East Islip Union Free School District

Internal Audit Report on Detailed Testing – Human Resources

October 1, 2026

EAST ISLIP UNION FREE SCHOOL DISTRICT
Islip Terrace, New York

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

INTERNAL AUDIT REPORT ON DETAILED TESTING –
HUMAN RESOURCES

To the Board of Education and Audit Committee
East Islip Union Free School District
Islip Terrace, New York

We have prepared this report based on the detailed testing procedures performed, as further described, which was agreed upon by the East Islip Union Free School District's ("the District"), on human resources and for the period January 1, 2025, through March 31, 2026.

The District's management is responsible for administering this area.

This engagement is in accordance with certain guidelines within applicable consulting standards within the *Global Internal Audit Standards* issued by The Institute for Internal Auditors, as well as certain guidelines promulgated by the New York State Education Department, as applicable. This engagement is considered a consulting engagement and will consist of procedures designed to identify observations, findings, and recommendations; it will not result in any audit opinion or any other form of assurance. We will perform this engagement in accordance with applicable professional consulting and internal auditing standards mentioned above.

Our procedures and findings are described in the following pages.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's human resources. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We would like to express our appreciation for the cooperation and assistance that we received from the District's administration and other employees during our engagement.

This report is intended solely for the use and information of the Board of Education ("the Board"), the Audit Committee, and the management of the District, and is not intended to be and should not be used by anyone other than these specified parties.

Cullen & Danowski, LLP

Port Jefferson Station, New York
October 1, 2026

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Introduction:

This report is organized as follows:

- Background information
- Procedures performed during our detailed testing
- Findings resulting from our review
- Recommendations to enhance internal controls or improve operational efficiency

Some of the recommendations may require a reassignment of personnel duties within the District and/or a financial investment. However, any improvement of controls should be done after a careful cost-benefit analysis is completed.

Corrective Action Plan

Commissioner of Education Regulation §170.12(e)(4) requires that a corrective action plan (CAP), approved by the Board, must be filed within 90 days of receipt of the final issuance of the internal audit report with the New York State Education Department (NYSED).

The District should submit the CAP along with the respective Internal Audit Report via the NYSED portal system.

HUMAN RESOURCES – EMPLOYEE ADMINISTRATION

Background:

Effective internal controls require that the District establish proper segregation of duties, robust controls, and oversight for the human resources ("HR") function. The HR and payroll functions in school districts coordinate closely to manage sensitive employee and payroll-related information. This collaboration is especially important to maintain the completeness and accuracy of payroll-related transactions (e.g., salaries, claim forms, stipends, separation payouts, etc.), salary adjustments, activating or inactivating payroll payments, and the retention of proper documentation supporting the activities. Furthermore, given that payroll costs are one of the largest expenditures of the District, maintaining stringent internal controls is crucial to the HR function.

The HR activities at the District are managed by the HR Department, which oversees all certified and classified employees. The HR Department operates under the supervision of the Assistant Superintendent for Human Resources and Administration and is staffed by two clerical employees:

- A full-time Senior Office Assistant supports HR administration for the District's permanent staff, including teachers, administrators, clerical employees, paraprofessionals, custodial staff, and security personnel. Key responsibilities include coordinating onboarding; maintaining personnel files and employee records; preparing Board personnel items; updating employee data and HR records; and tracking certifications, tenure and seniority, leave status, evaluations, and professional development records.
- A part-time Senior Office Assistant supports HR administration for substitute staff and student teachers. Key responsibilities include coordinating onboarding; verifying required pre-employment and clearance documentation; maintaining related personnel files and employee records; updating employee data and HR records; and preparing related Board personnel items.

The District utilizes the nVision financial system ("nVision"), which includes an HR module used to maintain employee information and a payroll module used to facilitate payroll processing. The HR and payroll modules share employee data, which supports efficiency and consistency in processing personnel and payroll-related transactions. The HR Department is responsible for entering and updating employee personnel information, while the Payroll Department performs certain payroll setup and review functions, including budget code entry and salary confirmation, before payments are processed.

Procedures:

Our procedures, in accordance with our engagement letter dated March 31, 2026, were as follows:

- Review Board policies and District procedures related to the Human Resources (HR) employee administration activities.
- Interview HR personnel responsible for HR employee administration activities to obtain an understanding of policies, procedures, and systems in place and document identified strengths, weaknesses, and key control attributes for testing.
- Review administrative processes performed by HR staff to ensure activities are properly authorized, executed, and monitored at an appropriate level.
- Review the HR activities for the period under review as follows:
  - Select 10 leaves of absence during the period and review HR files and supporting documentation for completeness and accuracy. Review calculations related to leave start and return dates, including the associated payroll payments, for accuracy, proper authorization, and compliance with contract terms.

- Review supporting documentation used by HR to document performance reviews of all staff. Select 15 employees to verify that a performance review was prepared and filed in the employee's HR file or filed electronically.

Findings:

Review of Board policies and District procedures related to the HR employee administration activities and interviews with Department staff responsible for HR activities noted:

- There are numerous Board policies related to HR, including:
  - *Policy #0100 – Equal Opportunity;*
  - *Policy #0105 – Diversity, Equity, and Inclusivity Education;*
  - *Policy #0110 – Prohibition Against Sexual Harassment;*
  - *Policy #0115 – Dignity for All Students Act;*
  - *Policy #4526 – Computer Network and Internet Access Acceptable Use;*
  - *Policy #9000 – Personnel Policy Goals;*
  - *Policy #9120 – Workplace Violence Prevention;*
  - *Policy #9140.1 – Staff Complaints and Grievances;*
  - *Policy #9150 – Staff-Student Relations;*
  - *Policy #9170 – Meals and Refreshments;*
  - *Policy #9240 – Recruiting and Hiring;*
  - *Policy #9260 – Conditional Appointments of Staff Policy;*
  - *Policy #9270 – Part-Time Employment;*
  - *Policy #9270.1 – Substitutes;*
  - *Policy #9320 – Drug Free Workplace;*
  - *Policy #9520 – Family and Medical Leave;*
  - *Policy #9520.3 – Military Leave;*
  - *Policy #9550 – Expression of Breast Milk in the Work Place;*
  - *Policy #9600 – Staff Conduct;*
  - *Policy #9640 – Non-School Employment;*
  - *Policy #9645 – Disclosure of Wrongful Conduct;*
  - *Policy #9660 – Termination Agreements;*
  - *Policy #9700 – Staff Development; and*
  - *Policy #9730 – Professional Leave.*
- There are employment agreements with the bargaining units and non-aligned staff that contain provisions pertinent to HR, payroll, and benefits; we also note that no bargaining units are working under expired agreements at the time of our engagement.
- The District has established formal procedures that are performed by staff related to key processes regarding HR employee administration activities, including onboarding new hires, managing leaves of absence, and employee separations.

- The District utilizes the SchoolFront Employee Management System ("SchoolFront"), a web-based platform used for HR onboarding, electronic forms, and personnel file management. The District began using SchoolFront for new-hire onboarding during the 2023-24 school year and has since scanned active employee personnel files into the system. Records maintained in SchoolFront generally include employee documentation maintained throughout employment, including onboarding records, employment actions, evaluations, leave and status changes, payroll and benefits-related forms, and separation documents for employees separating after implementation. Our understanding is that archived hardcopy personnel files predating the electronic conversion were not scanned into SchoolFront because the District determined that the cost and time involved were not justified based on the limited need to access those records. As such, those personnel records continue to be retained as hardcopy files in storage.
- Annual performance evaluations are completed and maintained for District employees, as applicable. Certified staff evaluations, including Annual Professional Performance Review ("APPR") records, are completed through Frontline Professional Growth, which is used to route, track, and maintain evaluation records. Classified staff evaluations are completed and maintained through SchoolFront using standard evaluation forms tailored to the employee's position. For both certified and classified evaluations, the applicable system routes the evaluation for employee acknowledgment and supervisory/administrative approval and provides HR with a mechanism to monitor completion.

Review of the processes related to the administrative procedures of the HR staff found:

- The District has formal procedures to ensure that processes related to HR activities are authorized, performed, and monitored at an appropriate level.

Selection of 10 leaves of absence during the period and review of HR files and supporting documentation noted:

- There were no exceptions noted as the HR Department maintained appropriate documentation supporting the selected employees' leave activity, leave types, and pay status were recorded accurately, and any seniority and/or step adjustments were processed in accordance with established procedures and applicable employment agreements.

Review of supporting documentation used by HR to document performance reviews and selection of 15 employees to verify that a review was prepared found:

- There were 3 instances where the District did not have documentation to support the completion of the employee's annual performance review.
- There were 2 instances where the employee's evaluation was signed by the building administrator but did not include evidence of employee acknowledgment or approval by the Assistant Superintendent for Human Resources and Administration.

Recommendations:

We recommend that the District consider implementing the following to further improve internal controls and operational efficiencies related to employee administration:

1. *Annual Performance Evaluations for All Staff* – Develop procedures to ensure annual performance evaluations are completed and maintained for all applicable staff. The procedures should include periodic monitoring of completion status and require evidence of employee acknowledgment and appropriate supervisory/administrative approval in Frontline Professional Growth or SchoolFront, as applicable.

HUMAN RESOURCES – HIRING AND SEPARATION OF STAFF

Background:

Sound internal control practices require the District to establish appropriate segregation of duties over employee hiring and separation activities. In school districts, the HR Department works in coordination with the Payroll Department to promote the completeness and accuracy of employee-related payroll transactions, including new hires, separations, stipends, separation payouts, salary adjustments, payroll activations and deactivations, and the retention of supporting documentation. We reviewed the District's hiring and separation processes through meetings, discussions, and testwork to assess the design and operation of related processes and controls.

Procedures:

Our procedures, in accordance with our engagement letter dated March 31, 2026, were as follows:

- Review Board policies, District procedures, collective bargaining agreements, and employee contracts related to employee hiring and separation.
- Interview HR and Payroll personnel to obtain an understanding of policies, procedures, and systems in place for managing, communicating, and documenting employee status changes (e.g., new hires and separations).
- Evaluate internal controls and procedures over the hiring and separation processes; documenting the strengths and weaknesses within the process; and identify the key control attributes for testing.
- Assess the segregation of duties between HR, payroll, and supervisory personnel.
- Select 15 new hires during the period under review and test compliance with key internal controls to ensure:
  - Proper documentation is on file (e.g., certifications, civil service forms, Board resolution, etc.);
  - Communications between the HR Department and Payroll Department were timely;
  - Employee was activated in the financial system timely; and
  - Salary amount is correct and in compliance with specifications in the respective bargaining unit contract or employment agreement.
- Select 15 separations during the period under review and test compliance with key internal controls to ensure:
  - Proper documentation is on file (i.e., retirement/resignation letter from employee; Board resolution);
  - Communications between the HR Department and Payroll Department were timely;
  - Employee was inactivated in the financial system in a timely manner; and
  - Final payments, if applicable, are correct (i.e., retirement incentives; accumulated unused time) and comply with specifications in the respective bargaining unit contract or employment agreement.

Findings:

Review of Board policies, District procedures, collective bargaining agreements, and employee contracts pertaining to the hiring and separation of employees noted:

- The District has Board policies and formal procedures related to the hiring and separation of employees. These procedures are supported by administrative checklists for new-hire intake, onboarding, and staff separations, as well as a Hiring Guide that provides additional guidance for certified and administrative

hiring, including staffing requests, vacancy postings, applicant screening, interview committees, candidate evaluations, finalist selection, recommendations for appointment, and related hiring documentation.

Interviews with employees responsible for tasks related to the hiring and separation processes regarding policies, procedures, and systems in effect found:

- The District uses RecruitFront, SchoolFront's recruiting module and applicant tracking system, to support vacancy postings, online applications, and candidate review. Depending on the position, the District may also use internal postings, the Online Application System for K-12 Education ("OLAS") for certified and administrative searches, and Civil Service eligible lists and canvassing procedures for classified appointments.
- Employee separations are coordinated through the HR Department and require supporting documentation, such as a resignation or retirement notice, and acceptance by the Board. The HR Department updates the applicable employee records, including the employee's status in nVision, and communicates the separation to the Payroll Department so final payments and any applicable separation payouts can be reviewed and processed.
- The Business Office has procedures to perform a payroll audit two times per year that includes administrators signing off on a list of employees in their respective school or department and all employees need to show their District ID when signing off on the payroll list managed by the Business Office staff at the schools and departments.

Evaluation of the internal controls and procedures over the hiring and separation processes, and the assessment of the segregation of duties between HR, payroll, and supervisory personnel noted:

- The District maintains segregation of duties between the HR Department, Payroll Department, and supervisory personnel. Building and department administrators and/or interview committees participate in staffing requests, candidate screening, and hiring recommendations, while the HR Department coordinates recruitment, onboarding, Board agenda processing, personnel record maintenance, and employee status updates. The Payroll Department reviews Board-approved personnel changes and supporting documentation, confirms salary and payment details, and processes payroll and applicable separation payouts.
- Additional oversight is provided through the payroll certification process. As part of this process, the Assistant Superintendent for Business reviews payroll certification reports, including nVision reports showing salary changes from one pay period to the next, before the payroll is provided to the Superintendent for certification.

Selection of 15 new hires during the period and testing compliance with key internal controls found:

- There were no exceptions noted. The selected new-hire files contained the required documentation, including support for Board approval, position, salary, and effective date. Appointment details agreed to the Board minutes, applicable employment agreements, and nVision records, and related HR/Payroll communications and nVision activations were completed timely.

Selection of 15 separations during the period and testing compliance with key internal controls noted:

- There were no exceptions noted. The selected separation files contained the required support, and separation details agreed to Board minutes and nVision records. HR/Payroll communications and nVision inactivations were completed timely, and applicable payouts were supported, approved, processed after separation, and consistent with employment agreements.

Recommendations:

There were no recommendations noted related to our review of hiring and separation of staff.

HUMAN RESOURCES – EMPLOYEE ATTENDANCE

Background:

We performed a review of the District's employee attendance activities, which included meetings, discussions, walkthroughs, and testwork, to assess the design and operation of related processes and controls. Accurate attendance reporting is necessary to ensure that absences, benefit time usage, substitute coverage, overtime, extra pay, leave-without-pay deductions, and other payroll-related adjustments are properly recorded and processed in accordance with Board policies, District procedures, collective bargaining agreements, and individual employment agreements.

nVision serves as the District's primary repository for employee attendance calendars and benefit time balances. The District also uses Frontline Absence Management, nVision Web, and nVision Timepiece to support employee absences, substitute coverage, time-off requests, time reporting, approvals, and payroll processing. Supporting records include building-level sign-in sheets, manual timecards, absence forms, coverage logs, and system-generated attendance reports.

Frontline Absence Management is used to record teacher and teaching assistant absences and facilitate substitute coverage. Teachers and teaching assistants enter absences in Frontline Absence Management and, when coverage is required, a substitute is assigned to the absence. Building-level clerical staff monitor teacher absences and substitute coverage, maintain supporting attendance records such as sign-in sheets, substitute timecards, and coverage logs, and reconcile those records to Frontline Absence Management reports. After the building-level review and reconciliation are completed, the Payroll Department imports absence data from Frontline Absence Management into nVision for the applicable payroll cycle. As part of its review, the Payroll Department compares substitute timecards to the corresponding Frontline assignments and staff absences to confirm coverage was recorded accurately.

The District began using nVision Web in October 2024 to manage attendance requests for administrative, clerical, facilities, and paraprofessional staff. Employees submit time-off requests in nVision Web, which are routed through predefined approval workflows that vary by employee group. The system displays available benefit time from the employee's nVision attendance calendar, prevents requests that exceed available balances, and posts approved transactions directly to the employee's attendance calendar.

The District uses nVision Timepiece to record attendance for buildings and grounds employees. Employees swipe in and out on an electronic time clock that is also used to track arrival time and departure time each workday, and Timepiece entries, including related overtime, are reviewed and approved through the system's predefined approval hierarchy. The Payroll Department reviews the approved Timepiece records and imports the data into nVision for payroll processing. During the import process, nVision generates an exception if Timepiece data conflicts with an absence or attendance transaction already recorded in nVision, and the Payroll Department must review and resolve the exception prior to processing.

Manual attendance records continue to support certain employee groups and pay types, including substitute assignments, extra pay assignments, security guard time reporting, and building-level sign-in/sign-out records. Daily sign-in/sign-out sheets are reconciled to Frontline Absence Management at the building level and retained

at the buildings, while substitute, extra pay, and security guard timecards are reviewed and approved at the building or department level before submission to the Payroll Department for review and processing.

Annual Rollover and Accruals – Benefit Time

Benefit time accruals and balances are maintained in nVision based on tables that reflect the sick, personal, vacation, and other benefit time employees are entitled to receive under the applicable collective bargaining agreement or individual employment agreement. The Payroll Department reviews the nVision benefit time tables and related employee balances during the annual rollover process to help ensure that benefit time is awarded and carried forward accurately. The District does not award benefit time on a monthly basis; however, prorated benefit time is applied for certain employees based on factors such as hire date, separation date, employment status, and applicable contract provisions. Leave-without-pay and docked-day situations are supported by unpaid leave forms, Board approval when required, and Payroll Department review to ensure the appropriate payroll impact is recorded.

In addition to reviewing Board policies, District procedures, collective bargaining agreements, and employee contracts related to employee attendance, we interviewed employees with responsibilities for recording, reviewing, approving, and processing attendance activity. Our scope included a review of attendance records for the pay period February 23, 2026, through March 6, 2026, including Frontline Absence Management reports, nVision records, nVision Web approvals, Timepiece records, manual timecards, sign-in sheets, and related payroll support. We also selected 15 employee attendance entries from nVision and traced them to supporting documentation maintained by the buildings and the Payroll Department.

Procedures:

Our procedures, in accordance with our engagement letter dated March 31, 2026, were as follows:

- Review Board policies, District procedures, collective bargaining agreements, and employee contracts related to employee attendance.
- Interview personnel responsible for recording and monitoring employee attendance and benefit time earned by the staff regarding policies, procedures, and systems in effect and the tracking of employees during the day.
- Evaluate the internal controls and procedures over the employee attendance processes and identify the key control attributes for testing, including controls and monitoring of late arrivals, early departures, assigning substitutes when applicable, and the classification of employee absences.
- Review the employee attendance activities during the period as follows:
  - For each school and any department which administers employee attendance recordkeeping, select 1 pay period and compare attendance reporting to supporting documentation. On a test basis, trace absences per the records to entries in the financial (or other) system.
  - Select 15 entries related to employee attendance identified from the financial (or other) system, made during the period and trace to supporting documentation.
  - Determine the systematic and/or manual procedures to reconcile the employee attendance logs to the financial (or other) system records and to ensure the completeness of the records.
  - Review the annual rollover of the employee attendance records from June 30, 2025 to July 1, 2025 for accuracy and compliance with contractual obligations. Review any unusual variances.
  - For any monthly award of benefit time, select one monthly accrual period and test 10 entries to ensure compliance with contractual obligations.

Findings:

Review of Board policies, District procedures, collective bargaining agreements, and employee contracts related to employee attendance, along with interviews with District staff noted:

- There are Board policies and District procedures related to employee attendance, as well as language in the collective bargaining agreements and employee contracts that address employee attendance.
- The District has formal procedures to record, review, approve, and reconcile employee attendance and related payroll activity. Although the process varies by employee group and pay type, the procedures generally include employee or building-level attendance reporting, supervisory or administrative approval, Payroll Department review, and reconciliation to supporting documentation before payroll processing.
- The District utilizes electronic workflows for several attendance processes; however, certain attendance activities continue to rely on manual hardcopy supporting records, such as sign-in/sign-out sheets, substitute timecards, extra pay timecards, security guard timecards, and coverage logs.
- Building-level attendance documentation procedures vary by building and employee group. The procedures in place at the High School, Middle School, John F. Kennedy Elementary School, and Ruth C. Kinney Elementary School require staff to sign-in only, while the procedures in place at Connetquot Elementary School and Timber Point Elementary School require staff to sign-in and sign-out. Since these records support the building-level attendance review and reconciliation process, standardizing the expected procedures would strengthen consistency and improve the reliability of the supporting records.
- The hardcopy attendance sheets maintained at the buildings require employees to initial the applicable sheet but do not require employees to record actual arrival or departure times. As a result, the District does not have a consistent method to monitor late arrivals, early departures, or employees leaving and returning during the workday. In addition, consistent documentation of staff presence may assist the District in maintaining more reliable building-level information in the event of an emergency.

Review of the employee attendance records from each school and department for the pay period covering February 23rd, 2026, through March 6th, 2026, found:

- There were no exceptions noted during the review of the employee attendance records.

Review of the 15 employee attendance entries identified from the financial system during the period found:

- There were no exceptions noted during the review of the 15 employee attendance entries selected from the financial system.

Review of the procedures to reconcile employee attendance logs to the financial system records found:

- There are adequate procedures in place at the building, department, and Payroll Department levels to reconcile attendance records to nVision attendance data. These procedures include review of Frontline Absence Management reports, nVision Web approvals, Timepiece records, manual timecards, sign-in sheets, and related supporting documentation, as applicable.

Review of the annual rollover of the employee attendance records from June 30, 2025 to July 1, 2025 found:

- There are standard procedures and nVision documentation to facilitate the annual rollover of employee benefit time. The Payroll Department reviews nVision benefit time tables and related employee balances to help ensure benefit time is awarded and carried forward in accordance with applicable collective bargaining agreements and individual employment agreements.

- Our testing found that the rollover was accurate and in compliance with contractual obligations, with no findings or exceptions noted for the items tested.

Review of the monthly award of benefit time and the selection of 10 monthly accrual entries during the period found:

- The District does not award benefit time on a monthly basis. Rather, applicable employees receive prorated benefit time based on factors such as hire date, separation date, employment status, and applicable contract provisions. There were no exceptions noted during our testing of the selected prorated benefit time entries.

Recommendations:

We recommend that the District consider implementing the following to further improve internal controls and operational efficiencies related to employee attendance:

2. *Building-Level Attendance Procedures* – Establish standardized procedures for building-level attendance documentation. The procedures should clarify whether employees are required to sign-in only or both sign-in and sign-out, establish a consistent format across buildings, and address how partial-day schedules, partial-day absences, and employees leaving and returning during the workday should be documented. This could be accomplished through standardized hardcopy forms, existing electronic systems, or a combination of both, and would improve consistency while assisting the District in maintaining more reliable building-level staff presence information.
3. *Expanded Use of Electronic Attendance Systems* – Evaluate whether nVision Web and/or nVision Timepiece can be expanded to additional employee groups or pay types, where practical. Expanded use of these systems could reduce manual recordkeeping, improve approval documentation, and create efficiencies in the review and reconciliation of attendance activity.