

Glen Cove City School District

Recommendations from the Risk Assessment Update Report dated April 3, 2019

RECOMMENDATIONS (NEW ITEMS)

Information Technology

Finding and Recommendation – Risk Assessment Update 2019

Administrative Passwords and Remote Users – We noted that Administrative Passwords have not been changed on a regular basis which potentially leaves the network vulnerable to attack. In addition, the District has not performed a review of remote users for several years.

1. We recommend the District change the Network Administration passwords on a regular basis and that a full review be performed of remote users.

CORRECTIVE ACTION:

The District's Coordinator of Information Technology has started to address the above recommendations and moving forward will ensure that all passwords are changed on a regular basis.

RECOMMENDATIONS (OPEN ITEMS)

Revenue and Cash Management

Recommendation – Risk Assessment Update 2017

Deputy Treasurer – We recommended that the District consider appointing a Deputy Treasurer to assist with the duties related to the treasurer role during the absence of the District Treasurer. This position would be beneficial when the District Treasurer is unavailable to perform their treasurer related tasks.

Risk Assessment Update – 2019

2. We understand that the District is considering hiring a full-time or part-time employee in the Business Office and would assign this person the role of Deputy Treasurer in addition to other financially related duties.

CORRECTIVE ACTION:

The District will look into posting for the Deputy Treasurer position during the 2019-2020 school year.

Recommendation – Agreed-Upon Procedures 2016 (December)

Accounts Receivable Module – Health Insurance – We recommended that the District develop procedures to ensure that all health insurance billings were entered into the Accounts Receivable (AR) module, to print and mail the monthly invoices to the enrollees. We suggested assigning the task of entering records into the AR module to the Benefits Clerk and enhancing operational efficiencies by eliminating the duplicate efforts of maintaining a separate Excel spreadsheet. In addition, we recommended that the District complete the review of the health insurance billings to ensure the completeness of the data in the AR module, which would improve the handling of health insurance accounts related to overdue balances.

Risk Assessment Update – 2018

We understood that the District planned to set up the AR module in the new version of the Finance Manager system (nVision) and would assign the AR duties to designated employees.

Risk Assessment Update – 2019

3. *The District has been using the AR module for retiree billings and is considering implementing procedures this July for employees whose net pay is not adequate to cover the employee costs of health insurance.*

CORRECTIVE ACTION:

The District has started the process of setting up the AR module for billing part time employees for their medical coverage instead of deducting the cost from their pay checks.

Recommendation – Agreed-Upon Procedures 2016 (December)

Funds Submitted by the School Programs – We recommended that the District establish procedures to ensure the completeness of receipts submitted by the schools to the Business Office by requiring the programs (adult education, driver’s education, Advanced Placement Exams, NYSSMA, field trips, etc.) to include the list of students to support the amount of funds. In the absence of a list, there was a risk that money was not collected from all students for the activity.

Risk Assessment Update – 2018

We understood that the District planned to establish procedures requiring the schools to submit a list of students in each of the programs to support the amount of funds submitted to the Business Office and the Accounts Receivable Clerk would verify that all students in the respective programs have paid their fees.

Risk Assessment Update – 2019

4. *We found that the Business Office communicated the requirement to include the list of students with the funds submitted to the Administration Office, but the schools still need to implement this recommendation. We understand that the Business Office is planning to hold off on these deposits until the respective school provides the student list.*

CORRECTIVE ACTION:

This requirement will be communicated once again to all the schools in the 2019-2020 school year. The Assistant Superintendent of Business will meet with the Principal and secretary in each school to make sure they are aware of this requirement. An email to all buildings has already gone out outlining the requirement that is to start in the 2019-2020 school year.

Payroll and Human Resources

Recommendation – Agreed-Upon Procedures 2017 (December)

Time Management System – We recommended that the District consider implementing a time management system (e.g., Timepiece) after the implementation of the new financial system (i.e., nVision). The installation of a biometric time management system would strengthen internal controls and enhance operational efficiencies related to recording, tracking and reporting employees’ time. A biometric system records the employees’ exact arrival and departure times, provides a vastly improved solution to the current timesheets and reduces potential errors resulting from manual processes. Although there were no found occurrences of abuse, a biometric time management system eliminates the common and potential abuse related to time entry (e.g., incorrectly entering time or the "buddy system" concern). The biometric system

would also enhance payroll processes by systematically calculating the overtime hours worked by employees to replace the current manual process.

Risk Assessment Update – 2019

5. *We found that the District is in the process of setting up the time management system (i.e., Timepiece). The technical work to establish the system is on-going and decisions will need to be made regarding implementation of the system amongst different groups of employees.*

CORRECTIVE ACTION:

The Assistant Superintendent for Business will be working with the IT department this summer to update the information in TIMEPIECE so that the district can start utilizing the module in the 2019-2020 school year.

Recommendation – Agreed-Upon Procedures 2017 (December)

Reconcile Substitute Timesheets to Attendance Records – We recommended that the District establish procedures at each school to reconcile the substitute timesheets to attendance records in the Absence Management system to ensure that the teacher absences are properly recorded. Additionally, all absences would be recorded in nVision, including time that the employee was absent due to a meeting, training, field trip or other school business.

Risk Assessment Update – 2019

6. *We note that the HR Department has established procedures to ensure that all absences are recorded in nVision including time that the employee was absent due to a meeting, training, field trip or other school business. We again recommend that the District establish procedures at each school to reconcile the substitute timesheets to attendance records in the Absence Management system to ensure that the teacher absences are properly recorded.*

CORRECTIVE ACTION:

The HR Department reviews each buildings attendance log and verifies it to the information entered into ASOP and then records the correct attendance information in NVision. The District is in the process of setting up TIMEPIECE and will be using this software to track attendance of substitute teachers, TA's , Monitors, clerical and custodial staff.

Recommendation – Agreed-Upon Procedures 2017 (December)

Assess the Operations of the HR Department – We recommended that the District assess the operations of the HR Department given the absence of an administrator in this function.

Risk Assessment Update – 2019

7. *We found that the District has decided to fill the position with an Executive Director of HR. We found that the initial attempt to find an acceptable candidate was unsuccessful, so the District plans to canvass for this position again.*

CORRECTIVE ACTION:

The district did go out a second time to try to fill the position of Executive Director of HR and was not successful. The Superintendent and the Assistant Superintendent for Business will continue to oversee the HR department until the position is filled.

Recommendation – Agreed-Upon Procedures 2017 (December)

User Accounts – Inactive Timely – We recommended that the District establish procedures to ensure that the user accounts in the District network, PowerSchool and nVision are inactivated timely based on employee changes.

Risk Assessment Update – 2019

8. *We note that the District is in the process of installing an access management system called Tool Forever that will automate the enabling and disabling of user accounts from various applications.*

CORRECTIVE ACTION:

This access management system will be in place in the summer of 2019 and will be utilized during the 2019-2020 school year.

Recommendation – Agreed-Upon Procedures 2017 (December)

Acceptance Letters – Sign-Offs by Salaried Employees – We recommended that the District establish procedures to have the acceptance letter signed-off on by all salaried employees.

Risk Assessment Update – 2019

9. *We found that the District plans to address this recommendation after filling the HR Administrator position.*

CORRECTION ACTION:

The District still plans to address this recommendation when an Executive Director of HR is hired.

Recommendation – Risk Assessment Update 2014

Salary Letters – We recommended that the District consider generating salary letters on an annual basis, which lists the employee’s annual salary for the year along with the respective step, as well as level for teachers.

Risk Assessment Update – 2015-2016

We found that the District still needed to implement this recommendation.

Risk Assessment Update – 2017-2018

We noted that the HR Department developed procedures to provide salary letters to new employees during the hiring process and these letters had been signed by the employee then filed in their respective folder. We again recommended that the District consider generating salary letters on an annual basis.

Risk Assessment Update – 2019

10. *We note that the District plans to address this recommendation after filling the HR Administrator position.*

CORRECTIVE ACTION:

The District still plans to address this recommendation when an Executive Director of HR is hired.

Benefits

Recommendation – Agreed-Upon Procedures 2016 (December)

Written, Formal Procedures - Key Processes – We recommended that the District create written, formal procedures related to key processes performed in the benefits function including reconciling *Employee Change Forms* to the health insurance provider invoice, reconciling *Change In Payroll Deduction Forms* to the payroll deduction register, recording payments for retirees or employees on unpaid leaves of absence, etc.

Risk Assessment Update – 2018

We understood that the Assistant Superintendent for Business planned to work with the Benefits Clerk to develop written, formal procedures as recommended.

Risk Assessment Update – 2019

11. *We note that the District still needs to implement this recommendation.*

CORRECTIVE ACTION:

The Assistant Superintendent for Business has asked the Benefits Clerk to work on this requirement. This should be completed by the end of the next school year.

Recommendation – Agreed-Upon Procedures 2016 (December)

Assign Duties to the Benefits Clerk – We recommended that the District develop a plan to assign the following duties to the benefits clerk position, since these responsibilities are normally included within this role:

- a) Prepare the annual recalculation of cost allocation and submit the spreadsheet to the Payroll Supervisor for review.
- b) Calculate and include any changes in payroll deduction amounts due to coverage type changes or when an employee returns from an unpaid leave on the *Monthly Change Form* sent to the Payroll Department. The Payroll Supervisor should then review the calculations prior to entry into nVision.
- c) Perform monthly insurance reconciliations of the enrollee listing to the District's records. At least quarterly, this review should be a complete reconciliation of covered employees to payroll deduction registers.
- d) Track and enter billings in the Accounts Receivable module of nVision for health insurance contributions for retirees, part-time employees who do not have sufficient wages to cover the cost of health insurance, employees on unpaid leaves of absence, individuals on COBRA, etc.

Risk Assessment Update – 2018

We found that the District still needed to implement this recommendation.

Risk Assessment Update – 2019

12. *We note that the District still needs to implement this recommendation.*

CORRECTIVE ACTION:

At this time the District cannot address this recommendation but will implement these duties in the future

Recommendation – Agreed-Upon Procedures 2016 (December)

Utilize the Benefits Module – We recommended that the District utilize the Benefits module in nVision to record and track all employees and retirees enrolled in the health insurance plans. We

recommended developing procedures to reconcile the information on a periodic basis to the payroll deduction register and the health insurance invoice enrollee listing. Reconciling the invoice to the payroll deduction register and billings to retirees and COBRA enrollees would help ensure that coverage was provided to the appropriate individuals, and that the allocation of costs were accurate.

Risk Assessment Update – 2018

We understood that the District planned to set up the Benefits module in the new version of nVision and utilize the module to manage the enrollees in the health insurance plans.

Risk Assessment Update – 2019

13. *We note that the District still needs to implement this recommendation.*

CORRECTIVE ACTION:

The Assistant Superintendent for Business will work with the HR staff to set up the benefits information in the HR Module. The benefits clerk will then be responsible for reconciling the monthly invoice to the payroll deduction register for active employees and retirees.

Recommendation – Agreed-Upon Procedures 2016 (December)

Health Insurance Reconciliation – We recommended that the District establish procedures to reconcile the amount collected by NYBEAS to the amount that the District is billed for retiree health insurance from NYSHIP to ensure that the records agree.

Risk Assessment Update – 2018

We noted that the District established procedures to reconcile the NYSHIP invoice to the NYBEAS information. However, this task is performed by the Accounts Payable Clerk and should be assigned to the Benefits Clerk.

Risk Assessment Update – 2019

14. *We note that the District still needs to implement this recommendation.*

CORRECTIVE ACTION:

At this time the District cannot address this recommendation but will assign these duties to the Benefits Clerk in the future.

Grants and Special Education

Recommendation – Agreed-Upon Procedures 2016 (March)

Key Financial Processes – Written, Formal Procedures – We recommended that the District develop written, formal procedures for key financial processes of the Special Education Department (i.e., review of invoices, preparing contracts/purchase requisitions, budget preparation, grant filings, etc.).

Risk Assessment Update – 2017

We found that the Special Education Department began to develop written, formal procedures. However, these documented procedures needed to be expanded and the Special Education Department needed to develop additional written, formal procedures to document other key financial processes.

Risk Assessment Update – 2018

We understood that the Director of Special Education planned to work with staff to expand and develop additional written, formal procedures related to key financial processes.

Risk Assessment Update – 2019

15. *We note that the Director of Special Education still needs to develop the additional written, formal procedures.*

CORRECTION ACTION:

The Assistant Superintendent for Business will work with the Special Education Director to make sure these written formal procedures are completed by the end of the 2019-2020 school year.

Facilities and Capital Projects

Recommendation – Risk Assessment Update 2018

Staff Evaluations – We recommended that the District establish procedures to complete a formal annual performance evaluation of all the Facilities Department staff including the Director of Facilities.

Risk Assessment Update – 2019

16. *We note that the Assistant Superintendent for Business plans to complete a formal annual performance evaluation for the Director of Facilities starting this year and the Director of Facilities to complete the staff evaluations.*

CORRECTIVE ACTION:

The Assistant Superintendent for Business will complete an annual performance evaluation of the Director of Facilities by June 30, 2019.

Recommendation – Agreed-Upon Procedures 2016 (March)

Create Inventory List – We recommended that the Facilities Department create an inventory list of all items that fall under the District’s threshold dollar amount for tagging, to strengthen controls and improve safeguarding of District property that has a risk of potential theft (e.g., small equipment, tools and materials). We also recommended that the Facilities Department perform periodic physical inventories of all assets (i.e., tagged and non-tagged items) and document the results.

Risk Assessment Update – 2017

We noted that the Facilities Department provided the custodians, maintenance workers and grounds staff with spreadsheets and they were in the process of creating inventory lists. We understood that the Facilities Department planned to establish procedures to perform periodic physical inventories after receiving the spreadsheets.

Risk Assessment Update – 2018

We understood that the Director of Facilities planned to establish procedures to perform periodic physical inventories once the process of creating inventory lists are completed.

Risk Assessment Update – 2019

17. *We note that an initial inventory was created and the Facilities Department is working on finalizing and categorizing the assets into a usable list.*

CORRECTIVE ACTION:

The Assistant Superintendent for Business will ensure that the Director of Facilities finalizes this recommendation during the 2019-2020 school year.

Capital Assets

Recommendation – Risk Assessment Update 2014

Board Policy - Capital Assets – We recommended that the District consider revising the Board policy related to capital assets (*Accounting of Fixed Assets - #5621*) with regard to the annual inventory. An effective control over capital assets, as well as furniture and equipment, is a physical inventory. However, instead of performing an annual inventory of all capital assets, the District should consider rewording the Board policy to state that this needs to be done in some of the departments each year.

Risk Assessment Update – 2015-2017

We noted that the District had a complete physical inventory performed by a third party (AssetWORKS) during the fall of 2015 and the AssetMAXX database was updated based on the results of the inventory. We understood that the District planned to revise Board Policy #5621 – *Accounting of Fixed Assets* as recommended and considered increasing the capitalization threshold from \$1,000 to \$5,000. We recommended that the District reword the Board policy to state that a physical inventory needs to be done in some of the departments each year to replace the current language requiring a complete annual inventory. Over a three or four-year period, physical inventories should be performed for all departments. According to the New York State Office of the State Comptroller, as part of an inventory control system, the District should conduct a physical inventory of each department and the results of the inventory should be reconciled with the property records on file.

Risk Assessment Update – 2018

We found that the District had changed to a different third party provider (CBIZ) during the fall of 2017. CBIZ completed a district-wide inventory of all capital assets and the District was in the process of reconciling the results with the asset database. In addition, the District was considering revisions to the Board policy related to capital assets (*Accounting of Fixed Assets - #5621*) with regard to the annual inventory as recommended.

Risk Assessment Update – 2019

18. *We note that the District still needs to implement this recommendation.*

CORRECTIVE ACTION:

The Treasurer is responsible for tracking the Capital Assets of the District and will work on revising the Board policy – *Accounting of Fixed Assets-#5621* as recommended by the auditors.

Extraclassroom Activity Funds

Recommendation – Risk Assessment Update 2014

HS – School Store – We recommended that the HS School Store strengthen procedures by providing proper support related to the receipts submitted to the Central Treasurer and implementing inventory controls. We also recommended that the HS School Store submit and support the vending machine sales as part of the deposits submitted to the Central Treasurer.

Risk Assessment Update – 2015-2016

We understood that the HS was in the process of revising the School Store Receipt Form and recommended that the School Store implement our recommendations to strengthen the receipts and inventory procedures.

Risk Assessment Update – 2017

We noted that the HS School Store was using the revised School Store Receipt Form, but the club still needed to strengthen the receipts and inventory procedures. Since we were informed that the School Store sales consists mainly of numerous low-priced items, preparing lists of products sold and maintaining inventory would be manually intensive. We recommended using funds from the HS School Store account to purchase a point-of-sale system using bar code technology to strengthen the sales, receipts and inventory procedures. We note that there are available funds in the HS School Store club to afford this purchase (balance of \$8,109 at June 30, 2016).

Risk Assessment Update – 2018

We found that the District was in the process of obtaining pricing for point-of-sale systems and cash registers and planned to make a decision for the 2018-19 school year.

Risk Assessment Update – 2019

19. *We note that the District still needs to implement this recommendation.*

CORRECTIVE ACTION:

New cash registers were purchased for the 2018-19 school year; however the DECA advisor was new and hired in November 2018 so there was not enough time to implement a POS system. It is the intention of the DECA advisor to implement a POS system for the 2019-20 school year.

Information Technology

Recommendation – Risk Assessment Update 2014

Disaster Recovery, Backup Procedures and IT Maintenance – We recommended that the District improve the disaster recovery and maintenance of IT equipment as follows:

- a) Develop a formal disaster recovery plan and/or contingency plan and subsequently establish procedures to periodically test the plan to ensure its effectiveness.
- b) Create climate controlled environments for the server/network rooms.
- c) Consider setting up a generator at the HS to adequately protect and maintain IT equipment during power outages.

Risk Assessment Update – 2015-2016

We noted that the District contracted with Nassau BOCES for a service to provide additional bandwidth and improved the backup procedures as prerequisites for developing a formal disaster recovery plan. We understood that the District planned to address the recommended improvements during the 2016-17 year.

Risk Assessment Update – 2017

We found that the District improved the backup procedures by utilizing Barracuda, as noted previously, and there was functionality that would provide a minor source of disaster recovery until a formal plan was developed. We understood that the climate controlled environment and the generator were part of the Smart Schools Bond Act with the goal of implementation during the 2017-18 year.

Risk Assessment Update – 2018

We noted that the Assistant Superintendent for Curriculum, Instruction and Technology was working with the IT Department to develop a formal disaster recovery plan for the District.

Risk Assessment Update – 2019

20. *We found that the new Director of Instructional Technology has started working with Nassau BOCES to document and implement a Disaster Recovery Plan.*

CORRECTIVE ACTION:

The District's Coordinator of IT is working with Nassau BOCES, the goal is to have a Disaster Recovery Plan in place by the end of the 201-2020 school year.