

Pelham Union Free School District
Risk Assessment Update Report
April 30, 2018

Risk Assessment Update Report

To the Board of Education and Audit Committee
Pelham Union Free School District
Pelham, New York

We have performed the annual risk assessment update of Pelham Union Free School District (District) as required by Chapter 263 of the Laws of New York, 2005 and as per our agreement of July 1, 2017.

This engagement is in accordance with auditing standards generally accepted in the United States of America and the applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have also considered the guidelines promulgated by the New York State Education Department in connection with such risk assessments.

Specifically, we performed the following:

- We reviewed our understanding of the critical business processes of the District. These critical business processes included, but were not limited to:
 - Governance and planning
 - Accounting and reporting
 - Revenue and cash management
 - Payroll and related benefits
 - Purchasing and related expenditures
 - Facilities and equipment
 - Student services
 - Student related data
 - Information technology
- We identified the key risks based on our understanding of these business processes.
- We identified the stated controls that are currently in place to address those risks.

These procedures were accomplished through interviewing District management and accounting and other departmental personnel to determine the flow of accounting information and controls placed in operation. The scope of our engagement did not include testing the operating effectiveness of such controls.

Our procedures were not designed to express an opinion on the internal controls of the District, and we do not express such an opinion. Additionally, because of inherent limitations of any internal control, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of an evaluation of the accounting system and controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

We would like to express our appreciation for the cooperation and assistance that we received from the District's administration and other employees during our engagement, especially the Business Office personnel.

This report is intended solely for the use and information of the Board of Education and its Audit Committee and the management of the Pelham Union Free School District, and is not intended to be and should not be used by anyone other than these specified parties.

Cullen & Danowski, LLP

April 30, 2018

PELHAM UNION FREE SCHOOL DISTRICT

Introduction

April 30, 2018

Chapter 263 of the Laws of New York, 2005 requires most districts to create an internal audit function. The creation of this function requires districts to engage either a qualified audit firm or individual to make an initial risk assessment of the design of the district's internal controls; annually update this assessment; and, periodically test these controls for operational effectiveness and efficiency. This report addresses the second requirement, which is an annual risk assessment update.

Internal controls are the checks and balances over the various processes or functions that comprise the operations of a district. As previously mentioned, we have identified the following key processes to be considered in the risk assessment update (Note: each one of the key processes is comprised of sub-functions.)

- Governance and planning
- Accounting and reporting
- Revenue and cash management
- Payroll and related benefits
- Purchasing and related expenditures
- Facilities and equipment
- Student services
- Student related data
- Information technology

One key element in any internal control system is the concept of **segregation of duties**. This concept ensures that one person cannot execute a transaction without at least one other individual checking his or her work. Of course, where segregation of duties is not feasible, the district can employ compensating controls.

Nevertheless, there are some important concepts that should be understood when reviewing internal controls. These concepts are:

- An internal control system is designed to provide reasonable but not absolute assurance in safeguarding the assets of the district.
- The concept of reasonable assurance recognizes that the cost of the internal control should not exceed the benefits derived.
- There are inherent limitations that should be recognized in considering the potential effectiveness of any internal control system, e.g., errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. More importantly, it is **collusion** that poses the greatest threat to any internal control system. If two employees collude in order to circumvent the controls set up by the district, they could perpetrate a fraud.

The initial risk assessment required the internal auditor to obtain an understanding of both the inherent and control risks associated with the various functions within the District. The risk assessment update requires the internal auditor to identify the changes in procedures, policies, personnel, and systems that may have an impact on these risks and possibly alter the initial risk assessment's level of control risk.

Control risk measures the adequacy of internal controls designed to mitigate the inherent risk within the process. In this engagement, we have assessed the control risk based upon our interview process. The testing of the controls, which is performed during the detailed testwork, could support the lowering of the prior control risk assessment associated with individual processes and sub-functions.

PELHAM UNION FREE SCHOOL DISTRICT

Introduction (Continued)

April 30, 2018

We have organized this report into the following four sections:

The first section is a risk assessment table. In this table, we identify the processes or functions that we have reviewed. This table includes our assessment of the control risk associated with each process. There are two control risk columns to reflect the prior year risk assessment level and the current year risk assessment level based on the results of the risk assessment update as well as the detailed testwork performed for selected processes. **Since the testing of controls has not been done for all processes, it is important to note that this table should not be viewed as the final assessment of the District's control environment.** The Risk Assessment Table also includes our suggestions for processes to be tested during the coming year. However, the decision of which processes to review in detail is at the discretion of the Audit Committee.

The second section includes the current observations and recommendations based on new findings identified during this risk assessment update. These are categorized based upon the areas of our audit program similar to the prior risk assessment report and these findings have been considered in the assessment of the level of control risk.

The third section contains the current status of the observations and recommendations that are still open for areas of potential improvement in the District's internal controls or operations included in the following reports:

<i>Report Type</i>	<i>Issue Date</i>	<i>Area(s)</i>
Risk Assessment	April 17, 2017	District Wide
Agreed-Upon Procedures	March 24, 2017	Information Technology

These results have been considered in the assessment of the level of control risk.

The fourth section contains the observations and recommendations included in the prior risk assessment and/or agreed-upon procedures reports that are now considered closed. The fact that these items have been implemented or resolved was considered in the assessment of the level of control risk.

Some of the recommendations may require a reassignment of duties and/or an addition to Business Office personnel. However, any enhancement of controls should be done after a careful cost-benefit analysis.

Commissioner of Education Regulation §170.12(e)(4) requires that a corrective action plan, approved by the board of education, must be filed within 90 days of issuance with the New York State Education Department.

The District should submit the Corrective Action Plan (CAP) along with the respective Internal Audit Report via the New York State Education Department (NYSED) portal system.

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Table
April 30, 2018

(L=Low, M=Moderate, H=High)

<u>Business Process</u> Area	*Date of Detail Testing	Control Risk						Proposed Detail Testing
		Prior Year			Current Year			
Governance and Planning								
Governance Environment			M			M		
Control Environment			M			M		
Strategic Planning		L			L			
Budget Development			M			M		
Budget Administration			M			M		
Accounting and Reporting								
Assessing Financial Condition			M			M		
Financial Accounting and Reporting			M			M		
Auditing		L			L			
Financial Oversight			M			M		
Fund Balance Management			M			M		
Revenue and Cash Management								
Real Property Tax			M			M		✓
State Aid			M			M		✓
Medicaid			M			M		✓
Out of District Tuition			M			M		✓
Use of Facilities		L			L			✓
Donations			M			M		✓
Collection & Posting of Receipts			M			M		✓
Cash Management			M			M		✓
Investment Management			M			M		
Petty Cash		L			L			
Bank Reconciliations	2/19/2018		M		L			
Grants and Special Education	3/4/2013 **	L			L			
General Processing/Monitoring			M			M		
Grant Application			M			M		
Allowable Costs			M			M		
Cash Management			M			M		
Reporting and Monitoring			M			M		
Compliance			M			M		
Payroll, HR and Related Benefits								
Payments to Employees	2/19/2018	L			L			
Allocation of Expenditures	2/19/2018	L			L			
General Employee Administration			M			M		
Employee Benefit Administration	11/27/2013	L			L			
Employee Attendance	3/2/2009	L			L			
Hiring/Termination of Employees			M			M		

* Indicates the issuance date of an agreed-upon procedures report (AUP) for that area.

** Review of financial operations of Special Education.

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Table (Continued)
April 30, 2018

(L=Low, M=Moderate, H=High)

<u>Business Process</u> Area	*Date of Detail Testing	Control Risk						Proposed Detail Testing
		Prior Year			Current Year			
Purchasing and Related Expenditures								
PO System	1/10/2012	L			L			
Payments Outside PO System	1/10/2012	L			L			
Purchasing Process	1/10/2012	L			L			
Allocation of Expenditures	1/10/2012	L			L			
Payment Processing	1/10/2012	L			L			
Travel and Conferences			M			M		
Credit Cards		L			L			
Facilities								
Facilities Maintenance	12/14/2015		M			M		
Construction Planning	12/14/2015		M			M		
Construction Monitoring	12/14/2015		M			M		
Construction Completion	12/14/2015		M			M		
Fixed Assets								
Acquisition and Disposal	11/14/2014		M			M		
Inventory	11/14/2014		M			M		
School Environment								
Safety and Security			M			M		
Student Transportation								
Fleet Maintenance			M			M		
Risk Management			M			M		
Personnel Compliance			M			M		
Facilities Maintenance and Security			M			M		
Food Service								
Federal and State Reimbursement			M			M		
Sales Cycle and System			M			M		
Inventory and Purchases			M			M		
Eligibility Verification			M			M		
Extraclassroom Activity Fund								
General	5/12/2008		M			M		✓
Cash and Cash Receipts	5/12/2008		M			M		✓
Expenditures and Purchasing	5/12/2008		M			M		✓
Inventories	5/12/2008		M			M		✓
Student Related Data								
Tracking Student Attendance			M			M		
Student Performance Data			M			M		
Information System								
Governance	3/24/2017		M			M		
Network Security	3/24/2017		M			M		
Financial Application Security	3/24/2017		M			M		
Other Application Security	3/24/2017		M			M		
Disaster Recovery	3/24/2017		M		L			
Financial Operations	3/24/2017		M		L			

* Indicates the issuance date of an agreed-upon procedures report (AUP) for that area.

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
April 30, 2018

CURRENT OBSERVATIONS AND RECOMMENDATIONS

CONFIRMATION OF BALANCES

During the past year, the Middle School Central Treasurer stopped the formal process of confirming balances with the student advisors at year end. This is an important process to help the Central Treasurer ensure that each club has the proper balance allocated to it.

We recommend the Central Treasurer formally confirm and reconcile year end balances with each of the individual clubs.

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (OPEN ITEMS)

EXTRACLASSROOM ACTIVITIES

Timeliness of Middle School Extraclassroom Deposits

During our review in 2016, we noted that a deposit for ticket sales for the Middle School (MS) Drama Club production, with cash collections totaling over \$4,000, was held for over a month prior to depositing. The dates of the event were January 20th and 21st; however, the deposit was not made until March 4th. There was a note on the Deposit Form indicating that the faculty advisor contacted the Central Treasurer on February 24th to make the deposit; however, the student treasurer was unavailable to count the money that day.

We recommended that deposits be made within 3 days of receipt.

Risk Assessment Update April 2017

This had not been implemented. In our review of deposits, we noted several deposits not made on a timely basis.

Risk Assessment Update April 2018

This has not been implemented. In our review of deposits, we noted several deposits not made on a timely basis. We have been informed that the Central Treasurer was experiencing difficulty in coordinating with the Student Treasurer to count the funds on a timely basis. The Central Treasurer will consider having another student officer count the money with them when the Student Treasurer is unavailable.

PURCHASING

(From AUP Report dated January 10, 2013)

Invoices Exceeding the Purchase Order

We recommended that procedures be documented as to what amount of increase to a purchase order (PO) warrants the Purchasing Agent's review, and procedures be put in place to communicate the increase with the requisitioner and departmental approver.

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
April 30, 2018

Risk Assessment Update – April 2013

This had been partially implemented. A form had been implemented at the start of the school year, which required the department head to document the reason when the invoice date was prior to the PO date. This completed form was returned to the AP Clerk and a copy was sent to the Assistant Superintendent for Business. The form was completed by the AP Clerk and sent to the department head if the invoice amount exceeded the PO amount. No formal procedure had been documented as to what amount of increase to a PO warranted the Purchasing Agent's review and approval. This issue should be documented in the purchasing regulations.

Risk Assessment Update – April 2014

There had been no change in the procedure.

Risk Assessment Update – April 2015

No formal procedure had been documented for an amount of increase to a PO that warrants the Purchasing Agent's review and approval. The practice had been for the AP Clerk to increase POs for small amounts usually related to shipping charges. We were informed that there had not been any situation in which an existing PO was increased by a significant amount that would have warranted attention and review by the Purchasing Agent. We continued to recommend that a written regulation be developed related to processing payments in excess of the PO.

Risk Assessment Update – April 2016

This had not been implemented. However, during the year, there were a few instances where a PO from the Facilities Department needed to be increased. The Secretary to the Facilities Director obtained an approval from the Purchasing Agent prior to the PO being increased. The District was reviewing the purchasing policy and this issue would be addressed in the revised policy.

Risk Assessment Update – April 2017

This item was being addressed in the purchasing regulations, which was in draft form. The preliminary purchasing regulations require the Purchasing Agent to review all increases of \$250 over the original underlying purchase order amount.

Risk Assessment Update – April 2018

The district has not yet issued the final purchasing regulations.

FACILITIES
(From the AUP report related to facilities dated December 14, 2015):

We recommended the District consider implementing the following items to strengthen the internal controls over the financial operations of the Facilities Department:

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
April 30, 2018

Purchasing Policy Update

We recommended that the District consider updating the purchasing policy to include the following:

- Develop formal written policies and procedures governing the procurement of goods and services when competitive bidding is not required.
- Develop procedures for threshold amounts required for Board approval for contracts for professional services. Also, procedures should be considered to ensure that all required documents related to the contracts (i.e., insurance documents) are maintained in one place.
- Determine if language should be added to the purchasing policy regarding the threshold amount when a separate District bid needs to be prepared for a Facilities project; instead of using existing District time and material bids or Ed-Data bids.

Risk Assessment Update – April 2017

We were informed that the District developed draft procurement regulations:

- There is wording in the draft procurement regulations to provide guidelines for procurement of goods and services when competitive bidding is not required. The procedures were being reviewed to determine the appropriate threshold amounts for obtaining quotes when the District makes purchases outside a state contract or an approved bid.
- There is wording in the draft procurement guidelines to address contracts for professional services. The draft regulations authorize the Purchasing Agent to enter into contracts for professional services up to and including \$600. Any contracts for professional services exceeding \$600 must be approved by the Board of Education. All documents related to the contracts are maintained in the originating department.
- Threshold amounts for when a separate District bid needs to be prepared for a Facilities project had not been addressed in the draft procedures.

Risk Assessment Update – April 2018

There is a new Facilities Director who is carefully monitoring the procedures related to purchasing. However, as noted above, the District has not issued detailed regulations related to purchasing activities.

Bid Process

- We recommended the following to improve the bid process:
 - A list of bids received would be documented for each bid opening and placed in each bid file.
 - If a bid had labor and material mark-up components, a Bid Tabulation Form would be created and completed for each bid to ensure that the lowest bidder was selected. This Form would be reviewed and approved by the Assistant Superintendent for Business.

For any bids that were renewed each year, an Excel spreadsheet would be prepared with the new rates for each vendor. This spreadsheet would be provided to the Claims Auditor to facilitate the review of invoices.

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
April 30, 2018

- The District would develop procedures documenting a threshold amount for the review of material invoices. The District would also consider updating bid language for items not originally included in the specific bids, including requirements for when material needs to be purchased, and a mark-up or mark-down percentage would be included in the bid specifications. Additionally, language would be added to the District bids to require vendors to provide third party invoices, where applicable, to be able to substantiate mark-up or mark-down percentages.

Risk Assessment Update – April 2017

We noted the following update to the bid process:

- There was no bid checklist prepared and attached in the bid file (i.e., listing of all bids sent out and received along with the date and time received, advertisement from newspaper for bid, bid tabulation form, etc.). The bid checklist should be reviewed by the Assistant Superintendent for Business, prior to the bid being Board approved.
- A Bid Tabulation Form was created and used for all bids that have a labor and material mark-up component to ensure that the lowest bidder is selected.
- The Secretary to the Facilities Director maintains an Excel spreadsheet for all bids that are renewed with the new rates for each vendor. A copy of the new rates is placed in each bid file and attached to the invoice.
- Language has been added to the District bids that, when requested, requires the vendors to provide third-party invoices to substantiate supply and material costs subject to mark-up or mark-down percentages. The Facilities Department practice was to use a threshold amount of \$5,000 to review material charges. This was not included in the draft procurement regulations.

Risk Assessment Update April 2018

The new Director of Facilities will help ensure that bid checklists are prepared and filed with each bid package.

CAPITAL ASSETS
(From the AUP report related to capital assets dated November 18, 2014)

Board Policy

The District policy requirement of an annual physical inventory should be reviewed. Consideration should be given to an annual inventory of a portion of the inventory, with a complete inventory done at some designated number of years.

Risk Assessment Update – April 2015 – April 2017

The policy requiring annual physical inventories still needed to be reviewed.

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
April 30, 2018

Risk Assessment Update April 2018

The District has not yet addressed this issue. Policy #5620 *Inventories and Recording of Fixed Assets* requires inventories be done on an annual basis. The District is not in compliance with the current policy and should either change the policy or take measures to comply.

INFORMATION TECHNOLOGY (IT)

(From the AUP report related to IT dated March 24, 2017)

Timely Notification of Separations

We recommended that the District develop a system to notify the IT Department when a staff member or a student separates from the District to ensure that all individuals who no longer need access to the District's network have been removed or disabled.

Risk Assessment Update April 2018

The District has a new Director of IT. They are aware of this issue and are considering options to automate this process.

Administration of Acceptable Use Policy

We recommended the District review the possibility of implementing an electronic staff and student acceptable use policy. Prior to any staff or student being able to use any District system, they would have to electronically accept the policy. These procedures would require updates to certain Board policies.

Risk Assessment Update April 2018

Similar to the item above, the Director of IT is considering alternatives regarding how best to effectively and efficiently ensure all users of the network are aware of the acceptable uses of the network.

Review Infinite Campus User List

We recommended the District review a listing of users for Infinite Campus and compare it to an employee list to ensure that access for employees who are no longer with the District have been deactivated and removed from user groups. The IT Department should also review all user groups to ensure that the proper access has been granted to the employees of the group.

Risk Assessment Update April 2018

The District's new Director of IT is aware of this issue and is considering options to address it.

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
April 30, 2018

Review Salary Codes

We recommended the District review salary budget codes on a periodic basis, not less than annually, to ensure that employees are charged to the correct budget codes.

Risk Assessment Update April 2018

The Business Office staff intends to do this next autumn as the school year begins.

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (CLOSED ITEMS)

Security Access

During the time of our review in 2015, the District was implementing a card access system. As part of this implementation, procedures needed to be established to immediately remove access for employees separating from the District.

We recommended that the District develop procedures (in conjunction with procedures to notify the Information Technology (IT) Department of staff changes) to help ensure that access to the buildings is available only to appropriate people.

Risk Assessment Update - April 2016

We understood that a formal procedure had been developed and was in the process of being implemented.

Risk Assessment Update April 2017

While a formal process had not been developed; there appeared to be adequate communication between Business Office and IT staff to remove access on a timely basis.

Risk Assessment Update April 2018 (This issue is now closed)

While a formal system of notification has not been developed, from all indications the Business Office staff is very aware of all separations and removes access on a timely basis.

EXTRACLASSROOM ACTIVITIES

High School Extraclassroom Activities

While the basic structure of the extraclassroom clubs did appear to be in agreement with the state requirements, there were a couple of items worth noting:

Club Treasurer Review of Deposits

The student treasurers for the clubs did not sign-off on the Deposit Forms indicating they were in agreement with the deposit amount.

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
April 30, 2018

Risk Assessment Update – April 2014

The Deposit Form was to be updated to include a space for the student treasurer of the club to sign-off on the deposits.

Risk Assessment Update – April 2015

This had not been implemented.

Risk Assessment Update - April 2016

The Deposit Form had been updated to include a space for the student treasurer of the club to sign-off on the deposits. Our review of some deposits and disbursements for the year found that if the club had a student treasurer the Forms were signed. However, there were some clubs that should have had student treasurers but did not (Band and, Chorus). The District should consider accounting for these activities in the Expendable Trust accounts.

Risk Assessment Update April 2017

At the end of fiscal year 2016, the District began accounting for several activities in the Expendable Trust accounts. We noted that some of the remaining clubs still did not have an elected student treasurer, including the Student Government Club, Class of 2017 and Yearbook Club. Our review of receipts and disbursements noted that the Receipts and Disbursement Forms for these clubs did not have a student treasurer's signature. The Central Treasurer indicated that they would work with the faculty advisors to make sure that all clubs elected a student treasurer who would be involved in the deposit and disbursement process for the 2017-18 school year.

Risk Assessment Update April 2018 (This issue is now closed)

We have been informed that all major clubs have an appointed student treasurer. Our review of a sample of receipts and disbursements noted that all were signed by a student treasurer and a faculty advisor.

Details supporting deposits

The Deposit Form does not contain a space large enough to record an adequate description for deposits. Descriptions for the deposits were not detailed to determine if the deposit was complete. In addition, the Form does not contain a space for the student treasurer to sign off-on the deposit.

Risk Assessment Update – April 2014

The new Deposit Form was to be implemented during the end of the 2013-14 school year. Additionally, procedures for the club advisors were to be drafted to accompany this Form.

Risk Assessment Update – April 2015

This had not been implemented. We understood this would be addressed in the 2015-16 school year.

Risk Assessment Update - April 2016

A new deposit form was implemented during the 2015-16 school year. Our review of a sample of Deposit Forms found that the descriptions were better; however, there were still instances where no description of the

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
April 30, 2018

accounting for the deposit was recorded. The Central Treasurer indicated that she would work on obtaining better deposit descriptions in the 2016-17 school year.

Risk Assessment Update April 2017

Our review of a sample of Deposit Forms found that the descriptions improved for some clubs; however, there were still instances where no description of the accounting for the deposit was recorded or the description was not detailed, (i.e., yearbook sales, drama ticket sales, bracelet sales). The Central Treasurer indicated that they would work with the faculty advisors to improve deposit descriptions in the 2017-18 school year.

Risk Assessment Update March 2018 (This item is now closed)

Our review of a sample of Deposit Forms noted that the descriptions had improved. We noted number of items, cost per item and total dollar amount of the deposit was recorded on all forms reviewed (i.e. number of tickets sold, price per ticket and the total deposit amount).

Purchasing and Invoice Approval

We recommended that the District consider the following to strengthen controls over the purchasing and invoice approval process:

- We recommended that FM user permissions be changed to systematically route PO requisitions to the Facilities Director for approval, after the Facilities Secretary entered the requisition or required the Facilities Director to manually approve the PO requisitions. The process would then remain the same for the Purchasing Clerk to review and approve the requisition prior to the final approval by the Purchasing Agent. Additionally, we recommended that the Facilities Director review and approve all invoices for Facilities services and discontinue the use of a stamp approval. Additionally, when work was completed in the field, the individual overseeing the work would also sign-off indicating that the work was completed. In the cases where a third-party consultant reviewed the invoices the approval would be attached to the invoice.
- Ensure that the proper documentation for invoices was attached (i.e., detailed vendor quotes and/or pricing from state contracts or co-op bids were attached to be able to match to bid prices and prevailing wage documents, and contract or co-op bid numbers be included in the PO). Additionally, emergency situations would be documented in the body of the PO. We further recommended that these procedures be shared with the Claims Auditor to facilitate his review. The Claims Auditor would also report on any exceptions.

Risk Assessment Update – April 2017

We noted the following update with respect to controls over the purchasing and invoice approval process:

- The user permissions in FM were changed to systematically route PO requisitions to the Facilities Director for approval. The Secretary to the Facilities Director enters all PO requisitions in FM; they are routed to the Facilities Director for approval, along with any hard copy back-up documentation to review. All invoices are reviewed and approved by the Facilities Director; the use of a stamp approval has been discontinued. When work is completed in the field, the Facilities Director either receives a verbal approval from the person overseeing the work or for large projects the Facilities Director will visit the site to check the completion. (This issue is now closed)

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
April 30, 2018

- The Department had begun to ensure that proper documentation be attached to invoices; however, in our review of the circular driveway work done in the summer of 2016 for \$71,868, we were not able to support the amount charged on the invoice to the bid utilized for the project.

Risk Assessment Update – April 2018 (This issue is now closed)

The new Director of Facilities is using FM to electronically approve PO's and is reviewing the supporting documentation when approving invoices.

INFORMATION TECHNOLOGY

(from the AUP report related to IT dated March 24, 2017)

Review FM User Permissions

We recommend that a review of FM user permissions be performed on a regular basis to ensure that the permissions granted to employees are appropriate for their job.

Risk Assessment Update April 2018 (This issue is now closed)

As part of the recent conversion to nVision, the access of all users of FM (now nVision) was reviewed. The intent is for the Business Office to review the users on an annual basis.

Documentation of Purchases under State Contracts

We recommended that when making a purchase from a state contract or bid, the Department should request that the vendor provide pricing for the items or services from the contract or bid, including detail of material and labor costs. We further recommended that an employee in the IT Department should agree the pricing from the contract to the price quote and/or invoice to ensure that they match.

Risk Assessment Update April 2018 (This issue is now closed)

The District IT staff and the Purchasing Agent are aware of the issue regarding supporting the prices when purchases are made from state contracts. We have been informed that there are still some circumstances in which the supporting documentation is not available.

Authorization of Educational Software

We recommended that the District consider requiring that in addition to the Director of Technology, the Assistant Superintendent for Curriculum review and approve all purchases of licenses for software that are used for curriculum and instruction.

Risk Assessment Update April 2018 (This issue is now closed)

Our understanding is that this issue was reviewed and the District is satisfied that the IT Director continue to administer these purchases. All significant transactions are reviewed with the Assistant Superintendent for Curriculum.

