



January 26, 2014

City of Saskatoon – City Clerk’s Office
Attention: Secretary – Audit Committee
222-3rd Avenue North
Saskatoon, Saskatchewan S7K 0J5

Audit Report – Saskatoon Light & Power Payroll System Audit

The 2011-2012 Corporate Audit Plan included provision to conduct a financial system audit of the Saskatoon Light & Power Payroll System.

The Saskatoon Light & Power 2012 operating budgeted compensation for the 68.85 staff years is \$5,931,000. The employees fall within the following collective agreements: International Brotherhood of Electrical Workers (IBEW) - Local 319, Saskatoon Civic Middle Managers Association (SCMMA) and Saskatoon Exempt Staff Inc. (ESA). Salaried employees receive their base pay on both the fifteenth and last day of the month. Salaried employees who receive exception pay (e.g., overtime, acting pay or standby pay) are paid in the following pay period. Hourly employees receive pay for the hours they work including exception pay seven days after the cutoff period.

Hourly timesheets are entered directly into the Timberline system and the payroll details are uploaded into the Corporate Payroll system. Salaried timesheets are first entered into a MS Access database, imported into the Timberline system and then uploaded into the Corporate Payroll system for processing.

The objectives of the audit were to determine whether adequate systems, practices and controls are in place to ensure:

- The accuracy of payroll direct deposits in terms of payee,
- The accuracy of payroll direct deposits in terms of gross pay,
- Complete and accurate accounting for all leave and banked time, and
- Opportunities for theft, fraud and misappropriation are minimized.

Management is currently working on implementation of the recommendations.

Respectfully submitted,

Ian E. Weimer, CMA, CRMA
Garman, Weimer & Associates Ltd.
(306) 652-1852

401 – 333 25th Street East, Saskatoon, SK S7K 0L4