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**Why This Inspection?** This inspection on school district and charter school overtime is the final installment of our review for Fiscal Years 2016 and 2017. We identified the top 50 overtime earners for school districts and charter schools and tested internal controls related to overtime payments.

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The top 50 overtime earners that we tested earned approximately \$800,000 and \$1.0 million in overtime for 2016 and 2017, respectively.

**What We Found:** Through testing the top 50 overtime earners, we identified internal control weaknesses for 64% and 60% of the payroll documents we inspected for Fiscal Years 2016 and 2017, respectively. We found the districts were using a variety of methods, from automated to manual, to track and approve overtime hours; some variations resulted in more human errors. We tested 410 timesheets and found the following issues:

- **207 timesheets lacked supporting documentation** (Capital, Christina, Lake Forest, and New Castle County Vocational-Technical School Districts)
- **46 incorrectly calculated timesheets** (Appoquinimink, Cape Henlopen, Capital, Christina, Colonial, Lake Forest, New Castle County Vocational-Technical, and Smyrna School Districts)
- **One timesheet lacked approval of overtime** (Christina School District)

Christina, Lake Forest, New Castle County Vocational-Technical, and Smyrna School Districts provided management responses detailing internal control measures and process improvements that have been implemented as a result of this engagement. As an example, the Smyrna School District is in the process of converting to an automated absence request and personnel attendance system.

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## RECOMMENDATIONS

- A universal automated timekeeping system should be utilized by all school districts.
- School districts should ensure that employees responsible for reviewing timesheets are properly trained and understand the importance of the accuracy of this review.