



# SPENCERPORT CENTRAL SCHOOL DISTRICT

---

*Assistant Superintendent for Business*

71 Lyell Avenue - Spencerport, NY 14559

RICK WOOD

*Assistant Superintendent for Business*

Phone: (585) 349-5111

Fax: (585) 349-5011

To: Audit Committee  
Board of Education  
Ms. Kristin Swann, Superintendent

From: Rick Wood, Assistant Superintendent for Business *R. Wood*  
Nicole Poh, Treasurer *Nicole Poh*

Re: Control Cycle Audit of Compensated Absences Response

Date: August 31, 2021

Based on the December 2020 risk assessment performed by our internal auditor, EFPR Group, CPA's, PLLC, the audit committee decided the focus of the 2020-2021 internal audit should examine the control cycle of Compensated Absences.

The audit was conducted in June 2021 with the primary objective to evaluate the internal controls over the recording of compensated absences, the payments for extra assignments, and the accounting for the provisions of the Families First Coronavirus Response Act (FFCRA).

Below are the audit findings and recommendations, and management's response:

## **Negotiated Agreements -**

### **Finding:**

The sections of the negotiated agreements related to compensated absences appear to adequately outline the amount and appropriate use of compensated absence entitlements with the following exception noted:

1. Our review of the various bargaining agreements noted that most include a clause that defined the appropriate and intended use of sick leave available to employees (i.e. accident, personal illness, outpatient surgery). However, we noted that the agreements with the Administrator and Supervisors Association and the Transportation Association lacked these clauses and is silent with regard to the appropriate use of sick time.

### **Management Response:**

*The District will propose in the next negotiation cycle with the Spencerport Administrator and Supervisor Association and the Transportation Association to add the language as found in other District contracts.*

*Our Mission is to educate and inspire each student to love learning, pursue excellence and use knowledge, skills and attitudes to contribute respectfully and confidently to an ever-changing global community.*

**Administrative Process -**

**Finding:**

The administrative controls for recording and verifying attendance records are operating effectively with the following exception noted:

1. The District's established procedures require most staff to enter their own absences in the Frontline Absence Management system prior to the absence in order to allow sufficient time for substitutes to be placed to cover the absence. Employees do not have the ability to enter past absences. Building coordinators in the main offices of each school can enter/edit data for employees, as necessary. However, the frequency with which this is necessary should be limited if employees are following established procedures. Our review of absence reporting from Frontline appears to show a significant volume of entries from each school building that were entered by the building coordinators on behalf of other employees. Some of these entries were made in advance of a known (scheduled) absence in order to ensure a substitute could be secured (i.e. team leaders absent for school business, planned sick days, extended sick leaves). However, many of the entries appear to be related to instances in which the employee did not comply with established procedures, for whatever reason.

Based on our review of a log of attendance data from the Frontline Absence Management system, we found that the attendance coordinators from each building entered absences on behalf of employees ranging from between 129 and 328 instances during the school year through May 2021. We determined the average was 210 instances per school. Of those instances, we determined that approximately 42% were related to absences that were recorded for the same date they were entered or for a past date. However, based on the data we noted that it was rare that entries were related to past dates. The remaining instances were entered by the building coordinator in advance of the absence.

**Management Response:**

*There will be a review of this finding with the District's Administrative Council on August 30<sup>th</sup>, 2021 and the Assistant Superintendent for Human Resources will ask that Principals and Directors are to reinforce the proper procedures with their staff on the opening day of the 2021-22 school year. In addition, the Assistant Superintendent for Human Resources will email all employees to continue to reinforce the process and the use of the mobile app, as access to the system should not be an issue. The District's absence reporting system, Frontline, has been contacted and although we are unable to limit building coordinator access to make changes after the date of absence, the District will continue to reinforce with building coordinators to work with and update the Attendance Clerk when changes are made.*

We recommend the Audit Committee and the Board of Education accept the 2021 Control Cycle Audit of Compensated Absences and the corrective action plan.

Please do not hesitate to contact me if you have any questions regarding this recommendation.

cc: Audit file, Memo file

*Our Mission is to educate and inspire each student to love learning, pursue excellence and use knowledge, skills and attitudes to contribute respectfully and confidently to an ever-changing global community.*

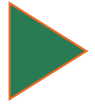
**EFPR GROUP, CPAs, PLLC**

---

100 South Clinton Avenue, Suite 1500 • Rochester, NY 14604 • Ph: (585) 427-8900 • Fax: (585) 427-8947

Visit us at [www.efprgroup.com](http://www.efprgroup.com)

---



# **Control Cycle Audit of Compensated Absences**

---

## **SPENCERPORT CENTRAL SCHOOL DISTRICT**



**Spencerport Central School District  
71 Lyell Avenue  
Spencerport, NY 14559**

**July 29, 2021**



To the Audit Committee  
Spencerport Central School District  
Spencerport, New York

We have performed a review of the internal controls of the District's compensated absences. We obtained an understanding of these internal controls by inquiry, observation and the inspection of documents and records. Our review of compensated absences included discussion with various staff in the Business Office that have a role in this function. We also examined the District's employee bargaining agreements, attendance records, and employee absence reports. In addition, we reviewed the District's processes for accounting for provisions of the Families First Coronavirus Response Act (FFCRA).

This consulting engagement was conducted in accordance with Statements on Standards for Consulting Services as issued by the American Institute of Certified Public Accountants Management Consulting Services Executive Committee. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described either for the purpose for which this report has been requested or for any other purpose.

Our procedures consisted of a review of financial reports and documentation as well as interviews with pertinent District personnel. We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. It should be noted that the comments herein may be critical by nature and do not include the many strengths inherent within the District.

This report is intended solely for the information and use of the Spencerport Central School District and is not intended to be, and should not be used by anyone other than those specified parties.

*EFPR Group, CPAs, PLLC*

EFPR Group, CPAs, PLLC  
Rochester, New York

## **BACKGROUND:**

The Spencerport Central School District (District) is located in Monroe County and has a total enrollment of approximately 3,600 students. The majority of the District's employees are organized in groups represented under various collective bargaining agreements. These agreements outline various benefits the members are entitled to and define the terms under which those benefits can be used. One such benefit is related to allowances for compensated absences. The District was interested in reviewing the accuracy of how these absences are reported and whether employees complied with the established procedures for reporting absences and the terms under which these absences are allowed.

In addition to our review of compensated absences, the District was also interested in evaluating the process surrounding compensation to teachers for extra assignments. A clause in the Spencerport Teacher Association bargaining agreement provides for payments to members who fill in for absent teachers during an academic day when substitute teachers are not available. In these situations, a voucher is completed which itemizes the dates and classes that were covered, is approved by the building administrator and District management, and processed by the Payroll Department. Our review included an evaluation of whether the vouchers have been properly approved, the payments were consistent with amounts outlined in the contract, and whether there are reported teacher absences that correspond to the dates referenced on the vouchers.

The District was also interested in evaluating the process for accounting for the Families First Coronavirus Response Act (FFCRA). The FFCRA was passed by Congress and provided for employer paid sick leave or expanded family and medical leave to individuals for specified reasons related to COVID-19. Employees were required to submit leave requests that were evaluated by the District to determine if they met one or more of the qualifying reasons for leave. The District established specific attendance codes to record absences related to approved FFCRA sick leave. In some cases for which employees experienced hardships related to finding child care, the FFCRA provided for paid leave equal to two thirds their normal rate of pay.

## **OBJECTIVE:**

The objective of our audit was to evaluate the internal controls over the recording of compensated absences and the payments for extra assignments. We also evaluated the internal controls and processes for accounting for provisions of the FFCRA.

## **AUDIT SCOPE, PROCEDURES AND FINDINGS:**

Our overall goal was to assess the adequacy of the internal controls put in place by officials to safeguard the assets of the Spencerport Central School District. The Audit Committee of the District selected to review compensated absences and related ancillary topics, including compensation for extra assignments and provisions of the FFCRA. As a result, our testing was limited to these areas.

**AUDIT SCOPE, PROCEDURES AND FINDINGS (Continued):**

In performing our review of this area, we started by meeting with staff and management in central administration. We were provided with information on departmental policies and procedures and the responsibilities of various departmental positions. We also obtained a variety of reports related to compensated absences for the current fiscal year.

Using the information gathered, our examination included the following procedures:

<p><b>ABSENCE MANGEMENT SYSTEM AND REPORTING</b></p>
--

**District Policies & Procedures**

- Interviewed applicable District staff to gain an understanding of the process for the accrual and tracking of compensated absences.
- Evaluated the process of recording employee absences, including how it is requested, authorized, and reported in the accounting system.
- Ensured that the District has policies and procedures to properly record employee attendance.
- Ensured that the District has adequate procedures to track and reconcile reported absences within the attendance records.

**FINDINGS:**

The policies and procedures for recording and verifying attendance records are operating effectively with no exceptions noted.

**Negotiated Agreements**

- Reviewed the negotiated agreements between the District and each respective bargaining group to gain an understanding of applicable paid leave entitlements.
- Evaluated the process of awarding/accruing paid time off and carrying over any year-end remaining balances.
- For a sample of specific employees, we verified annual compensated absence entitlements to ensure compliance with the negotiated agreements.

**AUDIT SCOPE, PROCEDURES AND FINDINGS (Continued):**

**Negotiated Agreements (Continued)**

**FINDING:**

The sections of the negotiated agreements related to compensated absences appear to adequately outline the amount and appropriate use of compensated absence entitlements with the following exception noted:

1. Our review of the various bargaining agreements noted that most included a clause that defined the appropriate and intended use of sick leave available to employees (i.e. accident, personal illness, outpatient surgery). However, we noted that the agreements with the Administrator and Supervisors Association and the Transportation Association lacked these clauses and is silent with regard to the appropriate use of sick time.

**RECOMMENDATION:**

1. In an effort to ensure consistency and the equitable treatment of all employees, we suggest the District consider clarifying the appropriate and intended use of sick leave for the employees covered under these two agreements. This could be achieved by adding relevant language the next time the agreements are negotiated.

**COMMENTS:**

For the employees tested, the annual entitlements for paid leave were in compliance with their negotiated agreements.

## **AUDIT SCOPE, PROCEDURES AND FINDINGS (Continued):**

### **Administrative Process**

- Evaluated the District's process for employees to report their absences in the Frontline Absence Management system.
- Evaluated the District's process of verifying that reported absences are accurately reflected in employees' official attendance records in the WinCap system.
- Ensured that the process for tracking paid leave activity includes monitoring employee balances of accrued leave.
- For a sample of 50 employees tested, we verified that reported absences for sick or personal days were accurately recorded in the WinCap accounting system and appropriately reflected in the accumulated balance of paid leave.
- Identified reported absences for personal days that occurred immediately before or after a recess period. Determined whether these requests for use of personal days were appropriately authorized, as required by the collective bargaining agreements.
- For a sample of 15 employees tested, we verified that compensation related to extra assignments were supported by a properly approved voucher, that amounts were consistent with the terms set forth in the bargaining agreement, and that there was a corresponding teacher absence associated with the specified dates.

### **FINDING:**

The administrative controls for recording and verifying attendance records are operating effectively with the following exception noted:

1. The District's established procedures require most staff to enter their own absences in the Frontline Absence Management system prior to the absence in order to allow sufficient time for substitutes to be placed to cover the absence. Employees do not have the ability to enter past absences. Building coordinators in the main offices of each school can enter/edit data for employees, as necessary. However, the frequency with which this is necessary should be limited if employees are following established procedures. Our review of absence reporting from Frontline appears to show a significant volume of entries from each school building that were entered by the building coordinators on behalf of other employees. Some of these entries were made in advance of a known (scheduled) absence in order to ensure a substitute could be secured (i.e. team leaders absent for school business, planned sick days, extended sick leaves). However, many of the entries appear to be related to instances in which the employee did not comply with established procedures, for whatever reason.



**AUDIT SCOPE, PROCEDURES AND FINDINGS (Continued):**

**Administrative Process (Continued)**

Based on our review of a log of attendance data from the Frontline Absence Management system, we found that the attendance coordinators from each building entered absences on behalf of employees ranging from between 129 and 328 instances during the school year through May 2021. We determined the average was 210 instances per school. Of those instances, we determined that approximately 42% were related to absences that were recorded for the same date they were entered or for a past date. However, based on the data we noted that it was rare that entries were related to past dates. The remaining instances were entered by the building coordinator in advance of the absence.

**RECOMMENDATION:**

1. We encourage the District to reemphasize with staff its expectation for following established procedures that require staff to record their absences in the Frontline Absence Management system prior to the absence. Some of the feedback from the building coordinators suggested that most employees do not have to access the Frontline system very often, and that this infrequency creates confusion and other difficulties in accessing and utilizing the system accurately and efficiently. If the District concedes this could be a contributing factor, we suggest the District strategize potential means to offset this challenge (i.e. quick reference guide).

**COMMENTS:**

For the employees tested, we noted that:

- all reported absences were accurately recorded in the WinCap system.
- all compensation related to extra assignments were supported by a properly approved voucher and a corresponding teacher absence was recorded for the dates specified.

**AUDIT SCOPE, PROCEDURES AND FINDINGS (Continued):**

**Families First Coronavirus Response Act (FFCRA)**

**Accounting for Provisions of the FFCRA**

- Inquired about the District’s process for employees to submit requests for leave afforded by the FFCRA.
- Reviewed reporting from WinCap of leave time associated with the FFCRA for either paid sick leave (Emergency Paid Sick Leave Act) or for child care related issues (Emergency Family and Medical Leave Expansion Act).
- For a sample of employees utilizing the paid sick leave benefit, performed testing to determine whether the leave was properly requested, approved, and supported by documentation that is consistent with a qualifying reason for the leave.
- For a sample of employees utilizing the child care related leave, performed testing to determine whether the leave was properly requested, approved, and supported by documentation that is consistent with a qualifying reason for the leave.
- For a sample of employees utilizing the child care related leave, performed testing to determine whether the employee’s salary was accurately adjusted to reflect the amount of the authorized benefit (i.e. two thirds the regular rate of pay up to \$200 per day).
- Inquired whether the District has claimed allowable credits related to its employer share of social security taxes on paid leave wages under the FFCRA. Evaluated the District’s methodology for summarizing and calculating the associated amount of social security tax previously remitted.

**FINDING:**

The District’s processes for accounting for the benefits afforded under the FFCRA appear appropriate and accurate with no exceptions noted.

**CLOSING REMARKS:**

We would like to thank the District’s central administration staff for their assistance and cooperation in regards to our audit of employee compensated absences.