

**Continuous Audit -
Payroll and Disbursements
for January 1, 2025 through
June 30, 2025**

Continuous Audit - Payroll and Disbursements for January 1, 2025 through June 30, 2025

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Date: November 12, 2025

To: Board of Trustees
Stephanie S. Elizalde, Ed.D., Superintendent

From: Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Subject: Continuous Audit - Payroll and Disbursements for January 1, 2025 through June 30, 2025

Executive Summary

The Dallas Independent School District (District) Office of Internal Audit (OIA) has completed the Continuous Audit - Payroll and Disbursements for January 1, 2025, through June 30, 2025.

This audit focused on analyzing the District's payroll and disbursement transactions for the period of January 1, 2025 to June 30, 2025.

There were no recommendations made in this audit report.

Background

Table 1 below shows disbursement transaction details for the audit period.

Table 1 – Accounts Payable Activity Processed January 1 through June 30, 2025	
Description	
Number of Active Vendors ¹	8,557
Number of Vendors with Invoices Paid	2,021
Number of Invoices Paid	70,558
Invoice Amount Paid	\$784,131,443
Mileage Reimbursement Amount	\$321,395
Miles Reimbursed	464,585

Table 2 below shows payroll transaction details for the audit period.

Table 2 – Payroll Activity Processed During January 1 - June 30, 2025	
Description	
Number of Employees Paid	23,616
Number of Employee Payroll Payments	169,646
Employee Payroll Amount	\$511,041,555
Number of Employees Paid Overtime (OT)	3,265
Number of Overtime Hours	71,845
Overtime Amount	\$3,104,975

¹ Vendors as of July 31, 2025

Table 2 (cont'd.) – Payroll Activity Processed During January 1 - June 30, 2025	
Number of Employees Paid Secondary Pay Source (SPS) ²	2,246
Number of SPS Hours	146,240
SPS Amount	\$5,930,041
Overtime and SPS Amount	\$9,035,016

Scope

The audit included activity for the period of January 1, 2025, to June 30, 2025. Certain other matters, procedures, and transactions outside that period were reviewed to understand and verify information during the audit period.

Objective

The objective of this audit is to continuously analyze the District's payroll and disbursement transactions on a semi-annual basis to assess their validity, accuracy, and compliance with applicable policies, procedures, and regulations.

Methodology

OIA reviewed payroll and disbursement data and used TeamMate Analytics (TMA), a data analytics software, to conduct the following:

Payroll

1. Duplicate Employee Payments – To identify potential duplicate payments made to employees, auditors obtained a listing of employee payroll payments dated January 1, 2025 through June 30, 2025. Auditors then isolated payments by pay period, totaling 6 monthly periods for exempt employees and 13 biweekly pay periods for non-exempt employees, and used the TMA "Duplicate Employee Payments" test for each pay period to identify employees with multiple payments within a pay period. For any employees identified, auditors first reviewed for any unusual payment information such as dates or amounts. For any abnormalities noted, auditors reviewed the correlating employee statement of earnings and timesheets to verify payments were valid and not duplicated.
No observations were noted.
2. Duplicate Employees – To identify potential duplicate or fictitious employees, auditors obtained the master employee file as of August 4, 2025, from Oracle and ran the TMA "Duplicate Employees" test to identify employee profiles containing the same name, address, social security number, or bank account. Auditors noted that no employees had the same social security number, 1,499 had the same address, 1,209 had the same name, and 380 had the same bank account. From each of the categories above, auditors selected 10 employees and conducted further review by comparing job titles, dates of birth, and other relevant employee information. Additionally, for the sample selection of employees with duplicate bank accounts, auditors reviewed clock-in details to confirm clock ins occurred at different locations, times, etc.

² Secondary Pay Source pay is paid out as 1.5 times the hourly rate of an employee when that employee exceeds 80 hours in a biweekly pay period

No observations were noted.

3. Overtime Paid to Unauthorized Employees – To determine if overtime was only paid to authorized individuals, auditors obtained a report of overtime paid from January 1, 2025 through June 30, 2025 and verified all employees had a “non-exempt” status at the time overtime was accrued.
No observations were noted.
4. Overtime Limit Review - To identify employees who exceeded the permissible overtime threshold of 25% of their annual salary, auditors obtained a report detailing employee overtime payments made (including those from a secondary pay source) for July 1, 2024, through June 30, 2025, and compared to their annual salary.
No observations were noted; however, results were communicated to management.

Disbursements

5. Duplicate Vendors – To identify duplicate vendors potentially resulting in duplicate payments, auditors obtained the master vendor file as of July 31, 2025, from Oracle and ran the TMA “Duplicate Vendors” test to identify vendors with the same name, address, and/or registered company number (taxpayer ID). The test identified 78 instances of vendors with the same address, 22 instances of vendors with the same bank account, and 6 instances of vendors with the same taxpayer ID. For vendors with duplicate information, auditors reviewed their payments made for the audit period and analyzed invoice numbers, PO numbers, invoice dates, etc. to identify any potential duplicate payments.
No observations were noted.
6. Duplicate Payments – To identify potential duplicate payments, auditors obtained a report of invoices paid from January 1, 2025 through June 30, 2025, from Oracle. Using the report detail, auditors ran the TMA “Duplicate Purchase Invoices/Payments” test to identify separate payments made to a vendor containing the same invoice number. The test identified 6 instances in Q3 and Q4. Auditors reviewed the corresponding invoices and payment information in Oracle to verify invoices were not duplicated.
No observations were noted.
7. Mileage Expenses – To determine if unusually high mileage expenses were appropriate, auditors obtained an Oracle report of mileage expenses paid from January 1, 2025 through June 30, 2025 and reviewed mileage data for reasonableness. For any unusually high mileage identified, auditors reviewed expense report details for justifications for mileage reimbursement, possible duplicate lines of mileage reimbursed, and possible round-trip reimbursement for one-way trips.
No observations were noted.
8. Payments to Non-Awarded Vendors – To determine if payments made to non-awarded vendors were in compliance with purchasing policies, auditors obtained a list of awarded vendors as of as of July 31, 2025 and compared to a listing of payments made to vendors dated from January 1, 2025 through June 30, 2025. Auditors reviewed payments made to non-awarded vendors which totaled over \$50,000 to verify each vendor met the criteria for a non-awarded vendor to be used.
No observations were noted.

9. Payment Timing – To identify payments not made in accordance with the Prompt Pay Act, auditors requested an aging report as of July 31, 2025 that identified invoices received without a payment hold that were past the 30-day payment term.
No observations were noted.
10. Vendor vs. Employee Master Files – To identify active employees paid as a vendor, auditors utilized TMA to compare the master employee file (as of August 4, 2025) with vendor master file (as of July 31, 2025) to match profiles that had the same bank account number. Auditors identified 11 instances where a vendor in the vendor master file had the same bank account number as an employee. Auditors reviewed each matching profile to verify no payments were made to an employee's vendor account while they were an active employee.
No observations were noted.

Primary criteria used for this audit included:

- 1) Dallas Independent School District (ISD) Purchasing Manual, dated August 2023
- 2) Dallas ISD 2024-2025 Compensation Handbook
- 3) Dallas ISD Board Policy DEA – Compensation and Benefits: Compensation Plan (Regulation) – date issued: February 6, 2025

Audit Observations and Recommendations

No observations or recommendations were identified for this audit of payroll and disbursement expenditures for January 1, 2025 through June 30, 2025.

Conclusion

We would like to thank Payroll Business Services and Accounting Services for their cooperation and assistance during this audit.

The audit was conducted in conformance with the Institute of Internal Auditors' *Global Internal Audit Standards*. Those standards require OIA to plan and perform the audit to obtain sufficient, reliable, and relevant evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. OIA believes the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Respectfully submitted,

Robert Rubel

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