



April 30, 2013

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

Audit Report – Vehicle & Equipment Services Payroll System Audit

The 2011-2012 Corporate Audit Plan included provision to conduct a financial system audit of the Vehicle & Equipment Services Payroll System.

The Vehicle & Equipment Services 2012 budgeted compensation for the 48.2 staff years is \$3.855 million. The employees fall within the following collective agreements: CUPE 59, CUPE 859, SCMMA and 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.

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 Vehicle & Equipment Services payroll spreadsheet and imported 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,

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