



June 21, 2012

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

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**Audit Report – Saskatoon Fire and Protective Services Payroll System Audit**

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The 2010-2011 Corporate Audit Plan included provision to conduct a financial system audit of the Saskatoon Fire and Protective Services Payroll System.

The Saskatoon Fire and Protective Services 2011 budgeted compensation for the 333.17 staff years is \$33.9 million. The employees fall within the following collective agreements: Local 80-IAFF, CUPE 59, SCMMA and ESA. All the employees are salaried and receive their base pay on both the fifteenth and last day of the month. Employees who receive exception pay (e.g., overtime, acting pay or standby pay) are paid in the following pay period.

The base pay is calculated in the corporate payroll system whereas the exception pay and pay for certain types of leave (e.g., absences from work such as sick, vacation, etc) are entered into the department spreadsheet and imported into the corporate payroll system for processing. An in-house database is used to track payments to employees as well as the various types of leave, including accrual, banking and usage.

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

- The accuracy of payroll cheques and direct deposits in terms of payee,
- The accuracy of payroll cheques and 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  
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