

WAL★MART®

INTERNAL AUDIT SERVICES

Corporate Distribution & Logistics Merchandise Services International Inventory Operational

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AUDIT SCOPE

During Wal-Mart weeks 20 and 21 the Inventory Audit group visited 128 stores across the United States. The objective of the review was to determine if the stores are adhering to company policies and government regulations with the scheduling and staffing of associates.

BACKGROUND

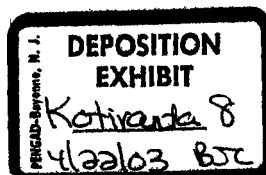
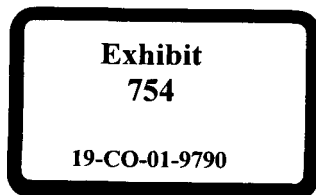
The scheduling and staffing of our associates is a vital component of our business. Wal-Mart may face several adverse consequences as a result of staffing and scheduling not being prepared appropriately.

AUDIT FINDINGS

Full Time / Peak Time Exceptions

A review of the Peak Time / Full Time Exception report revealed 2,276 associates were working hours inconsistent with their classification in the 111 stores reviewed. Only associates working outside their classification for three of the most recent five weeks were noted as exceptions.

<u>Associate Status</u>	<u>Number</u>	<u>Percentage</u>
Full Time Exceptions	1,039	46%
Peak Time Exceptions	1,237	54%
Total Exceptions	2,276	



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Attendance Tracking

Management is not maintaining the Schedule and Attendance Tracking report as 83% of the absences and 90% of the tardies and left earlies were approved. The reports should be an accurate assessment of the work week including specific reasons for not working scheduled shifts, not arriving timely or not completing a shift. A majority of absences, tardies, and left earlies should be noted as unapproved and documented with the appropriate reason codes. The schedule is a legally binding report and should be maintained appropriately.

Attendance Tracking Exception Report was reviewed in 124 stores the exceptions are listed below.

<u>Absences (Scheduled but Not Worked)</u>	<u>Totals</u>	<u>Percentage</u>
Approved	18,111	83%
Unapproved	3,377	16%
No reason	<u>282</u>	1%
Total	21,770	

<u>Tardy and Left Early</u>		
Approved	39,849	90%
Unapproved	3,675	8%
No reason	<u>771</u>	2%
Total	44,295	

Breaks / Meals

Stores were not in compliance with company and state regulations concerning the allotment of breaks and meals as 76,472 exceptions were noted in 127 stores reviewed for a one-week period. The following information was discovered which could effect morale and turnover within the stores.

<u>Time Clock Punch Exceptions</u>	<u>Totals</u>	<u>Percentage</u>
Too Few Meals	15,705	21%
Too Few Breaks	<u>60,767</u>	79%
Total Exceptions	76,472	

Child Labor Exceptions

Minors were working outside parameters set by state regulations as 1,371 exceptions were identified in 123 stores. This information was compiled from the State Child Labor Violations section of the Timeclock Punch Exception report for a one-week period.

Minors working in prohibited areas were also noted on 7 occurrences.

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