



NORTH CAROLINA STATE BOARD OF EDUCATION

Report Presentation of the
Operational/Performance Audit of Winston-
Salem/Forsyth County Schools

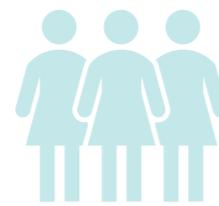
February 4, 2026



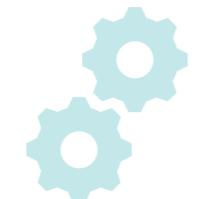
Executive Summary: Overview



The District's control environment requires strengthening to ensure long-term sustainability.



Phase 1 of the Tyler Munis ERP implementation has resolved key issues contributing to the FY2025 deficit.

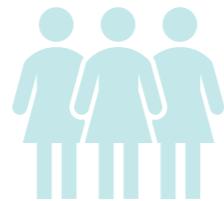


Resource constraints persist, necessitating ongoing support from external consultants to offset internal staffing vacancies.

Executive Summary: Key Takeaways



Budgetary Alignment: As of November 30, 2025, the District confirmed a balanced budget for the 2025–2026 fiscal year.

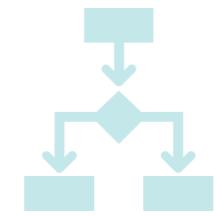


Human Capital Constraints: The Financial Services department is currently experiencing staffing shortages and a void in senior leadership.



Hybrid Systems Environment: The District is currently running concurrent systems with the Tyler Munis ERP (Financials) and the legacy AS400 system (Payroll) operating concurrently.

Organizational Challenges



Financial Services

Vacant Leadership: as of December 31, 2025, both the CFO and Executive Director of Finance positions are vacant.

Operational Strain: resignation of the Payroll Manager and manual data rekeying between non-integrated systems. The department relies heavily on external consultants for strategic and day-to-day guidance. Retirees filling interim roles are restricted to 20 hours per week.

Technology & Controls



"Hard Stop" Controls: The system now physically prevents purchase orders if budget funds are insufficient.



Contract Management: Contracts must now be uploaded and linked to specific budget lines.



Real-Time Visibility: Transitioned from a "batch" system to real-time visibility of expenditures.

Technology & Controls

The Tyler-MUNIS ERP System

Current Risks



Data Validation: Financial data was imported into the new system without proper validation by Finance staff, leading to inaccuracies and duplications.



Bypassing Controls: Attempts to bypass new encumbrance controls by keying payments as Journal Entries.



Phase 2 Delay: The Payroll/HR go-live has been delayed from January 2026 to July 2026 due to readiness concerns.



Top Strategic Recommendations

- 1. Address Leadership Gaps:** Filling the permanent CFO and Executive Director (Finance) positions.
- 2. Establish Internal Audit:** Create an independent internal audit function reporting directly to the Board's Audit Advisory Committee.
- 3. Standardize Procedures:** Develop formal Standard Operating Procedures for all financial processes.



Top Strategic Recommendations

4. **Validate Data:** Retroactively validate Phase 1 data and proactively validate Phase 2 data before the July 2026 go-live.
5. **Organizational Study:** Commission a peer study to compare District staffing and spending (specifically in Transportation and Exceptional Children) against comparable districts.



24-Month Roadmap

Phase	Focus	Timeline
1: Stabilization	Hire CFO; stabilize Payroll staffing; lock Tyler data.	Jan – Mar 2026
2: Standardization	Develop SOPs; flowchart Position Control; conduct cohort study.	Apr – Jun 2026
3: Execution	Go-live for Payroll/HR (July 1); launch Internal Audit.	Jul – Dec 2026
4: Sustainability	Establish KPIs; right-size staffing; implement SLAs.	Jan – Dec 2027



Thank you!