



## **EXECUTIVE SUMMARY**

### **TRENTON BOARD OF EDUCATION**

**July 1, 2017 to October 31, 2022**

Our audit included payroll expenditures from the school district's general fund and a review of student attendance records. We found that the payroll transactions included in our testing were related to the district's programs, were reasonable, and were recorded properly in the district's accounting system. In making these determinations, we noted noncompliance with certain policies and internal control weaknesses that resulted in inaccurate payments to employees for additional assignments. We also found the district was generally in compliance with student attendance recording requirements; however, we found weaknesses in the process. Additionally, we observed potential district savings regarding the payment of health benefit waivers. Our audit also identified reportable conditions deemed confidential in nature. These were communicated in a confidential management letter provided to district management.

### **AUDIT HIGHLIGHTS**

- Individual annual incentive payments to employees to waive health benefits were as much as \$19,900 from fiscal years 2018 through 2022. If union contracts capped those payments at \$5,000, as is done for state employee health benefits waiver incentives, the district could have saved \$5.4 million during the period.
- District principals did not verify the Teacher Attendance Submission Status Reports to ensure accurate attendance recording required to identify and address truancy and/or chronic absenteeism. Regular attendance is essential for students to receive a proper education and is critically important for student safety and during emergency situations.
- The district's cumbersome payment process for additional assignments increased the risk of inaccurate payments to employees for duties performed. We tested teacher payments and identified a total of \$66,800 was incorrectly paid from fiscal years 2018 through 2022.
- We found incomplete supervisory approvals on additional assignments voucher forms that could lead to improper payments and voucher forms submitted up to 13 pay periods late that further complicated the cumbersome payment process.
- We found individual payments to teachers for Extra Duties performed exceeded board-approved thresholds by \$15,412 during fiscal years 2018 through 2020. The district's system was unable to track individual payments that could impact budget restrictions.

### **AUDITEE RESPONSE**

The district generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click on the attached files.