



Port Washington Union Free School District

Payroll

2025M-38 | June 2025

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Audit Results

Port Washington Union Free School District



Audit Objective

Did Port Washington Union Free School District (District) officials accurately pay clerical, custodial, maintenance, security and transportation employees' salaries and wages?

Audit Period

July 1, 2023 – December 31, 2024

Understanding the Program

Employee compensation represents a significant portion of a school district's (district's) operating expenditures. Therefore, district officials should establish procedures to ensure that employees are accurately paid the salaries and wages authorized by the board of education (board).

The District's 2023-24 fiscal year payroll costs of approximately \$94 million represented 50 percent of the District's total expenditures of \$187.3 million for the same period. The District paid 239 clerical, custodial, maintenance, security and transportation employees a total of \$19 million during the audit period.

Audit Summary

We examined compensation totaling \$449,510 that was paid to 40 of the District's 239 clerical, custodial, maintenance, security and transportation employees that were paid a total of \$19 million during the audit period. We determined District officials designed and implemented policies and procedures that ensured the compensation we examined was accurate. Therefore, this report does not contain recommendations.

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. Our methodology and standards are included in Appendix C.

Payroll Findings and Conclusion

A board is responsible for ensuring that district employees are paid accurately in accordance with collective bargaining agreements (CBAs), board-approved employee contracts and district policies. District officials should establish procedures to ensure that they accurately pay employees the salaries and wages authorized by the board. These procedures, as well as the terms and conditions of all employment agreements, should be clearly communicated to those responsible for processing payroll. More details on the criteria used in this report, as well as resources we make available to local officials that can help officials improve operations (Figure 1), are included in Appendix A.

Finding 1 – District officials accurately paid clerical, custodial, maintenance, security and transportation employees.

District officials established adequate procedures over the payroll function to help ensure the accuracy of compensation paid to clerical, custodial, maintenance, security and transportation employees. For example, the Board of Education (Board) approves all new hires and salary changes, and all aspects of the payroll process are adequately segregated. Furthermore, District timekeeping and payroll procedures require multiple levels of approval during the process and the principal account clerk regularly reviews the payroll rates in the payroll system to ensure they are correct. Lastly, the Assistant Superintendent for Business (ASB) certifies that the payroll is correct each pay period.

Specifically, custodial, maintenance, security, and transportation employees record their daily start and end times by scanning their thumbprint using a biometric time and attendance system. The biometric system generates electronic timesheets for employees which are reviewed and approved by each employee's supervisor and director. Once the electronic timesheets are approved by the supervisor and director, the principal account clerk and account clerk in the Payroll Department download the data from the biometric system into the payroll system for processing. Clerical employees use a weekly sign-in/sign-out sheet to record their time worked each day. These weekly sign-in/sign-out sheets are reviewed and approved by a building supervisor and sent to payroll for processing. The ASB then certifies the payroll's accuracy.

We reviewed salaries and wages paid to 40 of the 239 clerical, custodial, maintenance, security and transportation employees (17 percent) totaling \$449,510, and determined that officials accurately paid the employees in accordance with Board-approved contracts and CBA stipulations, and that the salaries and wages were properly supported by time records.

Conclusion

District officials designed and implemented policies and procedures that ensured the compensation paid to the District's clerical, custodial, maintenance, security and transportation employees that we examined were accurate. Therefore, this report does not contain recommendations.

Appendix A: Profile, Criteria and Resources

Profile

The District is located in the Town of North Hempstead in Nassau County. The District educates nearly 5,200 students and has approximately 1,300 full- and part-time employees, of which 239 are clerical, custodial, maintenance, security and transportation employees.

The elected seven-member Board is responsible for managing the District's financial and educational affairs. The Superintendent of Schools is the chief executive officer and responsible for the day-to-day management of the District under the Board's direction. The principal account clerk and account clerk in the Payroll Department are responsible for processing payroll, which is then certified by the ASB.

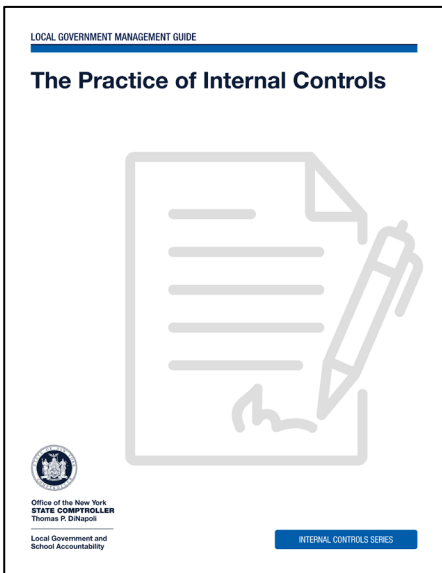
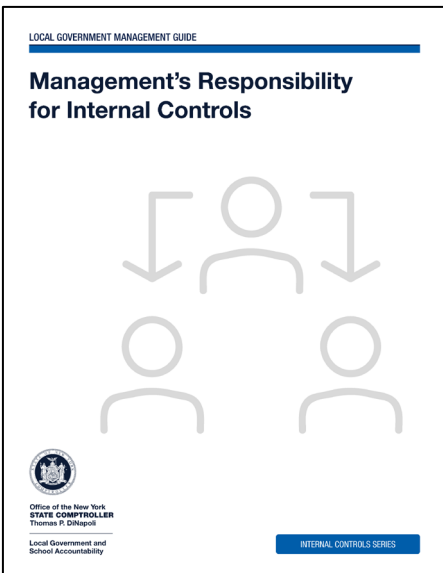
Criteria – Payroll

Payroll makes up a significant portion of a district's operating costs. Therefore, district officials should establish procedures to ensure that employees are paid the salaries and wages authorized by the board. The board should establish and approve all salary and hourly wages as part of a CBA, individual contract or resolution. The terms and conditions of all employment agreements should be clearly communicated to those responsible for processing payroll.

Additionally, payroll authorizations should be segregated from payroll processing and check distribution. Individual payroll amounts should be traceable to authorization documents and supported by time and attendance records. Any changes in employment status or salary and wage rates should be properly authorized, approved and documented to support the changes. Before checks are distributed, payroll registers or similar records should be reviewed and independently certified to provide oversight of the payroll process.

Additional Payroll Resources

FIGURE 1: OSC Publications

OSC <i>Local Government Management Guides</i> available on our website to help officials understand and perform their responsibilities.	
<i>The Practice of Internal Controls</i>	<i>Management's Responsibility for Internal Controls</i>
	
https://www.osc.ny.gov/files/local-government/publications/pdf/the-practice-of-internal-controls.pdf	https://www.osc.ny.gov/files/local-government/publications/pdf/managements-responsibility-for-internal-controls.pdf

In addition, our website can be used to search for audits, resources, publications and training for officials: <https://www.osc.ny.gov/local-government>.

Appendix B: Response From District Officials



PORT WASHINGTON
Union Free School District

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Interim Superintendent

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Assistant Superintendent for Human Resources & Leadership Development

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June 17, 2025

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RE: Payroll Report of Examination, 2025M-38

Dear Mr. McCracken:

The Port Washington Union Free School District has received and reviewed the draft *Payroll Report of Examination 2025M-38*, covering the period July 1, 2023 through December 31, 2024. This audit report reviewed district procedures and practices in place to ensure clerical, custodial, maintenance, security and transportation employees are accurately paid the salaries and wages authorized by the Board of Education.

We are pleased that NYS OSC Auditors determined that District officials designed and implemented policies and procedures that ensured the compensation examined was accurate, resulting in no recommendations.

We appreciate the thorough nature of the review and the professionalism of the audit team.

Respectfully Submitted,

Kathleen Manuel
Assistant Superintendent for Business

Adam Smith
Board President

Appendix C: Audit Methodology and Standards

We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed District officials and employees to gain an understanding of the payroll process.
- We reviewed Board resolutions, Board-approved contracts and CBAs to determine authorized salaries and wages.
- We used our professional judgment to select a sample of the seven clerical employees involved in the payroll process, plus 33 other randomly selected clerical, custodial, maintenance, security and transportation employees paid \$449,510 in April 2024 and November 2024 out of 239 employees paid \$19 million during the audit period to determine whether salaries and wages were accurately paid. In addition, we reviewed Board resolutions to determine whether the Board approved the hiring of the 40 employees. We reviewed available time records for the 40 employees to determine whether the time records were approved by a supervisor and supported the salaries and wages paid to the employees.
- We reviewed the District's April 15, 2024, April 19, 2024, November 15, 2024 and November 26, 2024 payrolls to determine whether they were certified by the ASB.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or relevant population size and the sample selected for examination.

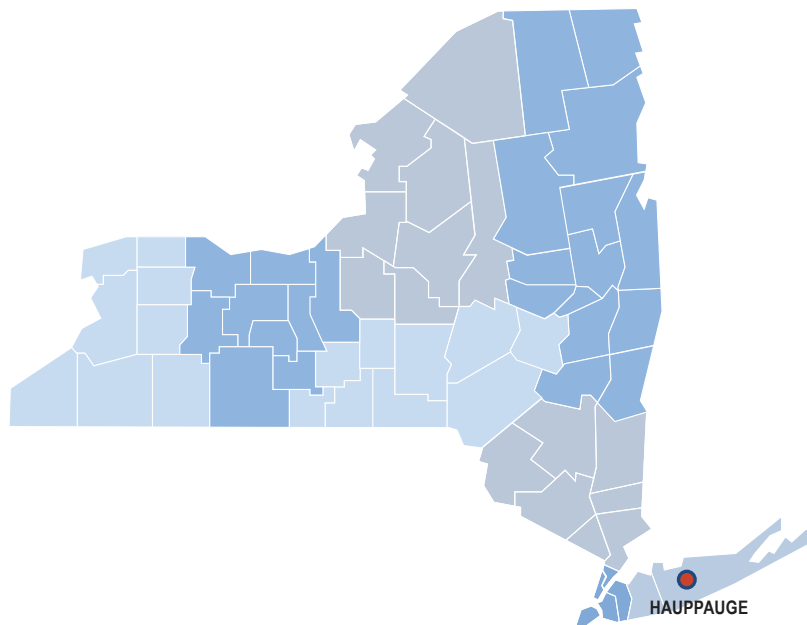
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