

CHAPPAQUA CENTRAL SCHOOL DISTRICT

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March 2, 2015

To: Lyn McKay and Audit Committee

From: John L. Chow

Re: Response to Review of the Process Connecting Human Resources and the Business Office

This is the District's response to the above-mentioned Internal Audit conducted by the internal auditing firm, Tobin & Company. On January 21, 2015 the District's Audit Committee met with auditors reviewed the findings. On May 20, the Committee will review our response to the findings.

We worked with personnel from the Human Resources Department, Business Office and the Buildings and Grounds Department, and collectively came up with this response. We believe that all the internal controls, operational/procedural issues, and recommendations made in the report either have been, or will be, addressed through corrective action plans presented below:

HUMAN RESOURCES

Audit Observation: Due to the new Teacher contract, the HR Assistant currently performs a cumbersome, manual calculation to the salary table in order to adjust the contract table to account for the fixed dollar per year increase. In the past, union contract salary increases were recognized as a % change, as opposed to a stated dollar amount.

Audit Recommendation: The HR Assistant should create appropriate salary tables which, take into consideration all possible salary increases. This will make it easy to prepare accurate salary change sheets for the payroll department. Finance Manager's "Negotiation Manager" can be set up to have this process completed and uploaded directly into Finance Manager.

District Response:

Responsible: Assistant Superintendent for HR and HR Assistant
Action: Currently, the Accountant uses FM to adjust the teacher salary schedule when necessary. The HR assistant creates tables separately from the Accountant. The tables are compared for accuracy.
Timeline: Already the practice.

Audit Observation: The District uses My Learning Plan software for teachers to register for in-service credits etc. but does not utilize it to its full capabilities.

Audit Recommendation: My Learning Plan has the capability to track teacher's additional credits and submit new credits for approval for all courses. The District should consider taking advantage of this automation in an attempt to move away from manual, hand written lists in each employees personnel file.

District Response:

Responsible: Assistant Superintendent for HR and HR Staff
Action: We have previously researched the capability of My Learning Plan and it does not meet our needs for tracking credits toward salary advancement. We will also review the capability of nVision after it is installed.
Timeline: During school year 2015-16.

Audit Observation: The District Accountant compares the HR Assistant salary table calculation spreadsheet to Negotiation Manager. However, he does not print and sign off in agreement of calculations. After his reviews, the Payroll Clerks transfer all employees from Negotiation Manager to the Payroll module.

Audit Recommendation: When comparing salary table calculations with Negotiation Manager, the Accountant should print and sign off on the new table amounts and return to Human Resources for their records. Also, the Payroll Clerk's should review the new payroll module salaries to what was inputted in Negotiation Manager to be sure that nothing changed since the last review and approval.

District Response:

Responsible: Accountant and Payroll Clerks
Action: Accountant will print, sign off and return the new table amounts to HR. Payroll Clerks will review the new payroll module salaries in comparison to the salaries in Negotiations Manager.
Timeline: Beginning school year 2015-16.

Audit Observation: Finance Manager has a seniority list feature which lists all employees and their start dates/service time, however, this feature is not used to its full capabilities.

Audit Recommendation: The Finance Manager HR module should be updated and all functions including fields for start date, leaves of absences etc. should be completed. The use of this seniority list will enable reports to be printed at any time with an accurate seniority list.

District Response:

Responsible: HR Department
Action: Some of the data that determines seniority is currently being updated in Finance Manager as per the state requirements. When nVision is operating, it will be reviewed to see if it tracks seniority accurately (Finance Manager does not).

Timeline: Before October 2015 when we switch over to the upgraded version of Finance Manager, nVision, and following upgrade.

Audit Observation: The process for calling in substitute teachers is currently a manual process. The manual tracking goes to payroll in order to pay the substitutes who worked.

Audit Recommendation: An automated substitute and attendance system such as Sub finder or Aesop may streamline the Districts attendance and Substitute teacher call in procedure and assist in the export into Finance Manager. These common programs should be reviewed to determine the benefit to the Districts processes.

District Response:

Responsible: Assistant Superintendent for HR
Action: The District had tried a software described above. However, it did not serve the needs of the district. We need the flexibility to call in the substitute who is familiar with certain school/class. We also need the flexibility to schedule a substitute for partial day and multiple schools. We will keep our current method and procedures and therefore no action is required.

Timeline: N/A

PAYROLL

Audit Observation: Payroll Clerks use batch totals to check their own input, however, there is no cross checking between payroll clerks on each other's input.

Audit Recommendation: Payroll Clerks should perform a random spot check of each other's work, which would help catch any errors in input and avoid mistakes.

District Response:

Responsible: Assistant Superintendent for Business and Payroll Clerks
Action: Payroll Clerks spot check each other's work.
Timeline: This was put into place when the Internal Auditor's report was issued.

Audit Observation: Coaches stipends are calculated by the Athletic Director, based on teacher contracts and submitted by memo to pay half of the Board approved stipend. Board minutes are properly checked; however the 50% payments are manually calculated with no secondary review.

Audit Recommendation: The coach stipends should be set up in Excel at the beginning of the year with the 50% payments broken out. This would help the clerk check her math as well as serve as documentation for someone to review and sign off.

District Response:

Responsible: Payroll [reason for this change is that HR simply gives payroll the FULL stipend amounts, and Payroll divides them in half]

Action: Stipends will be set up in Excel for easier calculations however it could only be done when the information is available.
Timeline: Beginning school year 2015-16.

Audit Observation: Buildings and Grounds implemented Time Piece software to track time in their department. This is a good additional control and time saver, however, Buildings and Grounds Head Custodians consistently forget to adjust 30 minutes for lunch, which forces both payroll clerks have to review and correct.

Audit Recommendation: While Time Piece is a great tool, it should be reiterated to Buildings and Grounds Head Custodians that in order for the time to be accurate, all adjustments should be made before it gets imported into payroll to prevent Payroll Clerks from having to consistently make corrections.

District Response:

Responsible: Director of Facilities and Head Custodians
Action: Everyone who approves data in Time Piece will review the data carefully before approval.
Timeline: All responsible people were reminded of this.