 to December 26, 2008

EXECUTIVE SUMMARY

Background

The Transportation Department currently consists of approximately 435 bus drivers and bus aides. These employees work a set number of hours, which is entered into payroll as base pay. When a driver or aide is required to work time in excess of base pay, he or she submits a request for extra pay using the Extra Time Reporting Form. The proper procedures for reporting extra time is found in the Escambia County School District Transportation Department Policies and Procedures Manual. Section Three Administration, subsection 02-03-d Payroll, provides specific language regarding procedures for reporting work time and extra time reporting. Over-time costs for the 07/08 school year for the Transportation Department totaled approximately \$325,840. Adding approximately thirty percent for benefits, we estimated last year's over-time costs at \$423,592. Based on year-to-date payroll through February 06, 2009, we estimate over-time costs including benefits will be approximately \$733,295 for the current year.

Objectives

The purpose of this analysis of extra time reporting for the Transportation Department was to compare hours requested for extra pay by each employee on the Extra Time Reporting Forms to actual hours recorded via an asset tracking software. In addition, each request for extra pay was reviewed for proper completion and approval by appropriate staff. During the course of our review, we also noted what appeared to be excess bus idle time. Our objective was expanded to include an analysis of idle time.

Scope

We interviewed personnel in the Transportation Department to obtain an understanding of extra pay policies and procedures. Transportation personnel selected 28 bus drivers and aides for the timeframe of October 06, 2008 to December 26, 2008 to test for compliance with District established procedures. To conduct this analysis, Extra Time Reporting Forms for the 28 employees were tested for proper completion and the extra pay hours requested on each form were compared to the Global Positioning System (GPS) reports provided by Transportation. The GPS reports were also reviewed to note any excessive idle/downtime during the drivers' daily activity. However, due to technical issues

with the GPS tracking system, the audit scope was limited to the availability of the data provided by the GPS tracking reports. Of the 28 bus drivers and aides selected by Transportation to review, only 19 employees had GPS tracking reports available to examine. In addition, the timeframe to be audited was limited because GPS reports did not become initially available until November 10, 2008. With the audit scope limitations having been stated, the reports that we were able to obtain appear reasonable and appear adequate to support our findings and recommendations.

Conclusions

Overall, it appears the District has sufficient policies and procedures in place concerning extra time reporting. However, it appears weaknesses in internal controls exist. Inadequate oversight and monitoring allowed these weaknesses to continue. The following deficiencies were noted:

- Discrepancies of extra pay hours requested compared to GPS reports
- Excessive bus idle time
- Incomplete fields and insufficient explanations on extra pay forms
- Reliability of the Global Positioning System (GPS) report

DETAILED RESULTS

Discrepancies of extra pay hours requested compared to GPS reports

Nineteen of the 28 bus drivers and aides selected for review were audited due to GPS report availability. Ten of 19 (53%) employees tested resulted in variances over the calculated expected extra pay times, for a total variance of forty-one hours and twenty-six minutes. This overage resulted in an annualized cost of salaries and benefits of \$29,891. Because the sample was not random, we cannot statistically extrapolate the sample results to the population. However, if ten percent of the remaining population were over reporting over-time consistent to the sample, this would result in a total cost to the District of \$95,337.

Excessive bus idle time

Pre-trip idle time was examined. Our results and population estimates do not include any additional cost due to excess idle time throughout the day. Fourteen of 19 (74 %) buses tested had idle time in excess of the District established policy. Policy states that bus operators shall not allow the vehicle to idle more than 10 minutes during pre-trip inspection. The total idle time in excess for the 14 buses for the days audited was nineteen hours and twenty-six minutes. This excess idle time costs the District an estimated annual diesel fuel amount of \$1,777. Because the sample was not random, we cannot statistically extrapolate the sample results to the population. Based on discussions with Transportation personnel, they feel the percentage of the population with excess idle time would exceed the percentage of those over reporting extra pay. If twenty-five percent of the remaining population were found to have excess idle time, this would result in a cost to the District of \$8,303 in diesel.

Incomplete fields and insufficient explanations on extra pay Forms

Fourteen of 48 (29.17%) extra pay time requests reviewed did not contain explanations for each day of extra pay requested. These extra pay requests were still approved by the route managers. The reporting guidelines in the Transportation Policy and Procedures Manual state that the employee shall complete all fields on the Extra Time Reporting Form.

Reliability of the Global Positioning System (GPS) Reports

For the timeframe audited, the GPS tracking and reporting system experienced several technical and internal database issues. Several of the GPS reports requested were either entirely unavailable or only partially available because of communication errors between the GPS boxes installed on each bus and the relay towers used by the GPS system. A number of other reports were unable to be produced because parts of the database were corrupted due to a programming issue involving the maintenance and storage of files. In addition, certain reports could not be obtained because of a problem regarding required system software updates. After updates were downloaded, certain files were lost or became unable to recover. For these reasons, the audit scope was limited to the availability of reports that could be generated with complete and reliable daily activity of the bus routes.

Management Action Plans

To be developed

Process-improvement Recommendations

- The results of our analysis indicate that the accuracy and validity of the requests for extra pay submitted by bus drivers and aides are not being confirmed by assigned route supervisors, resulting in the over-reporting of time.

We recommend consideration be given for additional training for route managers responsible for approving the extra pay time forms. This training should provide directions on how to compare extra pay requests to the GPS reports.

We have been informed that the route managers currently do not have the available time to confirm each request for extra pay. It appears each route manager is responsible for 59 drivers and is often performing other tasks not directly related to the supervision of routes.

We recommend allocating additional resources to reduce the number of drivers supervised by route managers. Duties not associated with the management of routes should be transitioned to other Transportation personnel.

- From our analysis of GPS reports, it appears a number of bus drivers idle their buses during pre-trip inspections in excess of the 10-minute threshold established in the District policy.

We recommend bus drivers be re-informed of idling policies and route managers scan the GPS reports for excessive bus idling during pre-trip inspection.

- Currently, extra pay requests are being approved by route managers without proper completion by the employee. Policy states that employees shall complete all fields on the extra time reporting form.

We recommend that route managers only approve requests for extra pay after all fields on the form have been completed by the employee and all discrepancies and questions have been researched and resolved.

- We noted several system issues during our audit in regards to the current GPS tracking software used by the Transportation department, which is a freeware version.

We recommend allocating resources to the extent necessary to obtain a reliable, full version GPS tracking and reporting system so routes can be efficiently monitored.

COMPLIANCE WITH LAWS AND REGULATIONS

Concerning extra pay policies and procedures, the Transportation Department was not observed to be out of compliance with any known laws and regulations applicable to the areas within the scope of this analysis.

METHODOLOGY

Transportation personnel selected 28 bus drivers for testing of extra pay requests. Each request for extra pay was tested for the accuracy of time requested, proper completion and approval. The extra pay requests for the period under review were compared to the available GPS tracking reports for discrepancies in time requested. The GPS reports were examined for any excessive idle times during pre-trip inspections. Each extra pay request was tested for proper completion and approval by assigned route managers.

STATEMENT ON AUDITING STANDARDS

This analysis was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing promulgated by the Institute of Internal Auditing.



David J. Bryant, Director
Office of Internal Auditing

AUDIT TEAM

David J. Bryant – Director – Office of Internal Auditing

Justin B. Cook – Auditor– Office of Internal Auditing

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