



May 15, 2013

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

Audit Report – Community Services Department Payroll System

The 2012-2013 Corporate Audit Plan included provision to conduct a financial system audit of the Community Services Department payroll system. This financial system was last subject to internal audit by Robert Prosser & Associates Inc. in 2005.

Community Services Department Payroll staff process the paperwork required to add employees to the payroll, remove employees from payroll, track hours worked, change employee records (e.g., employee name, pay rate), track leave (e.g., sick, vacation) and banked time and initiate payroll runs. Employee payroll includes exempt staff, Saskatoon City Middle Managers Association (SCMMA) staff and CUPE 59 staff (hourly and salaried).

Three inter-connected systems are in place to manage employee information (Employee Tracking System), schedule hourly employees at various sites throughout the city (Employee Scheduling System) and track hours worked (Timesheet/Timecard). Total 2012 budgeted staff compensation costs for the Community Services Department is \$24,159,900 (349.19 fte’s).

The Payroll Office arranges for direct deposits, and calculates and remits deductions (e.g., income tax, CPP, EI); Community Services is charged for the gross payroll costs plus the employer’s share of benefit costs (e.g., CPP, EI, pension) and Workers Compensation Board premiums. Payroll staff and/or supervisory staff distribute direct deposit pay slips to employees.

The overall objective of the audit was 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,

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