



PELHAM UNION FREE SCHOOL DISTRICT

**Corrective Action Plan
Related to
Independent Accountant's Report on Applying Agreed-Upon Procedures:
Payroll, Bank Reconciliations & Accounting
February 19, 2018**

The engagement was performed to review internal controls and operating efficiencies related to payroll processing, bank reconciliations and certain accounting functions, including budget transfers, journal entries and wire transfers.

FINDINGS, RECOMMENDATIONS AND DISTRICT RESPONSE

Findings are noted in the attached Independent Accountant's Report on Applying Agreed-Upon Procedures.

Recommendation

The District should develop a policy related to the processing of payroll, which would specify the items that require Board approval prior to payment, the individual responsible for certifying the payroll, etc.

District Response

This recommendation will be discussed with the Board of Education to determine whether they would like to create a policy to govern the processing of payroll.

Recommendation

Procedures should be developed for instances where there is a manual calculation related to a daily rate. The calculation should be documented and reviewed by a second person.

District Response

The Business Office will implement this recommendation and require the work to be reviewed and documented.

Recommendation

All stipends for items such as coaching, extraclassroom club advisors, etc. should be entered into FM as separate appointments with an attached pay schedule. The District should review this item when moving to nVision this spring.

District Response

The Business Office converted to NVision in March 2018. This recommendation is being taken into consideration and will be implemented, as practical.

Recommendation

The schedule sent to the Payroll Department for employees working a 6th period should be prepared by the staff member in the Curriculum, Instruction and Personnel Department and be reviewed and approved by the Assistant Superintendent for Curriculum, Instruction and Personnel. This payment should also be reviewed and approved by the building Principal.

District Response

The Business Office will implement this recommendation and require the work to be documented.

Recommendation

Procedures should be put in place for when benefits days are paid out to employees per contract language and the employees' attendance balances should be updated on a timely basis.

District Response

As each collective bargaining unit agreement comes up for negotiation, the district is clarifying the language related to benefit day payout. Presently, the district is addressing this matter with

the CSEA-Custodial Unit as part of the negotiation process currently underway. Further, with the implementation of NVision, the district is reviewing the practices for recording attendance and will consider the findings in the report as part of this process.

Recommendation

The District should work with the various bargaining units to document the criteria for employee advancement on the salary tables.

District Response

As each collective bargaining unit agreement comes up for negotiation, the district is clarifying the language related to advancement on salary tables. Presently, the district is addressing this matter with the CSEA-Custodial Unit as part of the negotiation process currently underway.

Recommendation

Develop procedures for Business Office personnel to confirm on an annual basis with an administrator from each building/department that all employees working in that building/department are charged to the correct budget code.

District Response

The district performed this task as part of the Agreed-Upon Procedures work recently completed and will make this task an annual practice each Fall. In an effort to comply with upcoming ESSA and NYS requirements to report spending by building, this procedure will be critical to help ensure that the district is able to accurately report the required data.

Recommendation

All wire transfer confirmations should be reviewed and approved by the Assistant Superintendent for Business, after the Treasurer makes the transfer of funds.

District Response

The district's long-standing practice is for the Treasurer to provide a wire transfer confirmation to the Assistant Superintendent for Business (ASB) for all wire transfers. These confirmations are reviewed and approved by the ASB and maintained in a file by the Treasurer. The noted audit exception occurred during a period when the district had an interim business official.