



OFFICE OF THE COMPTROLLER  
CITY OF ST. LOUIS



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Comptroller

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June 25, 2015

Helen D. Haskins, Court Administrator  
Circuit Court Administrator's Office  
10 North Tucker Boulevard, Room 412  
Saint Louis, MO 63101-2044

RE: Payroll Distribution Review (Project # 2015-PD09)

Dear Ms. Haskins:

We conducted a payroll distribution review of the Circuit Court for the pay period ending March 21, 2015. The objectives of this review were to determine the following:

- Only eligible employees received wages.
- Wages and wage receipts were adequately safeguarded.
- Employees were paid for actual hours worked or approved paid leave.
- Accruals and use of paid leave are accurate.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of Saint Louis, as revised, and has been conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

During our review, we identified an opportunity to improve compliance with the overtime pay and compensatory time policy. This observation along with our recommendation and management response are detailed on the attached page.

If you have any questions, please contact the Internal Audit Section at (314) 657-3490.

Respectfully,

Mohammad H. Adil, CPA, CGMA  
Internal Audit Supervisor

Attachment

**CIRCUIT COURT ADMINISTRATOR'S OFFICE  
PAYROLL DISTRIBUTION  
PAY PERIOD ENDING MARCH 21, 2015**

**DETAILED OBSERVATIONS AND RECOMMENDATIONS**

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**Non Compliance with Overtime Pay and Compensatory Time Policy**

During the pay period, one (1) employee was credited with 3.75 hours of compensatory time in lieu of lunch time not taken and for beginning work early.

The Circuit Court's overtime pay and compensatory time policy allows overtime or compensatory time only when it is not possible to adjust staffing patterns, and/or employee work schedules to provide essential staffing. Further, the policy states:

*An employee who works unauthorized overtime may be subject to Corrective and Disciplinary Action as provided in (Section 31.12-Discipline). This includes failure to sign out for lunch, signing in early or signing out late, or beginning work early or working late when the overtime was not authorized.*

Failure to comply with policy could result in noncompliance with the Fair Labor Standards Act as well as payment or credit for improper and unearned overtime or compensatory time.

**Recommendation**

The Internal Audit Section recommends that:

- The Court follows its' documented policy on overtime pay and compensatory time.
- All supervisors and employees be made aware of the policy.

***Management Response***

*The Court's Procedures, as applied to this employee, state in part:*

*Work Schedules: Supervisors must arrange employee work schedules in a manner that minimizes the need for overtime.*

- *Authorization: The immediate Supervisor and Department Manager may authorize overtime. Such overtime shall be authorized only when it is not possible to adjust staffing patterns, and/or employee work schedules to provide essential staffing in the following type circumstances:*
  - *Non-Emergency Circumstances: These are situations in which overtime work is considered to be the best way to make necessary staff available to handle a particular situation. Advance approval of the immediate Supervisor is required:*

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- *To perform an unusually heavy volume of work of a temporary nature.*
  - *To perform work that cannot be performed during normal working hours.*
  - *When employees are required to work through their lunch period, they shall receive compensatory time, which should, if possible, be used that day.*
- *Penalty: An employee who works unauthorized overtime may be subject to Corrective and Disciplinary Action as provided in (Section 3.12-Discipline). This includes failure to sign out for lunch, signing in early or signing out late, or beginning work early or working late when the overtime was not authorized. It is the Supervisor's responsibility to assure that employees do not work unauthorized overtime.*

*The immediate Supervisor of the employee authorized the overtime, approving the earning of compensatory time (Time Sheet received 3/24/15; provided to Auditor on 3/27/15) by this employee for the time period at issue. However, on 3/25/15, after just learning of this situation on that same date, the Court Administrator reviewed over 3.5 years of this employee's most recent Court time accounting history, and initially notified this employee, her Supervisor, and our Human Resource Manager in writing that this employee needs to make sure she takes her 1/2 hour lunch each day, as scheduled and required. On 3/26/15, the Court Administrator notified the immediate Supervisor (Manager) and our Human Resource Manager in writing that this Supervisor is to discontinue allowing/approving this employee for accrual of compensatory time, because the accrual of compensatory time is restricted and rarely justified. This Supervisor was also informed in writing that he is to review Court Procedure 2.11.D, Time and Attendance, Earning Overtime Pay and Compensatory Time, and the Court Administrator quoted this Supervisor/Manager portions of this Procedure (in writing), including the sections quoted above on Work Schedules and Authorization. On 4/8/15, the Court Administrator notified the supervisor, as well as the employee and our Human Resource Manager, in writing; quoted the Penalty language quoted above; and gave a detailed directive that if the Supervisor does not enforce the Procedure, the Court can be subject to an audit by the U.S. Department of Labor, as well as liability. At that time, the Supervisor was notified again to discontinue authorizing and approving the employee for accrual of compensatory time, and reminded that he is to intermittently review Court Policies and Procedures in order to apply the Policies and Procedures to all staff members in his department. The Supervisor did not provide the Court Administrator justification to support the accrual of compensatory time during the time period at issue. However, if the need for accrual of compensatory time is justified, the Court will comply with the Fair Labor Standards Act (FLSA) and this employee will earn compensatory time in accordance with federal law. At this time, the employee has no accrued compensatory time, and has not earned any compensatory time since 3/19/15.*

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*The Court appreciates the work performed by the Internal Audit Section and thanks them for their time and effort.*