

**2018 AUDIT MANAGEMENT LETTER ACTION PLAN**

COMMENT	ACTION	STATUS
<p>During the course of our examination we noted the Treasurer is responsible for completing monthly bank reconciliations, preparing bills and recording cash receipts in the accounting system as well as preparing deposits. Additionally, there is no review of the billings before they are sent out.</p> <p>The District has developed various mitigating controls over the Treasurer's position; however, we recommend the District continue to review this area to determine if there are additional controls that can be developed to further enhance internal accounting controls.</p>	<p>The District internal auditor does review billings on a monthly basis, but after they are sent out. Due to the limited amount of hours currently worked by the internal auditor, a review prior to mailing would result in delayed payments.</p>	<p>January 2019</p>
<p>We noted that the District has not adopted an online banking policy, however, the District is currently in the process of developing one. Also, the current investment policy does not state the maximum balance that can be maintained on deposit at the authorized financial institutions</p>	<p>The District is currently undergoing a full review of all policies. An online banking policy will be included in the updated policy manual. The maximum balances will also be included in the new policy.</p>	<p>June 2019</p>
<p>As part of our examination over the fuel inventory procedures, we noted a reconciliation process of fuel used to fuel purchased is not completed.</p>	<p>The business administrator will direct the transportation supervisor to reconcile fuel usage quarterly.</p>	<p>January 2019</p>

**2018 AUDIT MANAGEMENT LETTER ACTION PLAN**

<p>During the course of our examination we noted retiree health insurance bills are prepared by the Payroll Clerk and subsequent payments are collected by the Payroll Clerk instead of the Treasurer, who is the point of receipt for most other receipts collected by the Business Office.</p>	<p>The business Administrator will collect retiree health insurance checks and log them in prior to giving them to the Payroll Clerk for processing.</p>	<p>January 2019</p>
<p>We noted that cash from the Prime Time A.M. Child Care Program is not always turned into the Business Office in a timely manner.  To insure proper safeguarding and accountability of cash, we recommend a continued effort be made to deposit all cash collections on a timely basis.</p>	<p>The Business Administrator will direct the ES Principal to send Prime Time and AM Childcare payments to the Business Office on a weekly basis.</p>	<p>January 2019</p>

2018 AUDIT MANAGEMENT LETTER ACTION PLAN

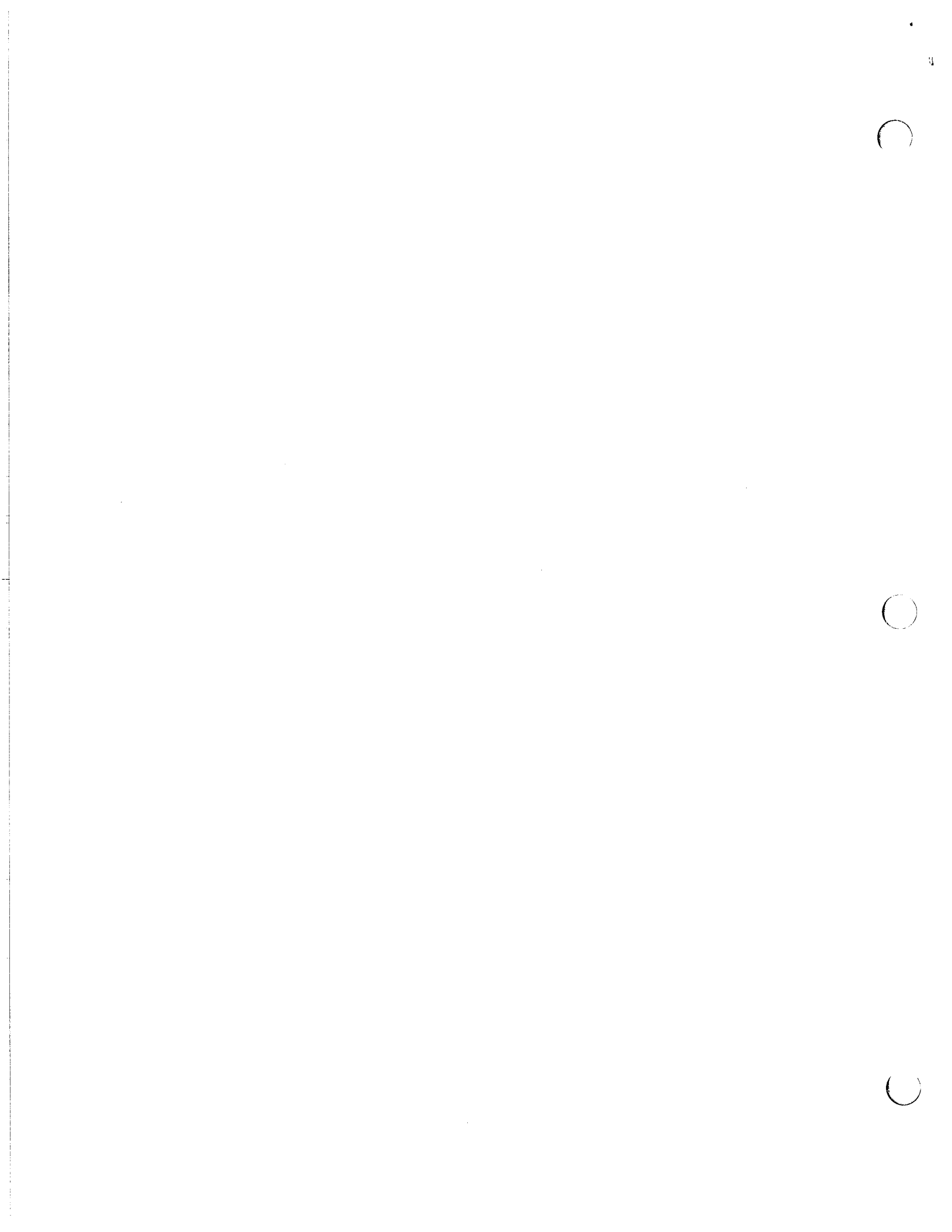
<p>We noted the following during our interview with the District's Claims Auditor:</p> <ol style="list-style-type: none"> <li>1. The Claims Auditor met with the Audit Committee during the 2017-18 fiscal year, however, that was not clearly documented to the Board.</li> <li>2. There are no written guidelines outlining the specific procedures for the Claims Auditor to follow.</li> </ol> <p>To ensure the Claims Auditor is fulfilling the expectations of the Board, the current process and procedures used by the Claims Auditor should be documented in writing, reviewed and enhanced by the Audit Committee and approved by the Board of Education. In addition, the Claims Auditor should meet with the Audit Committee on a routine basis to report and discuss any findings and corrective actions required as a result of the claims audit.</p>	<p>The Claims Auditor did meet with the Audit Committee on January 24, 2017.</p> <p>At the next meeting of the Audit Committee, the expectations and guidelines for the Claims Auditor will be discussed.</p>	<p>January 2019</p>
<p>The New York State Education Department now provides the EFH670 summary of 4408/4201 STAC approval and verified cost and state aid payments, two times a year, to be used to ensure the services provided are properly STAC'ed and the District's local share can be more easily calculated.</p> <p>We recommend the Special Education Director review and reconcile this document to ensure the services received are properly STAC'ed in order to maximize state aid and calculate the local cost.</p>	<p>This recommendation will be forwarded to the Director of Student Services for action.</p>	<p>January 2019</p>

2018 AUDIT MANAGEMENT LETTER ACTION PLAN

<p>As a result of changes in the Education Law relating to the funding of the reserves, we recommend the District review the current process and make any necessary modifications.</p> <p>Several years ago the District designated monies to be set aside in the Trust and Agency Fund in anticipation of the implementation of GASB #45. This pronouncement and its initial implementation has further defined the acceptable method of funding, should a District choose to fund this retirement benefit. Under this pronouncement, funds designated for this purpose can only be set aside in an Irrevocable Trust.</p> <p>Since the Irrevocable Trust has not been passed into law in New York State, we suggest these dollars be reported back in the General Fund and be reallocated to legally established reserves in accordance with the District's needs</p>	<p>The District will make any changes based on the recommendations of the auditor.</p> <p>The District will seek advice from the auditor on how to implement this change.</p>	<p>January 2019</p> <p>June 2019</p>
<p>As part of the 2017-18 budget process the District appropriated reserves in the operating budget. As a result of positive budget savings the District determined that there was sufficient budget, and therefore, the District did not allocate all the funds from the reserves.</p> <p>Due to limited guidance regarding the timing of the allocation of reserve funds, best practice would suggest that when a District appropriates Reserve Funds, those amounts should be transferred out of the reserves. As the District gets closer to the end of the fiscal year, management should evaluate the reserves and consider recommendations to the Board to refund reserves to be consistent with the District's long range planning.</p>	<p>The District will take this recommendation into consideration during budget management.</p>	<p>June 2019</p>

2018 AUDIT MANAGEMENT LETTER ACTION PLAN

<p>THE AICPA Center for Audit Quality recently issued a cyber security risk management document discussing cyber threats that face both public and private entities. The District's IT personnel routinely assesses cyber risk as part of their normal operating procedures. We recommend the District continue to document their cyber risk assessment process in writing which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.</p>	<p>The District will comply with the auditor's recommendation.</p>	<p>January 2019</p>
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**2018 EXTRA CLASSROOM AUDIT ACTION PLAN**

COMMENT	ACTION	STATUS
<p>Our examination revealed one instance in the Drama Club, one instance in Student Council, one instance in the Music Dept. Chorus Club, one instance in the National Junior Honor Society, one instance in the Musical Club and one instance in the Spanish Club in which reconciliations of items sold to total cash collected were not available for our review.</p> <p>We recommend reconciliations of items sold to total cash collected be prepared by the Student Treasurer for all fundraisers.</p>	<p>The Business Administrator will advise Central Treasurer to inform appropriate advisors of the required information.</p>	<p>January 2019</p>
<p>Our examination revealed significant improvement in clubs preparing profit and loss statements, however, not all clubs conducting fundraising activities prepared them during the 2017-18 fiscal year.</p> <p>We recommend the Student Treasurer together with the Faculty Advisor prepare profit and loss statements for all fundraisers held by their respective club.</p>	<p>The Business Administrator will advise Central Treasurer to inform appropriate advisors of the required information.</p>	<p>January 2019</p>
<p>During our interview process, we noted that the Central Treasurer did not receive a copy of our prior year audit report.</p> <p>We recommend the Administration review this item and implement the appropriate corrective action during this next fiscal year.</p>	<p>A meeting was scheduled in January of last year to review the audit. A snow day forced the cancellation and it was not rescheduled. A meeting will be scheduled to review the 2018 audit.</p>	<p>January 2019</p>

2018 EXTRA CLASSROOM AUDIT ACTION PLAN

	<p>This will be noted to the Central Treasurer and HS Principal. The Yearbook suffered a loss 3 years ago when the book had to be reprinted due to errors by the Yearbook staff. The Yearbook account paid for the reprint at a cost of over \$5,000. It is expected that the Yearbook will be fiscally sound within the next year.</p>	<p>January 2019</p>
<p>As indicated in the notes to the financial statements, the Soduskan (Yearbook) had an unpaid invoice at year end which would have increased the cash deficit to \$954 at June 30, 2018.</p> <p>We recommend the Administration review this situation to determine the reasons for the excess of expense over revenue and to determine the appropriate corrective action needed to eliminate this deficit.</p>	<p>The Music Department (Chorus) Club has plans in place to continue to spend down the balance.</p>	<p>January 2019</p>
<p>We commend the Music Department (Chorus) Club on continuing to spend down their total account balance. However; as indicated on the statement of cash receipts and disbursements the Club still had a cash balance totaling \$20,025 at June 30, 2018.</p> <p>We recommend the Administration continue to review this balance to determine its appropriateness.</p>		



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<p>During our interview with the Skateboard Club Faculty Advisor, we were informed that a separate set of books is not currently being maintained by the Student Treasurer. In addition, reconciliations of items sold to total cash collected are not prepared.</p> <p>We recommend the Student Treasurer with the help of the Faculty advisor maintain a separate set of books for the organization. In addition, a reconciliation of items sold to total cash collected should be prepared for all fundraisers.</p>	<p>This will be discussed with the Central Treasurer and HS Principal. The issue will be addressed with the Skateboard Club advisor.</p>	<p>January 2019</p>
<p>During our interview with the Softball Club Faculty Advisor, we were informed that a separate set of books is not currently being maintained by the Student Treasurer.</p> <p>We recommend the Student Treasurer with the help of the Faculty advisor maintain a separate set of books for the organization</p>	<p>This will be discussed with the Central Treasurer and HS Principal. The issue will be addressed with the Softball Club advisor.</p>	<p>January 2019</p>
<p>As indicated on the statement of cash receipts and disbursements the Science Club and Sunshine Club were financially inactive during the 2017-18 fiscal year.</p> <p>We recommend the status of these clubs be reviewed. If future financial activity is not anticipated, they should be closed in accordance with the Board of Education policy.</p>	<p>The activity of the clubs will be reviewed with the Central Treasurer and Principal for recommendations on how to proceed.</p>	<p>January 2019</p>

