

**Eastern Suffolk BOCES
Corrective Action Plan**

Internal Audit Report on Detailed Testing

Cullen & Danowski, LLP

Report dated August 21, 2024

Recommendations	ESBOCES Response/Corrective Actions	Responsible Person(s)	Estimated Completion /Status
<p><u>Category:</u> Programs to Human Resources to Payroll Processes</p> <p><u>Recommendations:</u></p> <p>We recommend that ESBOCES consider implementing the following to further improve internal controls and operational efficiencies related to programs to HR to payroll processes:</p> <p>1.Strengthen processes to mitigate the risk of overpayments to employees or the docking of pay from employees as follows:</p> <ul style="list-style-type: none"> a) Continue with setting up the first payroll using live checks for the at-risk staff (e.g., 10-month paras, hourly employees, etc.) and then move to direct deposit for those employees who have returned to work. Another consideration is to start the payroll for the at-risk staff on the 2nd pay cycle of the school year. These procedures would significantly prevent potential overpayments to employees. b) Enhance procedures between the programs and HR department to monitor the attendance of employees to prevent these potential scenarios, particularly the at-risk staff (e.g., 10-month paras, hourly employees, etc.). c) Increase the time lag related to payroll payments for the at-risk employees (i.e., 10-month paras, hourly employees, etc.). We understand that ESBOCES has been discussing this change with the respective bargaining unit to increase the number of days from 3 to 10. d) Ensure compliance with the procedures to verify that 10-month employees have returned to work at ESBOCES, especially the at-risk staff (i.e., 10-month paras, hourly employees, etc.). 	<p>Documentation has been presented to the union president representing at-risk staff to implement a longer lag time for first payroll.</p> <p>Procedures to monitor attendance will be presented to program from HR on an annual basis.</p> <p>The intention is to increase the lag time from 3 to 10 days for new and at-risk employees.</p> <p>HR will review procedures with program and ensure the programs are in compliance with reporting attendance.</p>	<p>Stucchio/Rivers</p> <p>Rivers</p> <p>Stucchio/Rivers</p> <p>Rivers</p>	<p>June 2025</p> <p>June 2025</p> <p>June 2025</p> <p>June 2025</p>

Internal Audit Report on Detailed Testing**Cullen & Danowski, LLP****Report dated August 21, 2024**

Recommendations	ESBOCES Response/Corrective Actions	Responsible Person(s)	Estimated Completion /Status
<p>e) Expand communications between the programs, HR, and payroll that includes scheduling, periodic meetings to work collaboratively on initiatives related to staff activities.</p> <p>f) Investigate the expansion of the Frontline Absence Management system to all employees resulting in consistency and standardization related to staff attendance procedures.</p> <p>2.Improve procedures related to obtaining Board approvals of new hires prior to the employee starting work at ESBOCES. We also recommend that the employees' payroll should not commence until after the Board's approval, which is a best and preferred business practice. The new hire process should be enhanced to reduce the occurrences of new employees starting their employment at ESBOCES prior to the Board approval. In addition, ESBOCES should expand the language in the Board's annual organizational meeting agenda item Authorization to Employ Non-Probationary, Temporary Personnel by including further clarification to define these specific types of new hires related to "interim appointments for full-time personnel". Another option is the creation of a Board Policy to address this matter that would include language that might authorize the hiring of certain new hires before Board approval and possibly authorizing the commencement of payroll for specific types of employees before Board approval (e.g., instructional staff) and other types of employees might be hired prior to Board approval where their payroll commences after the Board's approval (e.g., non-instructional).</p>	<p>HR and payroll are currently meeting monthly to discuss upcoming events and past items.</p> <p>HR will look into using Frontline Absence Management or a similar software for all staff attendance.</p> <p>ESBOCES plans to review the current language in the Board's annual organizational meeting agenda item to expand upon the types of positions granted to work prior to Board approval.</p>	<p>Rivers/Fretto</p> <p>Rivers</p> <p>Stucchio/Rivers</p>	<p>Complete</p> <p>June 2025</p> <p>February 2025</p>

Internal Audit Report on Detailed Testing**Cullen & Danowski, LLP****Report dated August 21, 2024**

Recommendations	ESBOCES Response/Corrective Actions	Responsible Person(s)	Estimated Completion /Status
3.Establish procedures to ensure compliance with verifying that each employee's HR file contains all the required documents and that the documents are complete. In addition, establish processes to ensure the documents are submitted to the appropriate departments in a timely manner. Based on our findings related to the missing documents in the employees' files noted above, we found that the HR Department has revised the New Hire Supporting Documentation Checklist and Background Summary form to include the following additional required items: Emergency Phone Notification System form; Electronic Communication, Handbook, and ID Agreement form; and Election of Number of Paychecks form, to ensure these forms are included in the respective employee's HR file. Since the programs are responsible for obtaining the Reference Check form, we recommend including this item as part of the standard Background Investigation Check (BIC) form that needs to be prepared and signed-off by the programs.	The procedure and onboarding checklist in place is currently being reviewed and revised to include the suggested required items. HR will be working with program to make sure all documentation required in the hiring and onboarding process is obtained.	Rivers	January 2025
4.Consider further utilizing the SchoolFront system in the HR Department to ensure the required on boarding documents are completed and submitted timely (e.g., Form I9 documents, Reference Checks, Retirement System Enrollment Forms, Transcripts, TEACH Certifications, Oath of Allegiance Forms, etc.). In addition, using this system would allow the HR Department to enter notes for items that require any follow up action.	HR will research the functions available in SchoolFront to start the process of onboarding through the website.	Rivers	June 2025
5.Investigate the possibility of changing the practice for calculating payroll payments for paraprofessional employees (i.e., aides) when such staff does not work for a full month from Swaim to the straight-line method, since the Swaim method is more complex and time consuming.	Moving forward, payroll will implement processes to ensure the SWAIM calculation will not be used for aides.	Fretto	January 2025
6.Create a standard Payroll Dock sheet to formally document and communicate the payroll changes. The sheet would be prepared by the HR Department and submitted to the Payroll Department that should include the details to support the docking of payroll activities.	HR plans to create a payroll dock sheet to notify payroll and employees of the changes made in the payroll process.	Rivers/Fretto	February 2025

Internal Audit Report on Detailed Testing

Cullen & Danowski, LLP

Report dated August 21, 2024

Recommendations	ESBOCES Response/Corrective Actions	Responsible Person(s)	Estimated Completion /Status
7.Consider setting up the Leave of Absence form within the SchoolFront system to facilitate the process relating to requests and approvals of requests as well as for receiving additional documents from employees (e.g., intent to return letters, updated medical notes from doctors, etc.). In addition, using the SchoolFront system would allow others to see pending items in the event that the HR administrators are absent.	HR is currently developing a leave of absence section in the SchoolFront system to allow employees a space to access and submit their forms.	Rivers	February 2025
8.Continue with collection efforts to obtain monies due related to the overpayments to separated employees. We recommend that ESBOCES strengthen the collection process by considering engaging their legal counsel and/or utilizing collection agencies to facilitate the recovery of overpayments. We also recommend that ESBOCES improve procedures related to overpayments by utilizing the WinCap Accounts Receivable module to manage the recording, invoicing, receiving, and monitoring of the overpayment activities. This would facilitate the collections process by establishing procedures to review the outstanding balances report each month and taking necessary actions to collect the monies due.	ESBOCES will continue efforts in obtaining overpayments from employees. Business Services is currently running tests in WinCap through the Accounts Receivable module to invoice and track overpayments for former and leave of absence employees .	Rivers/Fretto	February 2025
9.Improve the timeliness of communications and arrangements with employees when any overpayments have been identified. The process should include maintaining formal documentation related to such overpayment, obtaining written consent from the employee, and utilizing the WinCap Accounts Receivable module as stated in the previous recommendation.	HR will consider reviewing attendance procedures with programs to present the need for timely reporting of employees whom should not be on payroll. An updated resignation form has been provided.	Rivers/Fretto	February 2025