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Interim Superintendent of Schools

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FA 2025-001 Improve Controls over Employee Compensation

Internal Control Impact: Significant Deficiency

Description:

The policies and procedures of the School District were insignificant to provide adequate internal controls over the employee compensation process as it relates to the Child Nutrition Cluster.

- i. One employee was paid on the incorrect scale and thus was overpaid by \$4,903.
- ii. Two employees were paid on the incorrect pay scale and thus were underpaid by \$1,287.
- iii. Additional pay totaling \$967 for 2 employees was incorrectly charged to the federal program.
- iv. Documentation of retrospective pay totaling \$317 could not be located for 1 employee.

Corrective Action Plan

Addressing Pay Scale Assignment Issues

i and ii. To correct errors related to pay scale assignments and prevent future overpayments or underpayments, Human Resources will implement the following actions:

- Immediate initiation of payment plans to recover any identified overpayments.
- Compensation provided to employees who were underpaid, ensuring equity and fairness.
- A comprehensive audit of School Nutrition Assistants' compensation to verify proper grade and step placements, completed by December 31, 2026.
- Review and approval of all salary table imports by the Director of Human Resource Information Systems.
- Implementation of compensation validation protocols for all new hires, job changes, and pay adjustments.

Ensuring Accurate Payroll Cost Allocation

iii. To ensure payroll costs are allocated to appropriate funding sources, the Division of Finance will enact these corrective measures:

- Evaluation of funding sources for all supplemental payments processed outside the Time and Attendance system by the Director of Accounting and Financial Reporting or their appointed designee.
- Review of all position control charge codes associated with additional duties by the Director of Budget or designated representative, with special focus on positions funded by federal sources.

Enhancing Payroll Transaction Documentation

iv. To guarantee proper supporting documentation for all payroll transactions, Human Resources will establish the following procedures:

- Implementation of a centralized digital recordkeeping system for maintaining and tracking all payroll-related documentation, including:
- Salary quotes and changes
- Pay adjustment approvals
- Retroactive pay supporting documentation