



February 20, 2013

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

Audit Report – TCU Place Payroll System

At its meeting on June 20, 2012, the City of Saskatoon Audit Committee approved the addition of the TCU Place Payroll System Audit to the 2011-2012 Corporate Audit Plan. This financial system was last subject to internal audit by Robert Prosser & Associates Inc. as part of the 1999-2000 Corporate Audit Plan.

TCU Place staff initiate all of 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, CUPE 59 staff (hourly and salaried) and IATSE 300 staff (hourly). There are no contract positions.

In 2007, TCU Place implemented Avanti, a time and attendance system for hourly employees. The Avanti system allows Supervisors to schedule staff in the system, staff to sign in and sign out through use of a biometric scanner, and Supervisors to review and approve employee time electronically. Total wages in 2011 was approximately \$4.1 million.

The Payroll Office at City Hall issues the payroll cheques (or arranges for direct deposits), calculates and remits deductions (e.g., income tax, CPP, EI) and invoices TCU Place for the gross payroll costs plus the employer’s share of benefit costs (e.g., CPP, EI, pension) and Workers Compensation Board premiums. TCU Place distributes the payroll cheques and 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 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,

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