



**PELHAM  
PUBLIC  
SCHOOLS**

575 Colonial Avenue, Pelham, New York 10803

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**PELHAM UNION FREE SCHOOL DISTRICT**

**Corrective Action Plan  
Related to  
Risk Assessment Update Report  
May 1, 2015**

**CURRENT YEAR'S OBSERVATIONS AND RECOMMENDATIONS**

**Security Access**

**Findings/Recommendations**

During the time of our review, the District was implementing a card access system. As part of the implementation, procedures need to be established to immediately remove access for employees separating from the District. We recommend that the District develop procedures (in conjunction with procedures to notify the IT department of staff changes) to ensure that access to the buildings is available only to appropriate people.

**District Response**

As part of the implementation of the card reader access system, the District is carefully reviewing access protocols including procedures to be followed upon termination of an employee. Once finalized, such procedures will be documented and disseminated to the IT department.

**STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (OPEN ITEMS)**

**Middle School Extraclassroom Activities**

**Findings/Recommendations**

The basic structure of the Middle School (MS) extraclassroom accounts was not within the guidelines promulgated by New York State Education Department (NYSED). Individual clubs were not involved in the financial operations of the accounts, and there was limited financial involvement of students in many of the transactions. Some specific concerns included:

- The extraclassroom clubs did not have their own student treasurers; there was a MS student treasurer who assisted the Central Treasurer with reviewing disbursements only. The MS Student Treasurer did not count deposits and match them to the deposit amount recorded on the form.

**Risk Assessment Update-2015**

There are still some clubs that have financial activities that do not have a student treasurer. The student treasurer who supports the Central Treasurer has expanded the role to include counting cash and confirming deposits.

- The student treasurers for the individual clubs did not sign off on disbursements for their respective clubs, the Student Treasurer of the Student Government Club signed off on all extraclassroom disbursements for the MS.

**Risk Assessment Update-April 2015**

There has been no change to the procedures

- The Extraclassroom Treasurer did not provide club balance information to the faculty advisors to allow them to agree their records to the District's.  
**Risk Assessment Update-April 2015**  
This has not been implemented

## **High School Extraclassroom Activities**

### **Findings/Recommendations**

While the basic structure of the extraclassroom clubs does appear to be in agreement with the state requirements there are several items worth noting:

- The student treasurers for the clubs do not sign off on the deposit forms indicating they are in agreement with the deposit amount.  
**Risk Assessment Update-April 2015**  
This has not been implemented
- The deposit form does not contain a space large enough to record an adequate description for deposits. Descriptions for the deposits are not detailed to determine if the deposit is complete. In addition, the form does not contain a space for the student treasurer to sign off on the deposit.  
**Risk Assessment Update-April 2015**  
This has not been implemented. We understand this will be addressed in the 2015-16 school year.
- There is a club with no student activity (Caps & Gowns).  
**Risk Assessment Update-April 2015**  
There has been no change in the structure of this activity.

### **District Response to High School & Middle School Extraclassroom Activities Matters**

Over the course of school year 2013-14, the District reviewed all accounting and reporting functions related to the High School and Middle School Extraclassroom Clubs in consultation with the internal auditors and implemented the suggested accounting controls, where practical.

With regard to the Middle School ECAF, the District has not been able to identify student treasurers for individual clubs with financial activity and the Central Treasurer has been directed to obtain faculty advisor review of clubs with financial activity, as practical.

With regard to the High School ECAF, a new cash receipt form was developed to meet the auditor's recommendations. Any inactive clubs with remaining fund balance are being investigated and will be closed at year end, with any remaining funds reverting to the overall student association.

## **PURCHASING--INVOICES EXCEEDING THE PURCHASE ORDER**

### **Findings/Recommendations**

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 would be in place to communicate the increase with the requisitioner and departmental approver.

### **Risk Assessment Update – April 2015**

No formal procedure has been documented for an amount of increase to a PO that warrants the Purchasing Agent's review and approval. The practice has been for the Accounts Payable Clerk to increase POs for small amounts

usually related to shipping charges. We were informed that there has 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 continue to recommend that a written regulation be developed related to processing payments in excess of the PO.

#### **District Response**

**The Accounts Payable Clerk has been instructed to obtain approval from the Purchasing Agent when a PO is increased by 10%+ or \$1,000 over the original amount.**

## **INFORMATION TECHNOLOGY**

#### **Finding/Recommendation**

We recommended the District formalize a timely notification process for informing the Information Technology (IT) Department about new hires, terminations, leaves of absence and students entering and leaving the District so that the IT Department can add, change or remove security clearance to the respective systems.

#### **Risk Assessment Update – March 2011**

We were told that communications had improved significantly related to granting and removing access to and from the District network. However, formal procedures had not been implemented. We recommended that procedures be put into place to ensure access changes were processed on a timely basis after receipt of authorization from appropriate personnel.

#### **Risk Assessment Update – March 2012 – March 2015**

In 2012, the Director of Information Technology had drafted a proposed procedure to address these issues, but it has not been implemented.

#### **District Response**

**The Business Office will work with Technology and the District Clerk to implement procedures to address timely notification of system access changes necessitated by employees and students entering and leaving the District.**

## **CAPITAL ASSETS**

#### **Findings/Recommendations:**

#### **Written Procedures**

Develop written procedures for the roles and responsibilities related to capital assets, that address the following:

- Procedures for tagging new equipment purchases and accurately recording them in the inventory listing including the tag number and serial number of all assets.
- Procedures for when items should be tagged (i.e. procedures for items that may not be convenient or accessible to tag)
- Process for notifying the individual responsible for the location of the assets, including any moves, disposals, etc.
- Procedures for updating the information from each school in the capital assets listing, including the review process of the information, how often the information should be updated, and ensuring that all information is reviewed.

#### **Risk Assessment Update – April 2015**

All these items are addressed in the draft procedure memo being developed. Business Office staff are currently performing the day-to-day operations related to fixed asset management and will be responsible to ensure the year-end updates to the asset inventory are complete and accurate. Upon adoption of the written procedures, individuals outside the Business Office will become more involved in the management of capital assets under the supervision of the Business Office.

### **Physical Inventories**

The District should develop a system of regular physical inventories for a portion of the District's assets so that the perpetual records can be verified. Differences between the physical inventory and the inventory records should be investigated to identify discrepancies and to determine if the processes and procedures related to inventory control have been operating as designed.

#### *Risk Assessment Update – April 2015*

This issue is under consideration for implementation in the next fiscal year.

### **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*

The policy requiring annual physical inventories needs to be reviewed.

### **District Response to Capital Asset Matters**

**The District intends to finalize the draft fixed asset procedures in early 2015-16 in order to implement them for the start of the school year. These procedures will address a physical inventory rotation schedule. The Board policy matter has been brought to the attention of the Board of Education for modification.**

## **BENEFITS**

### **Finding/Recommendation**

#### **Checklist for First Payroll**

A checklist should be prepared for the tasks required to be completed for the first payroll of each fiscal year (July and September). This checklist should be completed by one employee and reviewed and approved by another employee. This would help ensure that all items associated with the first payroll of the year had been addressed.

#### *Risk Assessment Update – April 2014*

A payroll calendar has been established detailing which bargaining units are to be paid each pay period; including any special payouts, during that pay period. Additionally, any other activities (i.e. FSA open enrollment) were included on the calendar as a reminder. We continue to recommend that a checklist be developed for the initial payrolls of each year that can be used to help ensure that no process or adjustments have been omitted.

#### *Risk Assessment Update – April 2015*

This has not been implemented.

### **District Response**

**The Junior Accountant responsible for payroll has been instructed to develop and initiate use of such a checklist. The Staff Assistant-Finance & Administration will review completion of the checklist for the initial payrolls of each fiscal and calendar year going forward.**