

GLEN COVE CITY SCHOOL DISTRICT

Recommendations from the Independent Accountant's Report On Applying Agreed-Upon Procedures dated December 6, 2018

Corrective Action Plan (CAP):

BANK RECONCILIATIONS AND CASH/INVESTMENTS MANAGEMENT

Recommendations:

We recommend that the District consider implementing the following item to further improve internal controls and operational efficiencies related to bank reconciliations and cash/investments management activities:

1. Create a Board policy related to authorized signatures that should include language authorizing the signature on checks issued against all bank accounts of the District.

CORRECTIVE ACTION:

The Treasurer will give the district policy committee the information to create a policy related to authorizing signatures on all checks issued by the District.

2. Develop written, formal procedures related to key processes performed by the District Treasurer. These documents should assist the District during absences or potential future staff changes with this role.

CORRECTIVE ACTION:

The Treasurer will develop formal procedures outlining the processes he performs in his position.

3. Develop procedures to ensure that the District Treasurer is adhering to the guidelines for addressing and clearing unclaimed checks that have been outstanding for over 5 months, with the exception of the workers' compensation bank account.

CORRECTIVE ACTION:

The Assistant Superintendent for Business in reviewing the Treasurers Report will discuss with the Treasurer any checks that are outstanding over 90 days.

4. Establish procedures to strengthen controls related to the nVision user accounts by activating and inactivating permissions of the users when they cover duties of other employees during absences.

CORRECTIVE ACTION:

The Assistant Superintendent for Business is the administrator of the user accounts in NVision. All temporary permissions given to any employee are deactivated once the assignment is finished.

EXTRACLASSROOM ACTIVITIES

Recommendations:

We recommend that the District consider implementing the following items to further improve internal controls and operational efficiencies related to extraclassroom activities:

1. Determine whether or not each extraclassroom activity is a bona-fide club per CR §172 and Finance Pamphlet 2. Included within the pamphlet is the regulation that each club shall

have student officers as president, secretary and treasurer who are involved in the financial activities of the club.

CORRECTIVE ACTION:

The District Treasurer will work with the Middle School Central Treasurer to come up with a process to address the non-bona-fide clubs that are part of the Extraclassroom accounts.

2. Strengthen controls related to receipts, particularly cash, at the club level since the collection of funds has a high level of inherent risk. In order to facilitate the pre-audit and recording of receipts, statements should be made by those collecting money. Such a statement should, on its face, include all of the essential data for a complete check and audit of the receipts. We recommend that the forms used to account for transactions be revised to provide an expanded comment or description section in which the Club Advisor can fully explain the transaction and completely account for the items by documenting the purchase information and utilize pre-numbered receipts or tickets (i.e., number of items purchased, number of items sold, the number of left over items and the status of the remaining items).

CORRECTIVE ACTION:

The Central Treasurer at the Middle School will use an inventory control sheet for sales that will show the amount of items for sale similar to what they are now doing for event sales.

The Central Treasurer at the High School is currently using a Deposit Statement that shows the date, cash/check#, club activity, student name, item and amount collected. This sheet with the amount collected is given to the Central Treasurer to deposit the funds.

3. Expand or create a new Board policy to address the duties of the Club Advisor and the Student Treasurer positions, as well as, procedures to handle remaining funds when closing clubs.

CORRECTIVE ACTION:

The District Treasurer will work on creating a policy to address procedures to handle remaining funds after a club is closed.

4. Revise the deposit envelopes at both the HS and MS to include a space large enough for the Club Advisor to provide a description of the deposit (i.e. number of tickets sold multiplied by the cost matches the total amount of the deposit) and any supporting documents (i.e. class lists, receipts, etc.) should be submitted to the Central Treasurer to be able to determine if the deposit is complete. Additionally, the deposit envelope used at the MS should be revised to include a space for the Student Treasurer to sign off on all club deposits. The procedure of the MS Central Treasurer preparing the deposit envelope should be discontinued. All deposits sent to the Central Treasurer at the MS should be accompanied by a completed deposit envelope by the individual collecting the funds along with the required signatures to indicate that the funds have been counted by the Club Advisor and the student treasurer. In addition, the date of the event should be noted on the deposit envelop.

CORRECTIVE ACTION:

The Central Treasurers at the high school and middle school are working to come up with procedures to meet this recommendation. They are adding procedures to what they are currently doing to address the recommendation from the auditors.

5. Create a Payment Request Form at the HS to request payments to vendors, the form should include sections for the names and signatures of the Club Advisor and the Student Treasurer.

CORRECTIVE ACTION:

The high school Central Treasurer will develop a Payment Request form to be used alongside the present system they are using which is a purchase order system.

6. Establish procedures to require each club to maintain a financial ledger and confirm in writing that ledger with the Central Treasurer at least once during the year and at the end of the year.

CORRECTIVE ACTION:

The high school presently has a financial ledger in place verifying that the financial activity in their club/team matches the reconciliation reports submitted monthly to them by the Central Treasurer. The middle school is working on a procedure for complying with this recommendation.

7. Improve the sales tax procedures related to extraclassroom activities and establish a process for determining if the event is taxable. The procedures need to ensure that the fundraising events and activities are in compliance with sales tax guidelines (e.g., yearbook, clothes, items purchased for resale) and ensure that the clubs do not improperly claim exemption from tax with vendors.

CORRECTIVE ACTION:

The middle school and high school Central Treasurers are aware of the sales tax guidelines and speak to the club advisors about items that need sales tax to be collected when the items are being sold. If sales tax is paid when the items are bought then it does not need to be collected again at resale.

8. Develop procedures to ensure that deposits are submitted to the Central Treasurer on a timely basis. The receipts (i.e., cash and checks) should be deposited as soon as possible.

CORRECTIVE ACTION:

The high school Central Treasurer has added the following to the Procedure Manual that is given to all advisors: ALL DEPOSITS ARE TO BE MADE WHEN RECEIVED. PLEASE DO NOT HOLD ON THE FUNDS. The middle school Central Treasurer is given all money collected at the end of the day it was collected.

9. Establish procedures to have the scholarships granted from club funds be approved by the Club Advisor and the student treasurer. The name of the student that is receiving the scholarship can be omitted until payment, so that students are not aware of the name of the scholarship recipient.

CORRECTIVE ACTION:

At the high school, all scholarship purchase orders are drawn up, signed and submitted by the coach/club advisor approving the scholarship and also signed by the Treasurer. At the middle school a section on the Payment Request form has been added to include transfers so the Treasurer will be able to sign off. Students names are added after the Student Treasurer signs.

TRANSPORTATION

We recommend that the District consider implementing the following items to further improve internal controls and operational efficiencies related to transportation:

1. Continue efforts with the transportation company to obtain sufficient documentation for each invoice. All bus routes, after being reconciled with the transportation company, should be entered or updated in Transfinder. The information from Transfinder then should be compared to the monthly transportation company invoice to ensure that they agree. This information could then be used to calculate the amount of fuel used; and matched to the invoice received from the fuel company to ensure that they are complete and accurate.

CORRECTION ACTION:

The District will continue to obtain the necessary information needed from the bus company to help reconcile the monthly transportation invoice. All routes will be entered into Transfinder and compared to the monthly invoices.

2. Establish procedures in the Business Office to agree pricing from the NYS contract to the fuel price charged by the vendor to ensure that the pricing is correct.

CORRECTIVE ACTION:

The District has already started this process and the transportation clerk will verify the pricing on the fuel ticket with the pricing on the NYSA contract and attach a copy of the NYS contract price to the invoice.

3. Develop procedures to obtain Board approval annually for the transportation contract, even if the District and the bus company agree to an extension of the transportation contract based on CPI increase. Additionally, the District should maintain a spreadsheet to calculate the CPI increase for each year from the original bid or RFP amount.

CORRECTIVE ACTION:

The Assistant Superintendent for Business will make sure the transportation contract is approved at the district's yearly re-organization meeting. The transportation clerk will keep of spreadsheet of the CPI increase each year moving forward.

4. Prepare a contract with the transportation software vendor (Transfinder) detailing the terms of the agreement including the costs, period of time and services covered and have the contract approved by the Board.

CORRECTION ACTION:

The transportation clerk will contact the transportation vendor, Transfinder, and request a contract to be approved by the Board of Education.

5. Review all students displayed in Transfinder that are receiving transportation services that exceed the mileage requirements per the District policy and any students that have a 0 recorded in the field calculating miles from home to the school they are attending. The transportation office should review these students to ensure that these students should be receiving transportation services. Additionally, appropriate documentation should be obtained from parents on an annual basis for any medical reason that a student requires transportation when they live less than the miles from the school they attend as allowed by the Board policy and this documentation should be filed in the transportation office.

CORRECTIVE ACTION:

The transportation clerk will review all students to ensure that no student that does not qualify for transportation is receiving transportation unless the transportation has been approved by the Superintendent because of medical or other reasons.