

Allen M. Vann, Chief Auditor
Office of Management and Compliance Audits

**SUBJECT: INTERNAL AUDIT REPORT – AUDIT OF COMPENSATION
ADMINISTRATION FUNCTION, APRIL 2005**

The Office of Management and Compliance Audits performed a review of the Compensation Administration function, a department under Human Resources. The review indicated that the control environment needs certain improvements to prevent ineligible payments for supplements, stipends, and salary step increases. There is also a need to reduce the number of salary supplements to more manageable levels, and to improve the collection of overpayments. Management indicated that they have initiated an effort to reengineer this entire process. In the interim, Human Resources agreed to work with the Payroll Department and Information Technology to enhance the preventive and detective controls to reduce incorrect pay rates and steps on a timelier basis. In addition, there is a need to enhance review procedures for processing salary step increases and pay raises, supplements and stipends, and develop addendum contracts for supplements paid to employees. In order to strengthen the collection of overpayments, stronger polices need to be adopted.

The audit was reviewed by the School Board Audit Committee at its May 3, 2005 meeting and they recommended forwarding it to the School Board.

Copies of this report will be placed on file in the Office of the Recording Secretary to the School Board and in the Citizen Information Center. Additional copies will be provided upon request.

RECOMMENDED: That The School Board of Miami-Dade County, Florida, receive and file the *Internal Audit Report – Audit of Compensation Administration Function, April 2005*.

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D-15