

**Continuous Audit -
Payroll and Disbursements
for Q3 and Q4 of FY 2023-2024**

Continuous Audit - Payroll and Disbursements for Q3 and Q4 of FY 2023-2024

Table of Contents

Executive Summary	3
Background	3
Scope	4
Objective.....	4
Methodology.....	5
Audit Observations and Recommendations	7
Observation 1	7
Conclusion	10
Attachment 1	11
Definition of Risk Level	11
Attachment 2	12
Management Response	12
Attachment 3	15
Fiscal Year 2023-2024 Payroll and Disbursements Activity By Quarter	15
Attachment 4	16

Date: November 19, 2024

To: Board of Trustees
Stephanie S. Elizalde, Ed.D., Superintendent

From: Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Subject: Continuous Audit - Payroll and Disbursements for Q3 and Q4 of FY 2023-2024

Executive Summary

The Dallas Independent School District (District) Office of Internal Audit (OIA) has completed the Continuous Audit - Payroll and Disbursements for Q3 and Q4 of FY 2023-2024.

This audit focused on analyzing the District's payroll and disbursement transactions for the period of January 1, 2024, to June 30, 2024. Additionally, overtime analysis was conducted for the period of July 1, 2023 to June 30, 2024.

An opportunity for improvement was identified in the following area:

Observation	Risk Level	Recommendation
1	Medium	Overtime compensation should be continually monitored and assessed to ensure it is appropriate, cost effective, and aligned to District operations.

Background

Table 1 below shows details for disbursement transactions in Q3 and Q4.

Table 1 – Accounts Payable Activity Processed During Q3 and Q4 of FY 2023-2024 ¹		
Description	Q3	Q4
Number of Active Vendors as of July 24, 2024	12,969	
Number of Vendors with Invoices Paid	1,517	1,513
Number of Invoices Paid	40,300	28,433
Invoice Amount Paid	\$352,815,609	\$417,586,755
Number of Employees with Mileage Reimbursement ²	594	621
Mileage Reimbursement Amount	\$162,696	\$195,733
Miles Reimbursed	243,517	292,018

¹ See Attachment 3 for Q1 & Q2 information.

² Mileage reimbursements tested do not include mileage stipends disbursed to management

Table 2 below shows details for payroll transactions in Q3 and Q4.

Table 2 – Payroll Activity Processed During Q3 and Q4 of FY 2023-2024³		
Description	Q3	Q4
Number of Employees Paid	24,147	23,885
Number of Employee Payroll Payments	93,732	84,887
Employee Payroll Amount	\$266,433,053	\$284,272,481
Number of Employees Paid Overtime (OT)	2,961	2,702
Number of Overtime Hours	51,340	47,730
Overtime Amount	\$2,189,980	\$2,004,610
Number of Employees Paid Secondary Pay Source (SPS) ⁴	1,998	2,338
Number of SPS Hours	79,691	103,279
SPS Amount	\$3,099,627	\$3,944,399
Overtime and SPS Amount	\$5,289,606	\$5,949,009
Number of Employees Paid Supplemental Pay ⁵	10,188	10,393
Number of Locations with Supplemental Pay ⁵	597	657
Number of Supplemental Pay Hours ⁵	269,799	277,273
Amount of Supplemental Pay ⁵	\$13,356,065	\$12,928,218

Auditors noted employees accrue overtime from multiple sources. Overtime is accrued when an employee is clocked in under their typical job function and they work more than 40 hours in a single workweek or 80 hours in a bi-weekly pay period. Overtime hours can also be accrued when clocked in under Secondary Pay Source (SPS) and have worked more than 80 hours within a bi-weekly pay period.

Scope

The audit period included activity for the period of January 1, 2024, to June 30, 2024. Certain other matters, procedures, and transactions outside that period were reviewed to understand and verify information during the audit period.

Objective

The objective of the audit is to review the District's payroll and disbursement transactions for any abnormal or unusual activity.

³ See Attachment 3 for Q1 & Q2 information.

⁴ Secondary Pay Source supplemental pay is paid out as 1.5 the hourly rate of an employee when that employee exceeds 80 hours in a biweekly pay period

⁵ Supplemental pay data also includes secondary pay source

Methodology

OIA reviewed payroll and disbursement data and used TeamMate Analytics (TMA), a data analytics software, to conduct the following:

Payroll

1. Duplicate Employee Payments –To identify potential duplicate payments made to employees, auditors obtained a listing of employee payroll payments dated January 1 2024, through June 30,2024. Auditors then isolated payments by pay period within Q3 and Q4, totaling 6 monthly periods for exempt employees and 13 biweekly pay periods for non-exempt employees, and used the TMA “Duplicate Employee Payments” test for each pay period. From the employees identified, auditors randomly selected five employees from each pay period and reviewed the correlating statement of earnings and timesheets to determine if payments disbursed were potentially duplicated.
No observations were noted.
2. Duplicate Employees – To identify potential duplicate or fictitious employees, auditors obtained the master employee file as of August 15, 2024, from Oracle and ran the TMA “Duplicate Employees” test to identify employee profiles containing the same name, address, social security number, or bank account. Results identified 1,358 employees with the same name, 1,513 employees with the same address, and 442 employees with the same bank account. Auditors randomly sampled ten employees from each of the categories above and conducted further review by comparing job titles, dates of birth, and other relevant employee information.
No observations were noted.
3. Overtime Paid to Unauthorized Employees – To determine if overtime was only paid to authorized individuals, auditors obtained a report of overtime paid from July 1, 2023 through June 30, 2024 and verified all employees had a “non-exempt” status at the time overtime was accrued.
No observations were noted.
4. Excessive Overtime Hours – To identify potential overpayments or excessive use of overtime hours, auditors obtained a report of employee overtime payments from January 1, 2024, through June 30, 2024. Using the detail provided on the report, auditors used the TMA “Excessive Overtime Hours” test to identify employees with greater than 20 hours of overtime hours paid per pay period noting 542 instances in both Q3 and Q4. Auditors made a random selection of 10 employees within each quarter and verified supporting documentation and proper approvals were obtained and kept on file.
No observations were noted.
5. Overtime Limit Review - To identify employees who exceeded the permissible overtime threshold of 20% of their annual salary, auditors obtained a report detailing employee overtime payments made (including those from a secondary pay source) for July 1, 2023, through June 30, 2024, and compared to their annual salary.
See Recommendation 1 in this report.
6. Supplemental Pay Review – To identify potential improper use of supplement pay, auditors obtained supplemental pay dated from January 1, 2024 through June 30, 2024 from Oracle.

Using the report detail, auditors compared a list of job descriptions to the element name to review if the supplemental pay description was reasonable for the employee's job description (i.e. a custodial job description was not paid supplemental pay using the tutor element). Additionally, auditors also sampled 25 employees with supplemental pay in each quarter and verified the rate paid for the activity matched the District's compensation handbook or other supporting documentation.

No observations were noted.

Disbursements

7. Duplicate Vendors – To identify potential duplicate vendors, auditors obtained the master vendor file as of July 24, 2024 from Oracle and ran the TMA "Duplicate Vendors" test to identify vendors with the same name, address, and/or registered company number (taxpayer ID). The test identified 255 instances of vendors with the same address, 32 instances of vendors with the same bank account and 97 instances of vendors with the same taxpayer ID. From the population identified, auditors then randomly selected ten from each of the categories noted to verify the accounts that were duplicates were properly flagged to prevent purchases or payments being made to that vendor.

No observations were noted.

8. Duplicate Payments – To identify potential duplicate payments, auditors obtained a report of invoices paid from January 1, 2024, through June 30, 2024, from Oracle. Using the report detail, auditors ran the TMA "Duplicate Purchase Invoices/Payments" test. The test identifies separate payments made to a vendor containing the same invoice number. The test identified 480 instances in Q3 and 474 instances in Q4. From the population identified, auditors selected 13 invoices for testing from Q3 and 16 invoices from Q4. Auditors obtained and reviewed the invoices along with supporting documentation and verified payments were not duplicated i.e., they were made for different POs and were either for separate goods/services or different locations.

No observations were noted.

Additionally, the test identifies separate payments made to a vendor containing the same invoice number and the same amount. Four instances were identified in Q3. Auditors tested all invoices flagged and verified payments were not duplicated.

No observations were noted.

9. Mileage Expenses – To determine if unusually high mileage expenses were appropriate, auditors obtained a report of mileage expenses paid from January 1, 2024, through June 30, 2024, from Oracle. Using the report detail, auditors ran the TMA "Unusually High Mileage Expenses" test. The test first calculates the mean mileage and then identifies employees with expense claims containing mileage of 2 standard deviations from the mean. There were 23 employees identified in Q3 and 39 in Q4. Auditors judgmentally selected 10 employees identified in Q3 and 10 identified in Q4 and obtained one expense report for each employee for testing. Auditors reviewed the expense reports for justifications for mileage reimbursement, possible duplicate lines of mileage reimbursed, and possible round-trip reimbursement for one-way trips.

No observations were noted.

Additionally, using the job title detail on the mileage reimbursement data, auditors made a sample selection of 29 employees in Q3 and 16 employees in Q4 that may not be eligible for certain types of mileage reimbursement. Auditors reviewed details of the expense reports for

the sample selections to verify the reimbursement was appropriate and allowable.
No observations were noted.

10. Payments to Non-Awarded Vendors – To identify any payments made to non-awarded vendors, auditors obtained a list of non-awarded vendors and compared to a listing of payments made to vendors dated from January 1, 2024, through June 30, 2024. Using TMA functionality, 4,202 payments totaling \$178,827,159 to non-awarded vendors were identified for Q3, and 4,625 payments totaling \$226,801,150 to non-awarded vendors were identified for Q4. From the population, auditors reviewed the vendors with over \$1,000,000 in payments for each quarter to determine if each vendor met the criteria for a non-awarded vendor to be used or if there was an associated board document approved by the Board of Trustees.
No observations were noted.
11. Payment Timing – To identify payments not made in accordance with the Prompt Pay Act, auditors requested an aging report for FY 2024 that identified invoices received without a payment hold that were past the 30-day payment term.
No observations were noted.
12. Vendor vs. Employee Master Files – To identify employees that may also be paid as a vendor, auditors used TMA to compare the master employee file with vendor master file to match profiles that had the same bank account number. Auditors identified 23 instances where a vendor in the vendor master file had the same bank account number as an employee in the employee master file. Auditors reviewed each matching profile to verify no payments were made to an employee's vendor account while they were an active employee.
No observations were noted.

Primary criteria used for this audit included:

- 1) Dallas Independent School District (ISD) Purchasing Manual, dated August 2023
- 2) Dallas ISD 2023-2024 Compensation Handbook
- 3) Dallas ISD Board Policy DEA – Compensation and Benefits: Compensation Plan (Regulation) – date issued: March 22, 2022

Audit Observations and Recommendations

Observation 1 – Overtime compensation exceeded 20% of annual salary

Condition

To verify employees receiving overtime compensation are not exceeding 20% of their annual salary, auditors compared FY 2024 overtime earnings to annual salary noting 744 employees were paid for overtime in excess of 20% of their annual salary. To determine total overtime hours, auditors used both the regular pay overtime hours and secondary pay source hours. Additional supplemental earnings (i.e., emergency call out) were excluded since they are not considered as overtime even though they are paid at 1.5 times the regular rate. Table 3 below summarizes by department the number of employees who exceeded the 20% threshold. For these employees, auditors summed the number of overtime hours worked, allowable overtime earnings based on salaries, total overtime earnings, and dollar amount that exceeded the 20% threshold.

Table 3 – Overtime Overage Summary					
Department	Employees	OT/SPS Hours	Allowable OT	OT/SPS Amount	Overage Amount
Student Transportation Services	310	103,781	\$2,707,150	\$4,443,252	\$1,736,102
Maintenance and Facilities	278	137,320	\$2,969,480	\$5,220,884	\$2,251,404
Police Department	82	36,273	\$1,082,305	\$1,988,318	\$906,013
Food and Child Nutrition Services	62	19,987	\$524,734	\$780,975	\$256,241
School Leadership	8	2,235	\$58,238	\$77,337	\$19,098
Education Technology	3	1,669	\$45,203	\$90,783	\$45,580
Chief of Staff	1	1,177	\$12,403	\$59,220	\$46,817
TOTALS	744	\$302,443	\$7,399,512	\$12,660,768	\$5,261,257

Additionally, auditors noted 80 of the 744 employees with overages earned more than 50% of their salary in overtime hours, two of these employees were paid more in overtime earnings than their annual salary.

Cause

There is currently not an effective process in place for monitoring overtime earnings. The primary control relies on manual approval processes, which is typically reviewed and approved during the individual pay period, and not necessarily compared to the annual salary to determine if it is exceeding or on track to exceed the acceptable threshold. Several of the positions may receive overtime hours from multiple sources making the approval process even more complex. Additionally, overtime and secondary pay source are tracked separately making it difficult to review overtime hours and earnings as a whole.

Effect

Overtime hours exceeding the 20% threshold are considered non-compliant with District regulations. Additionally, based on the results of excess overtime, it may be more cost effective to create an additional position rather than paying overtime rates.

Recommendation 1

1(a) OIA recommends the District review and assess if the regulation establishing the overtime threshold is aligned with the District's current operations and is effective in achieving its purpose.

1(b) The District should implement automated controls within the time tracking and/or payroll systems to better manage overtime earnings. This process should be designed to identify and flag employees whose total overtime, including hours from secondary pay sources, exceeds or is on track to exceed the allowable threshold. Alerts for employees approaching the threshold could be sent to timekeepers.

1(c) A centralized process for monitoring overtime hours should be implemented.

1(d) The District should implement processes to continually review overtime earnings and assess if they are cost effective and aligned to District operations.

Risk Level for Observation 1: Medium⁶

Management Response

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Action Items are summarized below:

Payroll Management

- Payroll Management is working with IT Services to develop a monthly payroll report that will identify district employees who have exceeded the 20% threshold, and those reports will be made available to the corresponding department supervisors.

Estimated Implementation Date: December 31, 2024

Individuals responsible for implementation: Executive Director I, Payroll Business Services

MFS Management

- MFS will continue to validate all overtime approvals and documentation of approvals through quarterly, internal payroll audits. These audits include timekeepers and time approvers.
- MFS is developing a supplemental pay dashboard with support from IT Services. The dashboard is in development and will be fully functional by January of 2025. This dashboard will allow MFS Management to see supplemental pay live by employee.
- MFS will utilize the Central Evening crew to respond to afterhours calls between 5:00 pm and 11:00 pm during weekdays.

Transportation Management

- Transportation will continue to validate all overtime approvals and documentation of approvals through quarterly, internal payroll audits. These audits include timekeepers and time approvers.

Estimated Implementation Date: January 31, 2025

Individuals responsible for implementation: Chief Operations Officer, Maintenance and Facility Services

Chief Financial Officer

- The CFO will create an overtime dashboard by Chief level to ensure Chiefs are able to monitor their corresponding overtime on a monthly basis in an effort to control the districts overtime costs.
- We recommend an increase to the DEA — Compensation and Benefits: Compensation Plan (Reg) from 20% to 25%. This increase will allow for overtime and Secondary Pay Source from other departments who request support from Operations Employees.
- We will continue to monitor and manage the overtime of our employees. Ultimately, we are committed to staying within our operating budget.

⁶ See Attachment 1 for Definition of Risk Level.

Estimated Implementation Date: January 31, 2025

Individuals responsible for implementation: Chief Financial Officer, Financial Services

Conclusion

We would like to thank Payroll Business Services and Accounting Services for their cooperation and assistance during this audit.

The audit was conducted in conformance with the Institute of Internal Auditors' *Global Internal Audit Standards*. Those standards require OIA to plan and perform the audit to obtain sufficient, reliable, and relevant evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. OIA believes the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Respectfully submitted,

Robert Rubel

Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Cc: Pamela Lear, Ed.D., Deputy Superintendent, Chief of Staff and Racial Equity Officer
Eduardo Ramos, Chief Financial Officer, Financial Services
Ramiro Mercado, Executive Director I, Payroll Business Services, Financial Services
Edward Sorola, Executive Director II, Financial Services
David Bates, Chief Operations Officer, Maintenance and Facility Services

Acknowledgments:

Eva Narten, CPA, CIA, CISA, Deputy Chief, Internal Audit
Shelly Kelley, CPA, Audit Director II
Richard Siu, CIA, Audit Manager
Zachary Ornelas, CFE, CCA, Auditor II
Alyssa Zhang, Auditor I

Definition of Risk Level

Risk Level	Definition
High	These risks could directly impact achievement of a strategic or important operational objective of the District. There is a high probability of occurrence that would significantly impact the District and/or have a significant financial, reputational, or compliance risk.
Medium	Risks are considered to be undesirable and pose a moderate level of risk exposure to District operations. Without appropriate controls, the risk will happen on a consistent basis.
Low	The risks are considered to be undesirable and could moderately expose the District. Without appropriate controls, the risk will occur some of the time.

Management Response

Observation 1 – Overtime compensation exceeded 20% of annual salary

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management Response:

The majority of employees who exceeded the 20% threshold percentage were Maintenance and Facility Services (MFS) employees. MFS has 278 employees identified on the audit as exceeding 20% of their salary.

Background Information:

Campus Custodians

- Campus-based custodians are assigned to the campus office manager as their timekeeper. There are several opportunities for our custodial staff to receive supplemental pay hours. Below are examples of opportunities for supplemental pay for our custodial staff:
 - Campus and community events- to include performances, PTA-sponsored programs, and carnivals.
 - Construction Services has between 75 and 90 sites with a general contractor working at any given time. Often the work being completed must happen after school hours and overnight. A custodian is required to be onsite to provide access during any construction activities are taking place.
 - The Student Activities Department hosts events throughout the year on Saturday and in the evenings at campuses and central facilities. These events require setup before the event, facilities monitoring during the event, and cleanup after the event.
 - Custodial services also support districtwide community events. For example, two to three custodians are required at the campus to support Job Fairs, College Fairs, Fam Jams, and ribbon-cutting/ground-breaking ceremonies.
- Over the 2015 and 2020 Bond, we have added square feet to our campuses throughout the school district. Custodial Services has not had any added FTEs as the campus size is increased. The level of service and expectations have remained the same while the square footage that requires cleaning has increased.
- Each custodian receives 5 local PTO days, 5 state PTO days, and 10 days of vacation. After five years of service the employee earns an addition vacation day. These PTO days impact the campus coverage as an employee utilizes them. For example, at an elementary campus, there are three custodians, one opens the campus and report for lunch service and to close the campus. If one custodian is utilizing PTO, then another custodian must be assigned to the campus to support as we do not close campuses in the evening with one employee onsite. The sub custodian is pulled from another campus, on overtime after

their shift ends.

MFS Employees (Orgs other than Custodial Services)

- MFS responds to afterhours emergency calls from Dispatch and from campus-based staff reporting issues. When responding to an after-hours emergency, MFS personnel clock-in on an activity code classified as an AFTER-HOURS Callout. This code automatically pays the employee for three hours and a mandatory time and a half. This is to account for travel time for the employee to report to a maintenance barn, pick up their truck and materials, report to the school, and return to the shop once complete.
- The Mechanical, Electrical, and Plumbing (MEP) Department within MFS must make repairs and have fully functioning systems for campuses every day. HVAC and air quality on a campus is a non-negotiable and requires a team member to respond to issues after hours or remain on site to complete repairs to ensure the campus has a suitable learning environment each day. During the cooling season (spring and summer months), the department is working around the clock to make sure this expectation is met.
- MFS staff support campus and districtwide events and ceremonies. Ceremonies and events require MFS staff to set up and remove items such as stages, seating, and floor coverings.
- Some projects requested of MFS staff cannot be completed during the school day with students and staff in the building. For these type projects, the work must be completed after hours while the building is empty.

Action Items from MFS Management

- MFS will continue to validate all overtime approvals and documentation of approvals through quarterly, internal payroll audits. These audits include timekeepers and time approvers.
- MFS is developing a supplemental pay dashboard with support from IT Services. The dashboard is in development and will be fully functional by January of 2025. This dashboard will allow MFS Management to see supplemental pay live by employee.
- MFS will utilize the Central Evening crew to respond to afterhours calls between 5:00 pm and 11:00 pm during weekdays.

Estimated Implementation Date: January 31, 2025

Individuals responsible for implementation: Chief Operations Officer, Maintenance and Facility Services

Transportation

- Transportation drivers, monitors, and technicians are assigned to four service centers and have a payroll specialist as their timekeeper. There are several opportunities for our staff to receive supplemental pay hours. Below are examples of opportunities for supplemental pay for our custodial staff:
 - The Student Activities Department hosts events throughout the year on Saturdays and in the evenings at campuses and central facilities.
 - Athletics events every night of the week between both middle schools and high schools.
 - Performing arts groups such as band, cheer, drill, and ROTC every week during football season.

- Field trips not only during the school day but in the evening and on the weekends.
- Additional mid-day routes contribute to some drivers starting their day with elementary, middle, and high school routes then having to pick up career institutes and collegiate academy students and then running the same elementary, middle, high school evening routes.
- Providing transportation for tutoring based on HB4545
- Each transportation employee receives 5 local PTO days, 5 state PTO days, and 10 days of vacation. After five years of service the employee earns an addition vacation day. These PTO days impact the coverage as an employee utilizes them.

Action Items from Transportation Management

- Transportation will continue to validate all overtime approvals and documentation of approvals through quarterly, internal payroll audits. These audits include timekeepers and time approvers.

Estimated Implementation Date: January 31, 2025

Individuals responsible for implementation: Chief Operations Officer, Maintenance and Facility Services

Action Items from Payroll Management

- Payroll Management is working with IT Services to develop a monthly payroll report that will identify district employees who have exceeded the 20% threshold, and those reports will be made available to the corresponding department supervisors.

Estimated Implementation Date: December 31, 2024

Individuals responsible for implementation: Executive Director I, Payroll Business Services

Action Items from Chief Financial Officer

- The CFO will create an overtime dashboard by Chief level to ensure Chiefs are able to monitor their corresponding overtime on a monthly basis in an effort to control the districts overtime costs.
- We recommend an increase to the DEA — Compensation and Benefits: Compensation Plan (Reg) from 20% to 25%. This increase will allow for overtime and Secondary Pay Source from other departments who request support from Operations Employees.
- We will continue to monitor and manage the overtime of our employees. Ultimately, we are committed to staying within our operating budget.

Estimated Implementation Date: January 31, 2025

Individuals responsible for implementation: Chief Financial Officer, Financial Services

Fiscal Year 2023-2024 Payroll and Disbursements Activity By Quarter

Table 3 – Accounts Payable Activity Processed During FY 2023-2024				
Description	Q1	Q2	Q3	Q4
Number of Active Vendors	12,547 ⁷		12,969 ⁸	
Number of Vendors with Invoices Paid	1,240	1,487	1,517	1,513
Number of Invoices Paid	30,022	36,929	40,300	28,433
Invoice Amount Paid	\$364,846,935	\$414,141,004	\$352,815,609	\$417,586,755
Number of Employees with Mileage Reimbursement ⁹	492	662	594	621
Mileage Reimbursement Amount	\$88,950	\$178,059	\$162,696	\$195,733
Miles Reimbursed	140,414	273,333	243,517	292,018

Table 4 – Payroll Activity Processed During FY 2023-2024				
Description	Q1	Q2	Q3	Q4
Number of Employees Paid	25,280	24,119	24,147	23,885
Number of Employee Payroll Payments	85,738	85,256	93,732	84,887
Employee Payroll Amount	\$274,945,331	\$301,742,846	\$266,433,053	\$284,272,481
Number of Employees Paid Overtime (OT) ¹⁰	2,881	2,935	2,961	2,702
Number of Overtime Hours ⁹	48,267	60,212	51,340	47,730
Overtime Amount ⁹	\$2,024,757	\$2,567,831	\$2,189,980	\$2,004,610
Number of Employees Paid Secondary Pay Source (SPS) ¹¹	2,128	1,912	1,998	2,338
Number of SPS Hours	96,024	76,587	79,691	103,279
SPS Amount	\$3,081,942	\$3,005,358	\$3,099,627	\$3,944,399
Overtime and SPS Amount	\$5,106,698	\$5,573,189	\$5,289,606	\$5,949,009
Number of Employees Paid Supplemental Pay ¹²	11,211	9,444	10,188	10,393
Number of Locations with Supplemental Pay ¹²	697	599	597	657
Number of Supplemental Pay Hours ¹²	578,984	233,949	269,799	277,273
Amount of Supplemental Pay ¹²	\$19,175,685	\$11,754,338	\$13,356,065	\$12,928,218

⁷ Active Vendors as of March 21, 2024

⁸ Active Vendors as of July 24, 2024

⁹ Mileage reimbursements tested do not include mileage stipends disbursed to management

¹⁰ Data listed in Q1 and Q2 of Table 4 differs from previous audit reports due to enhanced reports created for auditors between Q2 and Q3 of FY24

¹¹ Secondary Pay Source supplemental pay is paid out at 1.5 the hourly rate of an employee when that employee exceeds 80 hours in a biweekly pay period

¹² Supplemental pay data also includes secondary pay source

Criteria by Observation

Observation 1 - Criteria

DEA – Compensation and Benefits: Compensation Plan (Regulation) – Date Issued 3/8/2022

Overtime Payment for Nonexempt Employees

Overtime pay is calculated by multiplying the hours worked in excess of 40 hours, times 1.5 of the base hourly rate of pay. Overtime compensation should not exceed 20 percent of the employee's salary from the period July 1 through June 30.