

OFFICE OF JUVENILE JUSTICE



COMPLIANCE AUDIT
ISSUED FEBRUARY 10, 2010

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA

February 10, 2010

Mary Livers, Ph.D., MSW
Deputy Secretary
Office of Juvenile Justice
7919 Independence Blvd.
Baton Rouge, LA 70806

Dear Dr. Livers:

We have audited certain transactions of the Office of Juvenile Justice (OJJ), for the period from July 1, 2007, through April 9, 2009. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the propriety of certain transactions.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required of an audit by *Government Auditing Standards*; therefore, we are not offering an opinion on the OJJ's financial statements or system of internal control nor assurance as to compliance with laws and regulations. The concerns and results of our audit are listed below for your consideration.

We reviewed the handwritten time sheets of the four OJJ employees who earned the most overtime during the audit period and compared them to the hours recorded in the payroll system. Three of the four employees had a total of 548 hours of overtime that was recorded in the payroll system but not documented on the time sheets, resulting in a possible overpayment to the three employees. The fourth employee had 83 hours of overtime, which were documented on the time sheets but not recorded in the payroll system, resulting in a possible underpayment to the employee. The inconsistencies between the payroll system and the time sheets were due to employee calculation and documentation errors on the handwritten time sheets prior to input in the payroll system. In addition, we noted five instances where OJJ could not provide time sheets.

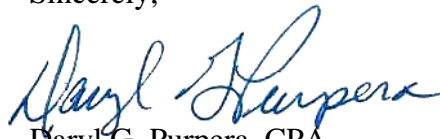
Although time sheets are currently approved by an employee's supervisor, we recommend that OJJ require supervisors to review the accuracy and completeness of the time sheets. In addition, we recommend that OJJ ensure that all time sheets are maintained as required by Louisiana law.¹ Finally, we recommend that the time sheets from prior pay periods be corrected to recover any overpayments of compensation and to compensate underpaid employees.

¹ LA R.S. 44§36 states that "In all instances in which a formal retention schedule has not been executed, such public records shall be preserved and maintained for a period of at least three years from the date on which the public record was made."

Mary Livers, Ph.D., MSW
Deputy Secretary
February 10, 2010
Page 2

This correspondence represents our finding and recommendations as well as management's response. This correspondence is intended primarily for the information and use of management of the Office of Juvenile Justice. I trust this information will assist you in the efficient and effective operations of the Office of Juvenile Justice. Should you have any questions, please contact me at (225) 339-3839 or Mr. Dan Daigle, Compliance Audit Director, at (225) 339-3808.

Sincerely,



Daryl G. Purpera, CPA
Temporary Legislative Auditor

DD:SJT:sr

DPSOJJ09

Management's Response



Office of Juvenile Justice

BOBBY JINDAL, Governor

MARY L. LIVERS, Ph.D., MSW, Deputy Secretary

January 21, 2010

Daryl G. Purpera, CPA, CFE
Interim Louisiana Legislative Auditor
Office of the Louisiana Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Compliance Audit – Timesheet Irregularities - Department of Public Safety and Corrections – Office of Juvenile Justice

Dear Mr. Purpera:

The Office of Juvenile Justice (OJJ) appreciates the opportunity to respond to the findings by the Louisiana Legislative Auditor. The following is in response to the specific findings identified in the report, dated December 8, 2009.

The OJJ concurs with the findings, in part.

Regarding Mr. McClean, it appears that on weekends during the pay periods in question, the employee signed the timesheets (provided to your office); however, the overtime sheets were not signed by the employee as required by policy. There are timesheets available for the pay periods reviewed, but, we realize that there are discrepancies between the timesheets, overtime sheets and gate logs.

The administrative leadership at the Jetson Correctional Facility for Youth (JCY) has issued two directives to address all payroll procedure discrepancies noted in the finding (See Attachment A and Attachment B). Supervisors will be required and held accountable to insure the accuracy of all payroll documents prior to timekeeper input. The facility HR staff person will insure that all staff payroll documents are maintained according to the OJJ Records and Retention Policy.

The OJJ Human Resources division will conduct quarterly timekeeper training beginning in March of this year to reiterate the necessity of following proper procedures. The OJJ Human Resources division will also conduct spot audit checks of all payroll records to ensure correlation with the ISIS-HR system.

In addition, OJJ Human Resources division will review the payroll documents in question for possible agency overpayments and underpayment. A payment schedule will be established with staff to ensure recoupment of overpayments. The underpayment of staff will be corrected as soon as possible.

We appreciate the cooperation and diligence of your staff in conducting this engagement. We remain committed to the timely performance and full compliance of all state and federal standards for the Office of Juvenile Justice. If you have any questions or require additional information, please let me know.

Sincerely,

Mary L. Livers, Undersecretary for MLL

Mary Livers, Ph.D., MSW
Deputy Secretary

Attachment A



Office of Juvenile Justice

BOBBY JINDAL, Governor

MARY L. LIVERS, Ph.D., MSW, Deputy Secretary

November 19, 2009

To: All JCY Employees

From: Daron P. Brown RE: Written Directive
Payroll Discrepancies

Effective Monday November 23, 2009, any payroll folders that are turned in incomplete will not be put in the system and the employee will be put in LW status until the folder is corrected. A completed payroll folder consists of all the following: (1) Timesheets accurately and completely filled out, (2) The appropriate signatures on the timesheets and the folders, (3) All leave slips completed and signed by the supervisor, (4) All the information on the timesheets must match the Payroll Folder with the exception of overtime.

Timesheets must be completed with all appropriate fields filled out. Sign in and out times must be recorded accurately, and when overtime is worked it must be recorded on the timesheets. **No longer will anyone write overtime on the payroll folder. It will only be recorded on the timesheet. Overtime will be recorded on folders in the Human Resources Office by the timekeeper.** This is to ensure that no unapproved overtime is written on folders, resulting in discrepancies in the auditing process.

Leave slips and doctor's excuses must be turned in at the end of each pay period with the original payroll folder. The coded leave on the leave slip must match the leave written on the payroll folder. If the employee is out on some sort of extended leave, the supervisor must submit a signed leave slip on the employee's behalf and have the employee report to the Human Resources Office to sign upon their return to work.

Employees who need assistance with payroll are asked to go to the Human Resources Office anytime before that Monday of payroll deadline to have it explained to them. If the payroll is not completed and received in the Human Resources Office by 4:00 p.m. on the Monday of payroll deadline, the employee will be put in LW status for that pay period. This will result in an off cycle check needing to be created in order to get their pay checks, which will delay the time when their checks are direct-deposited.

Failure to follow this written directive may result in delayed pay checks and/or disciplinary actions.

DPB/ka

Attachment B



Office of Juvenile Justice


BOBBY JINDAL, Governor

MARY L. LIVERS, Ph.D., MSW, Deputy Secretary

January 03, 2010

DIRECTIVE

TO: Group Leaders
James Spears
Leon Franklin

FROM: Daron P. Brown 
Youth Facility Director

RE: Payroll

All original payroll time sheets and packets will need to be turned into my office by **8:30 a.m. on payroll Monday**. No copies, only originals. All payroll documents must be signed by the supervisor. All sign in sheets need to be signed, initialed in the initial column and hours totaled up at the bottom of the appropriate column by the employee. All leave slips should be signed by the employee and their supervisor. Time sheets should be legible.

Payroll documents viewed in the last (2) months were unacceptable and must come to an end.

Upon failure to comply with this directive, a letter of counsel will be issued to you the first two times. A VR-1 will be issued for the third offense.

Thanking you in advance for your cooperation.

/gg

cc: Karlita Anderson
Belinda Thomas