

Beekmantown Central School District

Payroll

APRIL 2017



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

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Report Highlights

Beekmantown Central School District

Audit Objective

Determine whether the District accurately paid employees' salaries and wages.

Noteworthy Achievements

District officials ensured employees were accurately paid their approved salaries and wages.

- We reviewed all gross pay calculations totaling approximately \$2.5 million for 30 employees during our audit period to determine whether the information entered into the financial system agreed with the time records, pay rates agreed with Board resolutions, individual employee contracts or collective bargaining agreements and gross pay was accurately calculated. Except for some minor discrepancies, which we discussed with District officials, these salaries and wages were accurately paid.

There were no recommendations as a result of this audit.

District officials agreed with our report.

Background

The Beekmantown Central School District (District) is located in the Towns of Altona, Beekmantown, Chazy and Plattsburgh in Clinton County.

The nine-member Board of Education (Board) is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the District's chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction. The School Business Executive (Business Executive) oversees the District's business operations.

Quick Facts

395	Employees
2,100	2016-17 Enrollment
\$40.3 million	2016-17 Budgeted Appropriations
\$25.4 million	Gross Pay During Audit Period

Audit Period

July 1, 2015 – November 30, 2016

Payroll

The Board approves the hiring of all new employees and the District Clerk records employee salaries and wages, along with the effective dates, in the Board minutes. The District Clerk enters new employee information and activates employees in the financial system (system), which enables them to receive payroll payments. The payroll clerk enters the pay rates and the amounts to withhold and deduct from the employees' gross pay in the system.

At the beginning of each fiscal year, the Business Executive reviews all the employee pay rates entered in the system to ensure accuracy. In addition, each pay period, the Business Executive reviews all pay rate changes entered in the system to ensure accuracy. Designated supervisors review and approve all the time records.¹ A senior clerk is responsible for entering the time worked in the system based on the approved time records, which is then reviewed by the payroll clerk.

District officials regularly reviewed payroll transactions and accurately paid employees' salaries and wages. After the senior clerk and payroll clerk have processed payroll, but before payroll is posted in the system, the payroll clerk provides the Business Executive with a payroll comparison report generated from the system. This report contains a detailed list by type of earnings and deductions for any employees with a variance in these amounts from the previous pay period compared to the current pay period. The Business Executive reviews this report to ensure there are no payroll processing errors and then authorizes the District Treasurer (Treasurer) to post the payroll in the system.

The Treasurer reviews the completed payroll before signing employee payroll checks. The Treasurer signs the checks electronically by entering his password into the system to generate his signature on the checks. For employees receiving payroll payments through direct deposit, the Treasurer transfers the direct deposit file to the online banking module and then releases it for payment.

The Treasurer then provides the Business Executive with various reports supporting the payroll transactions processed. These reports include, but are not limited to, an itemized direct deposit list report, payroll check report and deductions check report. The Business Executive reviews these reports to ensure that payroll transactions were properly executed. The Superintendent also reviews and certifies the payrolls before payments are made, which provides final managerial oversight of the payroll process.

District officials regularly reviewed payroll transactions and accurately paid employees' salaries and wages.

¹ Time records for additional work performed by employees outside of their regular job duties (e.g., home tutoring) are also reviewed and approved by the Business Executive before payroll is processed.

How Does a District Accurately Pay Employees' Salaries and Wages?

The Board approves the amounts to be paid through Board resolutions, collective bargaining agreements (CBAs) and individual employee contracts. District officials established a well-designed payroll process to provide assurance that employees are paid in accordance with Board authorizations and payroll transactions are appropriately recorded and authorized by management.

The District Accurately Paid Employee Salaries and Wages

District officials accurately paid employees' salaries and wages. We reviewed all gross pay calculations totaling approximately \$2.5 million for 30 employees² during our audit period to determine whether the information entered into the system agreed with the time records; pay rates agreed with Board resolutions, individual employee contracts or CBAs; and gross pay was accurately calculated. Except for some minor discrepancies, which we discussed with District officials, the employee salaries and wages reviewed were accurately paid.

We commend District officials for establishing a well-designed system for processing payroll to ensure employees are accurately paid the salaries and wages to which they are entitled.

² These 30 employees' gross pay totaled approximately \$1.8 million during the 2015-16 fiscal year and approximately \$711,000 during the period July 1, 2016 through November 30, 2016. See Appendix B for more information on our sampling methodology.

Appendix A: Response From District Officials



BEEKMANTOWN CENTRAL SCHOOL DISTRICT



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Andrew D. Brockway, President
Board of Education

Daniel W. Mannix
Superintendent of Schools

April 7, 2017

NYS Office of the State Comptroller
Division of Local Government and School Accountability
One Broad Street Plaza
Glens Falls, NY 12801

Re: Beekmantown Central School District
2017M-26 Report of Examination – Payroll

Dear [REDACTED]

The Beekmantown Central School District acknowledges receipt of the above referenced draft report of the recent audit conducted by your office. We have reviewed the report and agree with its findings.

The positive examination process and report received validates our efforts to operate with the highest degree of fiscal responsibility, transparency and accountability to the students, employees and taxpayers we serve. We are humbled and pleased to read the noteworthy achievements indicating “There were no recommendations as a result of this audit”.

We acknowledge the audit report does not contain any adverse findings or recommendations. Accordingly, no corrective action plan is required with this response.

The District expresses its appreciation to the Office of the State Comptroller and we commend our auditor for the professional and courteous manner in which he undertook the responsibilities of this examination while accommodating our staff and operating schedule of the school district during the audit process, taking care as to minimize intrusions into the school day.

Respectfully,



Andrew D. Brockway
President, Board of Education



Daniel W. Mannix
Superintendent of Schools

Appendix B: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, we performed the following audit procedures:

- We interviewed District officials and employees and reviewed the District's policy manual, Board resolutions, individual employee contracts, CBAs and various financial records and reports to gain an understanding of the District's procedures related to payroll and any associated effects of deficiencies in those procedures.
- We reviewed all gross pay calculations for 30 employees during our audit period to determine whether the information entered into the system agreed with the time records; pay rates agreed with Board resolutions, individual employee contracts or CBAs; and gross pay was accurately calculated. We judgmentally selected five employees (the payroll clerk, District Treasurer, Business Executive, a senior clerk and an accountant) who were directly involved in the payroll processing during our audit period. We then judgmentally selected another 25 employees whose salaries and wages were specified in the CBAs and individual employee contracts. We chose 10 employees covered by the support staff CBA, seven employees covered by the teachers' CBA, three employees covered by the support staff supervisors' CBA, three employees covered by the administrative CBA and two employees with individual employee contracts.

We conducted this performance audit in accordance with GAGAS, generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

Appendix C: Resources and Services

Regional Office Directory

http://www.osc.state.ny.us/localgov/regional_directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

<http://www.osc.state.ny.us/localgov/costsavings/>

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

<http://www.osc.state.ny.us/localgov/fiscalmonitoring/>

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

<http://www.osc.state.ny.us/localgov/pubs/listacctg.htm#lmg>

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

<http://www.osc.state.ny.us/localgov/planbudget/>

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders <http://www.osc.state.ny.us/localgov/lgli/pdf/cybersecurityguide.pdf>

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

<http://www.osc.state.ny.us/localgov/finreporting/>

Research Reports / Publications – Reports on major policy issues facing local governments and State policy-makers

<http://www.osc.state.ny.us/localgov/researchpubs/>

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

<http://www.osc.state.ny.us/localgov/academy/index.htm>

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