

# ***Putnam Valley Central School District***

## **Internal Audit of Human Resources and Payroll**

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## AUDIT SCOPE AND OBJECTIVES:

The purpose of the review was to evaluate and assess the adequacy of the procedures and the internal controls over Human Resources and Payroll operations in the District.





# AUDIT PROCEDURES

1. Reviewed the District's Board Policies and Department level Human Resources and Payroll policies and procedures.
2. Reviewed that the District complies with established policies and regulatory requirements.
3. Reviewed and tested a sample of fifteen new hires in FY20/21.
4. Reviewed and tested a sample of twenty-three terminations in FY20/21.
5. Reviewed and tested a sample of fifteen employees awarded stipends to ensure there were adequate controls over the stipend process.



## AUDIT PROCEDURES (Con't)

6. Reviewed and tested a sample of fifteen teachers awarded tenure to ensure adequate controls over the teacher evaluation process.
7. Selected twenty-three employees from four bi-weekly pay periods to test to ensure adequate controls over the payroll payment process.
8. Reviewed payroll processes to determine that payroll certification is adequate and payroll bank reconciliations are completed timely.
9. Reviewed two most recent Federal and State Quarterly Payroll Tax forms to ensure that the quarterly payroll taxes reconcile to the taxes paid per payroll records.





## AUDIT RATINGS DEFINED

### Satisfactory

Indicates an acceptable system of internal control and satisfactory compliance with applicable policies, procedures and regulatory requirements. Findings indicate modest weaknesses that require management's attention.

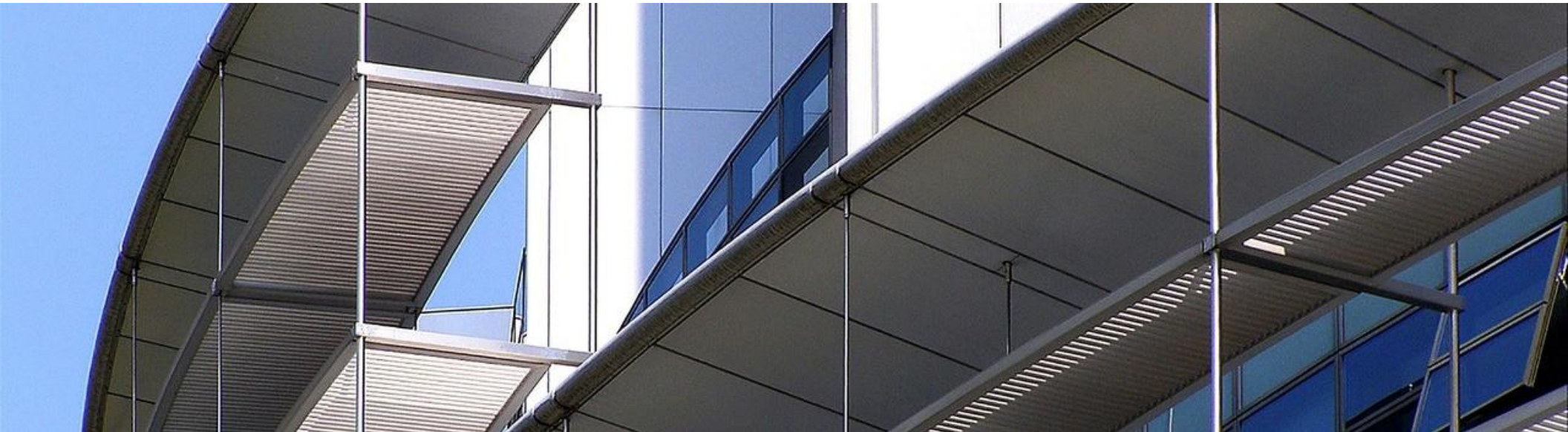
### Needs Improvement

Indicates weaknesses in the system of internal control and/or compliance with related policies, procedures and regulatory requirements. These findings require management's prompt resolution to prevent further deterioration and possible losses.

### Unsatisfactory

Indicates significant weaknesses in the system of internal control and/or compliance with related policies, procedures and regulatory requirements. Management's immediate attention to these findings is required to prevent loss to the institution.





## SUMMARY OF AUDIT RATINGS BY AREA

Audit Area	Audit Rating
1. Human Resources process	Satisfactory
2. Payroll process	Satisfactory with recommendations

## AUDIT RECOMMENDATIONS AND MANAGEMENT RESPONSES

### Auditor's Recommendation #1:

All twelve-month employees should be given access to AESOP including those in the Transportation department. This will allow for consistency in an already established district procedure regarding attendance.

### Management Response:

*Any twelve-month employees who do not have access to AESOP will be trained and given access on how to use it.*





## AUDIT RECOMMENDATIONS AND MANAGEMENT RESPONSES

### Auditor's Recommendation #2:

In order to assist in the reconciliation of attendance, the transportation supervisor should provide a report in the beginning of the school year and an updated report whenever the driver/ monitor schedule changes throughout the year.

### Management Response:

*The Transportation supervisor provides a report with drivers and monitors scheduled hours of work at the beginning of the school year . This will provide more ease to the payroll clerk and aid in reconciling the daily scheduled hours vs. time worked outside of the normal workday. There can be frequent changes where monitor and driver hours can fluctuate throughout the year depending on student need. Many schedule changes during sport seasons are made to accommodate after school schedules.*





## AUDIT RECOMMENDATIONS AND MANAGEMENT RESPONSES

### Management Response cont'd:

*Drivers and Monitors are the only employees of the District who do not use AESOP for attendance reconciliation purposes because of the complexity involved in their schedules from day to day. It would not be feasible for these employees to use AESOP. Therefore, the supervisor will be required to provide an official update when there are any changes in the daily work schedule.*



## AUDIT RECOMMENDATIONS AND MANAGEMENT RESPONSES

### Auditor's Recommendation #3

It was observed that there were changes made to timesheets. The supervisor should ensure that the daily sign-in sheets are recorded timely. If there are corrections to the manual sign in sheets, those corrections should remain legible and should be noted and initialed by the employee. Going forward the District should establish a time sheet sign in procedure for any employees who do not have access to AESOP.

### Management response:

*Written timesheet procedures will be established to guide employees on how timesheets should be properly filled out and how time should be recorded.*





## AUDIT RECOMMENDATIONS AND MANAGEMENT RESPONSES

### Auditor's Recommendation #4

In all other areas of payroll and related functions we recommend that the District continue to reinforce staff awareness and compliance with established procedures.

### Management response:

*Payroll policies and procedures are available on our website. The District will continue to comply with established District procedures.*



Thank You –  
Questions

