CONROE INDEPENDENT SCHOOL DISTRICT
PAYROLL – OVERTIME AND SUPPLEMENTAL PAY
AUDIT PROGRAM
9/1/2009 – 8/31/2010

AUDIT PROGRAM	W/P REF	AUDITOR INITIALS
GENERAL The Payroll Department is responsible for processing 24 payrolls annually for over 8,000 salaried, hourly and substitute employees. The Department also plays a critical role in the administration and recordkeeping of various benefits offered by the District. Administering the payroll requires a high level of knowledge of many State and Federal laws and regulations, as well as a thorough understanding of the District's policies with respect to employment and benefit issues.		
AUDIT OBJECTIVES 1. Comprehensive policies and procedures addressing Payroll Overtime and Supplemental Pay have been developed and documented; 2. The District is in compliance with established policies, federal and state laws governing Overtime and Supplemental Pay; 3. OT and Supplemental Pay was paid only to actual, current, eligible employees, as designated by CISD policies and procedures; 4. Wages are authorized, supported and accurately recorded; 5. Payrolls containing OT and Supplemental Pay are properly prepared, approved, and recorded; 6. Payroll disbursements are properly controlled; 7. OT and Supplemental Pay is reasonable for each employee and department; and 8. Procedures for recording and reporting OT and Supplemental Pay are effective and efficient.		
INTERNAL CONTROLS 1. Document internal controls in the processes and activities related to PR OT/Supplemental Pay. 2. Are employees familiar with these? 3. Are these controls documented? 4. Are they operating as intended?		

CONSIDERATION OF FRAUD RISKS
1. Brainstorm for where PR OT/Supplemental Pay fraud could occur. Note:
  a. What it would look like
  b. Who might commit
  c. Tests that could reveal
  d. Controls in place to prevent. Are they operating as designed?
  e. Adjust audit program as needed to test for fraud weaknesses.
  f. For all tests in audit program, include employees of PR Department and employees of Technology Department who have access to PR or employee records.		