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# Collier County Public Schools

## Audit Follow Up Activities

September 6, 2024



## TRANSMITTAL LETTER

September 6, 2024  
 The School Board of  
 Collier County Public Schools  
 5775 Osceola Trail  
 Naples, FL 34109

Pursuant to our executed Statement of Work agreement dated February 20, 2024, with Collier County Public Schools (“District,” “CCPS”) we hereby present the results of the follow-up procedures over the previously issued audit reports. The objective of this review was to obtain the status of remediation efforts implemented by CCPS Management in response to prior issued observations. Below is a summary of the current remediation status of observations within these audit reports:

Audit Report	Report Date	Total Findings	Closed	In Process
Timekeeping	January 2019	7	3	4
Self-Insurance Fund	January 2020	4	2 <sup>1</sup>	2
Contract Administration Report	July 2021	4	0	4
ARH Construction	February 2023	2	2	0
Stimulus Funding	March 2023	5	4	1
Cybersecurity Assessment	November 2023	<b>Note<sup>2</sup></b>		
<b>Total Audit Findings</b>		<b>22</b>	<b>11</b>	<b>11</b>

In connection with the performance of these services, we have not performed any management functions, made management decisions, or otherwise performed in a capacity equivalent to that of an employee of the District.

We would like to thank the staff and all those involved in assisting us with this review.

Respectfully Submitted,

*RSM US LLP*

RSM US LLP

<sup>1</sup> One (1) finding was closed during the last round of follow-up activities in 2022.

<sup>2</sup>The subject matter covered under this Assessment is confidential in nature, and thus exempt from Florida Statutes (“F.S.”) 119.07(1), as well as from the public meeting requirements set forth in F.S. 286.0113(1), F.S. 282.318(5), (6), and F.S. 281.301, given that it involves the security and protection of the District’s information technology system and cybersecurity program. The number of observations and their current status will be presented confidentially.

## TIMEKEEPING

Issued January 2019

## OBSERVATIONS MATRIX – TIMEKEEPING

1. Manual Timekeeping Process	In Process
<b>Observation Summary</b>	
<p>The CCPS timekeeping process is heavily manual in nature. Manual procedures in a timekeeping process cause additional procedures which decrease workflow efficiency in several ways such as manual steps, time spent interpreting unreadable timesheets, follow up on missing timesheets, recalculation of totals, tracking down supervisor approval, corrections, and dealing with other errors or irregularities in the source documents provided.</p> <p>Manual procedures in a timekeeping process increase the risk of human error in data entry, fraudulent time reporting, and processing of unauthorized employee time, which can result in under/over payment of time worked.</p>	
<b>Recommendation Summary</b>	
<p>It is our understanding that CCPS is currently in the process of researching and identifying ways to automate the manual timekeeping process to update the existing timekeeping system, TERMS. We recommend that CCPS adopt an automated timekeeping system.</p>	
<b>Management's Action Plan</b>	
<p><b>Response:</b> CCPS is currently exploring Enterprise Resource Planning (ERP) options that would address all of the recommendations throughout the report.</p> <p><b>Responsible Party:</b> Financial Services Department; Human Resources Department; Compensation Department; Technology Department</p> <p><b>Estimated Completion Date:</b> It is estimated to take several years to identify and implement an ERP software system.</p>	
<b>July 2022 Follow-Up: Management Comments</b>	
<p>While the District is actively searching for a suitable replacement to the current ERP system, TERMS, there is uncertainty as to whether any replacement would contain the functionality necessary for the District's Payroll and Timekeeping processes. While continuing to search for a replacement ERP system, the District has elected to expand its use of an timekeeping application which has historically been used within the Maintenance and Transportation departments. The District sought an updated Kronos package in 2020 and experienced piloting delays due to the COVID-19 pandemic. Piloting resumed in January 2022 with the Payroll and Technology Department, and the District anticipates a go-live in 2023.</p> <p><b>Updated Estimated Completion Date:</b> August 1, 2023</p>	

## OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

1. Manual Timekeeping Process (Continued)	
Updated Management Comments as of September 2024	Updated Audit Comments as of September 2024
<p>The District has fully implemented an electronic timekeeping system for all central offices (i.e., Human Resources, Information Technology, Finance, etc.). This was completed in June 2024.</p> <p>We are in the process of implementing the electronic timekeeping system for the remainder of the District (i.e., school sites), and estimate that this will be completed in September 2025.</p> <p><b>Updated Estimated Completion Date:</b> September, 2025</p>	<p>Based on discussion with Management, RSM noted that an electronic timekeeping system has been implemented for all central District offices. We selected a sample of employees in the Technology, Finance, and Budget departments, and reviewed the time entry, submission, and supervisory review processes. We also reviewed the post-payroll review process (see <b>Observation 6</b>), and the compensatory time process (see <b>Observation 7</b>) within the new system. For these central District offices, we confirmed that the manual timekeeping process has been replaced by an automated system.</p> <p>However, manual timekeeping processes are still utilized within the District, as a solution has not been implemented District-wide.</p> <p>This observation will remain open. We recommend a full-scope timekeeping review be performed once the timekeeping system has been fully implemented District-wide.</p>

## OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

2. Standardized Timekeeping Policies and Procedures	In Process
<p><b>Observation Summary</b></p>	
<p>Throughout our testing, we noted that departments/schools generally follow similar processes for timekeeping. However, there are numerous inconsistencies across CCPS regarding how time is recorded and the role and responsibilities of the designated timekeepers. The Payroll Department does provide training in TERMS as part of the onboarding process for new timekeepers. However, because there are no centralized, formally written District-wide timekeeping policies and procedures in place, inconsistencies exist among various timekeeper processes in their respective areas and thus, effective training is challenging.</p> <p>Centralized, standardized, and documented procedures provide vital information to employees in the event of absence and employee turnover, and assist with succession/back up planning or other occurrences.</p>	
<p><b>Recommendation Summary</b></p>	
<p>We recommend CCPS create a formalized timekeeping policy and procedure manual to apply to all departments/schools. The timekeeping policy and procedure manual should detail the timekeeping process and payroll timeline, as well as key functions in TERMS and electronic timekeeping tools where applicable. The procedures should also include definitions of the various roles related to timekeeping.</p> <p>In addition, we recommend the District conduct a mandatory District-wide training when the policies and procedures are finalized and issued. Attendance should be mandatory for all timekeepers and payroll employees. Periodic training for updates should be performed and attended by new persons involved in the process and as a refresher to existing persons.</p> <p>Lastly, we recommend policies and procedures are reviewed at least annually.</p>	
<p><b>Management's Action Plan</b></p>	
<p><b>Response:</b> CCPS will create a formalized Timekeeping Policy and Procedure manual; conduct mandatory District-wide training policies and procedures are finalized and issued; review and update policies and procedures annually and update procedures as needed.</p> <p><b>Responsible Party:</b> Payroll Department and HR/Compensation Department</p> <p><b>Updated Estimated Completion Date:</b> Fiscal Year 2020-2021</p>	
<p><b>July 2022 Follow-Up: Management Comments</b></p>	
<p>As noted in Observation 1, the District has begun expanding its use of the electronic timekeeping application for timekeeping functions and anticipates a full implementation in 2023. In the meantime, a draft Timekeeping SOP has been created and training materials have been updated to reiterate timekeeping expectations across the District. Training sessions were held on October 15th and 22nd of 2021.</p> <p><b>Updated Estimated Completion Date:</b> November 1, 2022</p>	

## OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

2. Standardized Timekeeping Policies and Procedures (Continued)	
Updated Management Comments as of September 2024	Updated Audit Comments as of September 2024
<p>As noted in Observation 1, the District has fully implemented an electronic timekeeping system for all central offices. We have developed and utilized training documentation as well as how-to guides to assist employees in learning the new timekeeping process. Development of detailed standard operating procedures for the electronic timekeeping system are a work in progress and will be completed along with the implementation of the electronic timekeeping system by September 2025.</p> <p><b>Updated Estimated Completion Date:</b> September, 2025</p>	<p>RSM reviewed six (6) system “how-to” guides, one (1) Employee User Guide, and one (1) Manager User Guide. These procedural documents covered topics including entering employee work schedules, reviewing punch exceptions, defining different leave codes, how to log into the timekeeping system, how to submit time, how to request time off, how to review, approve, and reject timesheets, how to review accrual balances, and how to generate reports.</p> <p>However, details related to who is responsible for each task and when it is to be completed are not currently included for all day-to-day activities. Further, a formal training program for all employees has not yet been implemented. RSM noted that Management intends to implement the training program once the electronic timekeeping system has been fully implemented.</p> <p>This observation will remain open.</p>

## OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

3. Supporting Documentation and Record Retention	In Process
<b>Observation Summary</b>	
<p>Per walkthrough procedures performed for our sampled departments/schools, we noted that there is an inconsistent understanding of how long timesheet supporting documentation (leave forms, timecards, overtime approval, etc.) should be retained.</p> <p>We were unable to obtain support for ten (10) out of twenty-five (25) of our samples that had leave and/or overtime due to lack of document retention (40%). As such, there is no evidence that the leave and/or overtime was properly approved and recorded. Five (5) out of six (6) sampled departments/schools noted that they do not retain these records for more than one (1) year. Nutrition Services did not retain evidence for one (1) of the seven (7) samples and had inconsistent understanding of the retention policy. The additional school (Golden Terrace Elementary School) and the three sampled departments (Transportation, Facilities Management, and Financial Services) were able to provide the leave/overtime forms for our sample period, however, they had varying understandings of the District’s retention policy.</p> <p>Maintaining records for prior years is important to mitigate risks. Lack of an audit trail increases CCPS’s risk of: non-compliance with CCPS, state, and federal timekeeping requirements; errors, opportunities for misuse or fraud; and ineffective management over timekeeping and payroll processing.</p>	
<b>Recommendation Summary</b>	
<p>We recommend that Management formally document the retention policy. We further recommend that Management review District, State, and Federal laws and update, when applicable, the internal retention policy on an annual basis to ensure compliance. We recommend that the retention policy be included in the Timekeeping Policies and Procedures Document recommended as part of <b>Observation #2</b>. We further recommend that during the annual training for Timekeepers, the retention policy be reiterated so that accurate documentation is retained.</p> <p>In order to begin retaining the required documents as soon as possible, we recommend that CCPS immediately communicate timekeeping record retention requirements to all involved in the timekeeping process (Timekeeper, Supervisor, Department Lead, Principal, Payroll, etc.).</p>	
<b>Management’s Action Plan</b>	
<p><b>Response:</b> Timekeeping record retention requirements will be formally documented and communicated to all involved in the timekeeping process.</p> <p><b>Responsible Party:</b> District Operations &amp; Financial Services</p> <p><b>Updated Estimated Completion Date:</b> Fiscal Year 2020-2021</p>	
<b>July 2022 Follow-Up: Management Comments</b>	
<p>The District plans on formally documenting and recommunicating document retention expectations in the next iteration of the Timekeeping SOP.</p> <p><b>Updated Estimated Completion Date:</b> December 1, 2022</p>	

## OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

3. Supporting Documentation and Record Retention (Continued)	
Updated Management Comments as of September 2024	Updated Audit Comments as of September 2024
<p>Each year, the principal of each school designates a staff member to be the records coordinator for that site. The records coordinator is responsible for working with all staff at the site to ensure proper records retention. The District will be conducting a training for these records coordinators in October of 2024. This training will include information regarding the requirements for timekeeping record retention. In addition, school principals will also receive a training that will include timekeeping records retention in October, 2024. Also, office managers will receive timekeeping records retention at their next scheduled meeting this year. Moving forward, the timekeeping records retention requirements will be reviewed annually with office managers and the designated records coordinator for each site. In addition, training materials and the timekeeping SOP will be updated to include document retention requirements. Finally, the electronic nature of the timekeeping platforms that the District is moving to will help ensure that all required documents are retained as the entire request and approval process will be completed online.</p> <p><b>Updated Estimated Completion Date:</b> December, 2024</p>	<p>Per management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date.</p> <p>This observation will remain open.</p>

## OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

### 4. Timekeeping Tracking, Verification, and Authorization

In Process

#### Observation Summary

##### Timesheet Tracking

We noted that CCPS tracks time for hourly employees classified as Teamsters, as required per the bargaining agreement with Teamsters Union #79, however, CCPS does not consistently or formally track hours worked for non-exempt employees who are paid a salary rate (as opposed to hourly). CCPS uses the exception-based process for these employees, only tracking time in which the employee does not work (through leave forms) and overtime through overtime approval forms. Further, we noted that some schools/departments allow compensatory time, however, there is not a standardized process for tracking or recording this to ensure that CCPS complies with state and federal laws. See **Observation #7**.

##### Timesheet Verification by Employee

CCPS policies and procedures do not require non-exempt salary employees to certify to the best of their knowledge that the information is true and correct regarding the payroll hours worked and reported on their respective timesheets. Per the FLSA Section 29 CFR 516.2, employers must track and retain hours worked each day for all non-exempt employees, salary and hourly. The FLSA provides an alternative to daily time sheets when an employee works a fixed schedule. However, to comply with the law, the employee must affirmatively confirm each week that he or she worked the fixed period. In the event the employee worked any hours less than or greater than the fixed schedule, the total hours worked each day during a week with any deviation from fixed schedule must be specifically recorded by work day.

##### Timesheet Authorization by Supervisor

Currently, there is no requirement for an employee's immediate supervisor to approve time reported pre-payroll. Per inquiry with the Payroll Department, Timekeepers are encouraged to run an Edit Report, panel **HB659**, before finalizing the timesheet and sending it to payroll. However, we noted that this is not consistently occurring across CCPS. See **Observation #2**. We further noted that, for the departments/schools that do perform a pre-approval, this review is not documented. Effective documented supervisory-level review and approval of time is an important control measure that will help detect and minimize payroll errors, whether intentional or not.

#### Recommendation Summary

We recommend that CCPS perform the following, and document procedures in the standardized timekeeping policies and procedures (see **Observation #2**).

- Track all non-exempt employees' time, not just by exception.
- Decide whether or not compensatory time is allowed. If CCPS chooses to allow compensatory time, CCPS will need to formalize the hour limits and process of approving, documenting, tracking (including pay type code for recording of compensatory time) and reconciling earned and taken compensatory by employees, including development of standardized template/tracking mechanism of hours earned and used for the departments/schools to use for monitoring.
- Implement a requirement for all employees to certify that the hours worked and reported on their respective timesheets each pay period is accurate.
- Implement a requirement for all timesheets be reviewed and approved by an employee's immediate supervisor pre-payroll. This review can be performed by the Timekeeper, however, it must be additionally reviewed by the employee's immediate supervisor.

## OBSERVATIONS MATRIX – TIMEKEEPING (CONTINUED)

### 4. Timekeeping Tracking, Verification, and Authorization (Continued)

#### Management’s Action Plan

**Response:** CCPS will create a formalized written procedure and is currently exploring ERP options that would address recommendations throughout this report.

**Responsible Party:** Human Resource Department/ Payroll Department

**Estimated Completion Date:** It is estimated to take several years to identify and implement an ERP software system

#### July 2022 Follow-Up: Management Comments

While the District is actively searching for a suitable replacement to the current ERP system, TERMS, there is uncertainty as to whether any replacement would contain the functionality necessary for the District’s Payroll and Timekeeping processes. While continuing to search for a replacement ERP system, the District has elected to expand its use of Kronos, which has historically been used for timekeeping within the Maintenance and Transportation departments. The District sought an updated Kronos package in 2020 and experienced piloting delays due to the COVID-19 pandemic. Piloting resumed in January 2022 with the Payroll and Technology Department, and the District anticipates a go-live in 2023. The District anticipates Kronos will address each of the issues and recommendations noted above, regarding timekeeping tracking, verification, and authorization.

**Updated Estimated Completion Date:** July 1, 2023

#### Updated Management Comments as of September 2024

While the District has begun implementation of an electronic timekeeping system, specific procedures related to timesheet tracking, timesheet verification, and timesheet authorization are subject to change as we work to fully implement the system District-wide.

**Updated Estimated Completion Date:** September, 2025

#### Updated Audit Comments as of September 2024

Per management, remediation actions have not yet been completed. RSM will perform follow-up testing at least six (6) months after the updated estimated completion date.

This observation will remain open.



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