



Office of the County Manager

Terry Schutten, County Manager

250 Court House
15 West Kellogg Boulevard
St. Paul, MN 55102

Tel: 612-266-8000

Fax: 612-266-8039

February 19, 1997

Ramsey County Board of Commissioners
220 Court House
15 West Kellogg Boulevard
Saint Paul, MN 55102

Dear Commissioners:

At my request, the State Auditor performed a special audit of the County's payroll records for department heads and long-distance phone policies and procedures for department heads and certain elected officials. We are encouraged by the results of this special audit. We thank the State Auditor for sharing a draft copy of the report with us on February 7, 1997, so we could prepare a response before its release.

We are pleased to see from the results of the testing that, except for the former Director and former Acting Director of the Department of Property Records and Revenue, all County department heads are following proper payroll time reporting procedures.

The Department of Property Records and Revenue has implemented a number of the recommendations made by the State Auditor. The Department required that all employees use the County's Request for Leave slip, effective October 9, 1996, and require that all employees use the Ramsey County Biweekly Time Report for all pay periods beginning on and after January 25, 1997. (See Department of Property Records and Revenue response.)

Further, payroll procedures in the Public Works and Community Corrections departments were mentioned but were satisfactorily resolved before the completion of the audit.

In addition, for all long-distance phone bills tested, and except for those noted, all personal long-distance phone calls were either reimbursed to the County or charged to the employee's credit card or home phone. It should also be noted that the State Auditor's testing of long-distance telephone bills revealed a payment process error in the County Attorney's Office and the need to modify the County Sheriff's cellular phone procedures. (See County Attorney and County Sheriff responses.)

The review of the payroll and long-distance telephone procedures covered 15 department heads and the County Manager. The State Auditors requested that the long-distance telephone procedures review be expanded to include the County Attorney, County Sheriff, and Judicial District Administrator.

In reviewing the supporting payroll documentation that the County Manager and department heads had on file for the five pay periods tested, appointment calendars were compared to the payroll records to ensure all time was properly reported. Similarly, detailed long-distance phone records were also reviewed for each of the positions identified to ensure that personal long-distance calls were being reimbursed or charged to the employee's credit card or home phone.

As indicated in the report, the State Auditors randomly sampled 5 of 48 pay periods for review, which represents slightly more than a 10% sample. We believe this to be a standard sample size which should disclose any possible discrepancies.

Following are specific responses to the recommendations made in the report.

DEPARTMENT OF PROPERTY RECORDS AND REVENUE

During the review of the time records of employees in the Department of Property Records and Revenue, a sample test of payroll records revealed inconsistencies. Subsequently, the County Manager requested that additional testing be performed on the time records of the former Acting Director and that a random sample of other employees in the Department of Property Records and Revenue be undertaken.

Former Acting Director

The State Auditor performed additional testing on the time records of the former Acting Director, and determined that the "most reliable source of payroll records would be the Time/Work/Daily Reports completed and signed by Mr. O'Donnell". Based on this statement, we will take action to reduce the balance of vacation time for the former Acting Director to 9.3236 hours. These hours will remain unpaid until the State Auditor concludes the current special investigation.

Records & Revenue Department -- Leave Time Reconciliation

We will be establishing a work plan to perform a reconciliation of the amounts of leave time used by Department of Property Records and Revenue employees. Leave time will be reconciled among the County's payroll records, the Request for Leave slips and the Annual Time Records. As any differences are reconciled, adjustments will be made to the leave balances on the County Payroll System.

ALL DEPARTMENTS - TELEPHONE PROCEDURES

The County's policy on long-distance telephone calls is as follows:

It is the County's policy that all long-distance telephone calls, including fax calls, should be identified as either business or personal.

Personal long-distance calls should be charged to the employee's home phone or personal credit card. If a personal long-distance call is charged to the County, the employee responsible for the call must submit a personal check to pay for that charge.

All County departments are following proper procedures for long-distance telephone calls. However, not all employees are identifying their long-distance calls as business, but are identifying their personal long-distance calls.

Departments will be notified of the importance of employees confirming long-distance calls as either business or personal. Employees will also be required to sign or initial their long-distance telephone bill to confirm a review has been completed.

PAYROLL AND LEAVE POLICIES AND PROCEDURES

Since 1971, the chief administrative officer of the County has not approved leave time slips or time sheets prepared by County department heads.

On October 9, 1996, the County Manager implemented a procedure requiring leave slips to be prepared by department heads and approved by the County Manager. A task force was created by the County Manager to review and make recommendations regarding the reporting of all time worked and paid time off for these department heads.

The County does have administrative procedures for reporting hours worked and leave taken. This procedure was outlined in a memo dated November 5, 1982, from the then Acting Executive Director to all County departments.

OVERALL RECOMMENDATIONS

Positive Time Reporting, Request for Leave Slips, and Written Policy

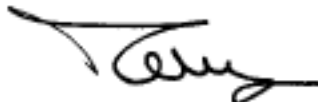
The County will implement a positive time reporting system for all employees. Many County departments already use a positive time reporting system, and the other departments use a modified form of positive time reporting. Positive time reporting requires employees to keep track of their time on a daily basis.

CONCLUSION

We would like to thank the State Auditor and her staff for their assistance in reviewing the County's payroll and long-distance phone procedures for key staff and elected officials. The results of the audit and recommendations will benefit the County and its citizens.

Should you have any questions on this material, please call me.

Yours truly,



Terry Schutten
Ramsey County Manager

cam

Attachments

cc: Judith Dutcher, State Auditor
Bob Fletcher, Ramsey County Sheriff
Susan Gaertner, Ramsey County Attorney
Sue Alliegro, Judicial District Administrator
County Department Heads