



**QUESTAR III**  
PUTTING STUDENTS FIRST

**St. Lawrence-Lewis BOCES:  
FY 2024/25 Payroll Audit**

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May 30, 2025

Board of Education  
St. Lawrence BOCES  
40 W. Main St  
Canton, NY 13617

We have completed the annual testing of controls for St. Lawrence BOCES. One of the requirements of the 2005 School Financial Oversight and Accountability legislation is ongoing testing and evaluation of the District's internal controls. Our engagement was designed to evaluate the adequacy of internal controls over the Payroll process to ensure they are appropriately designed and operating effectively and efficiently. And, to provide a report with recommended changes for strengthening controls and reducing identified risks.

The purpose of the audit was to review the internal controls that the District has in place to prevent errors, detect fraud and ensure that financial reporting is accurate and that the District assets are safeguarded.

#### RELIABILITY OF INFORMATION

In performing our engagement, we obtained samples from the population of district employees to test the accuracy and reliability of information provided by District personnel.

As noted, the purpose of our engagement was to assist you in improving the process by which you monitor and manage the risks that face the District. Any findings and recommendations in the attached report are the responsibility of the District to implement, accept the risk as identified, or implement alternative controls that will mitigate the risk to a level that is acceptable by the District. Ultimately, it is your responsibility to assess the adequacy of your risk management system.

## DISTRIBUTION OF THE REPORT

This report is intended solely for the information and use of the Board of Education and management of St. Lawrence BOCES and should not be used for any other purpose.

We appreciate the opportunity to serve you and thank the individuals in your organization for their cooperation. Over time, it will be necessary to reassess your risks to ensure that they have not changed and to ensure that your risk management system is functioning properly. Through our ongoing involvement with you as a client and our knowledge of your District and its processes, we are in a unique position to assist you with that process. Please contact us at any time should you desire such services.

Sincerely,

Mark Beaudette  
Internal Audit Manager  
Questar III BOCES

**Executive Summary**

**Objectives and Scope**

The BOCES asked us to examine their Payroll processes. Key objectives included evaluating that the District adheres to the employee contracts and collective bargaining agreements and the Board of Education’s policies.




Our fieldwork concluded on May 30, 2025.

**Acknowledgements**

We would like to thank the staff of the BOCES for their courteous and prompt assistance during our audit.

**Conclusion**

Two observations were noted and summarized below. Our recommendations are detailed in the report.

Reference	Observations	Risk	
1	Stipends are awarded prior to Board approval, and some are not reported to the Board; there was one stipend in the sample missing Board approval.		Medium
2	W4 forms missing BOCES approval and one outdated form being used.		Medium
3	The BOCES does not prepare salary notices.		Medium

**FY 2024/25 ST. LAWRENCE-LEWIS BOCES PAYROLL AUDIT REPORT**

<b>ENTITY NAME</b>	<b>St. Lawrence-Lewis BOCES</b>
<b>REPORT DATE</b>	May 30, 2025
<b>PROCESS REVIEWED</b>	Payroll
<b>PERSONNEL INTERVIEWED</b>	Nicole Ashley, Director of Financial Affairs Renee Langtree-Green, Director of Personnel and Professions Melissa Vergani, Human Resources Assistant Sheila Sharpe, Assistant School Business Manager Rebecca Washburn, Chief Payroll Clerk
<b>SCOPE OF WORK</b>	<ul style="list-style-type: none"> <li>Reviewed the operating efficiency and effectiveness of the internal controls in place for the payroll processes;</li> <li>We tested transactions and personnel records relating to payroll from July 1, 2023 – June 30, 2024. We selected a sample of 30 employees from the population of 985 employees paid during the fiscal year and tested that sample for payments in accordance with the applicable collective bargaining agreements and the timesheets for the fiscal year.</li> </ul>
<b>SCOPE RESTRICTIONS</b>	No scope restriction noted.
<b>AUDIT OBJECTIVES</b>	<ul style="list-style-type: none"> <li>Evaluate the internal controls established by the District for the payroll process to ensure they are operating effectively and efficiently; and</li> <li>Ensure records are properly maintained and safeguarded.</li> </ul>
<b>KEY PROGRAM CONTROLS</b>	<p>The following is a list of key program controls developed by the BOCES to provide reasonable assurance that the payroll process is operating effectively and efficiently:</p> <ul style="list-style-type: none"> <li>The BOCES has various policies in place regarding employment, these policies address temporary and part-time employees (Policy 5151), summer employment (Policy 5154), and the employment of retired persons (Policy 5190).</li> <li>Each employee hired by the BOCES is required to be approved by the Board of Education and respective Department Directors.</li> <li>The Board of Education approves the collective bargaining and individual employee contract agreements.</li> <li>The BOCES uses the WinCap system to process payroll.</li> <li>Substitute rates, per diem rates and hourly rates are approved annually by the Board of Education.</li> <li>The Superintendent certifies each payroll.</li> </ul>

	<ul style="list-style-type: none"> <li>The BOCES utilizes a semi-monthly pay schedule to avoid prepaying 10-month and new employees.</li> </ul>
<p><b>OBSERVATIONS AND RECOMMENDATIONS</b></p>	<p><u>Observation 1:</u> When a stipend is issued, the Human Resources Department will forward it to payroll for processing prior to Board approval. Additionally, there are some employees receiving stipends who are not being reported to the Board. During our review of the payroll sample, we found one instance where an employee was paid a stipend that was not approved by the Board of Education.</p> <p><i>Recommendation: We recommend the District strengthen controls over stipend authorization to ensure all stipends are consistently reported to and approved by the Board of Education prior to payment. The District should formalize procedures clarifying all staff who receive stipends are listed on the annual Board approved rate document must also be individually reported to the Board for approval prior to being processed. Human Resources should update its processes and internal communication to ensure the reporting of stipends is consistent and to ensure that no stipend is paid without documented Board authorization.</i></p> <p><u>Observation 2:</u> During our review of W-4 and IT-2104 forms, we found the following issues:</p> <ul style="list-style-type: none"> <li>Five W-4 forms missing BOCES' approval.</li> <li>One instance where an employee signed outdated W-4 and IT-2104 forms in 2024; both forms were from 2023.</li> </ul> <p><i>Recommendation: The BOCES should ensure that all W-4 and IT-2104 forms are signed by both the employee and BOCES staff during the onboarding process. Additionally, the BOCES should ensure that current year forms are being used.</i></p> <p><u>Observation 3:</u> The BOCES does not prepare salary notices each year for existing staff or when salary or hourly rate changes occur during the year.</p> <p><i>Recommendation: All changes in employment status (e.g., additions and terminations), salary, and wage rates should be properly authorized, approved, and documented to support employment status changes. When appropriate, payroll change forms such as salary notices should be used to document and authorize wage and salary changes authorized by the governing board.</i></p>
<p><b>SUBMITTED BY:</b></p>	<p>Anthony Velardi Senior Internal Auditor - Questar III BOCES</p>

DATED:

May 30, 2025

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