

GLEN COVE CITY SCHOOL DISTRICT CORRECTIVE ACTION PLAN IN RESPONSE TO AUP REPORT 2016

SPECIAL EDUCATION-FINANCIAL OPERATIONS

Recommendations:

We recommend that the District consider implementing the following items to further improve internal controls and operational efficiencies related to the financial operations of the Department:

1. Prepare formal written procedures for key financial processes of the Department (i.e., review of invoices, preparing contracts/PO requisitions, budget preparation, grant filings, etc.)

CORRECTIVE ACTION:

- The Director for Special Education and or designee will monitor, review and verify the accuracy of special education services rendered in district and outside of the district this includes bill invoices, tuitions, residential maintenance fees, contracted services, evaluations in all programs.
- The Special Education Office will submit contracts and ensure BOE approval for each school, vendor or service contract prior to initiation of special education services.
- The Special Education Office will create a special education fiscal calendar to align with requested documentation and submission of special education data to the Business office to ensure timely fiscal state reporting.
- The Special Education Office will provide the Business office personnel with view access to the special education management system (IEP Direct).
- The Special Education Office will work in tandem with the Business office to ensure that special education service providers follow the proposal and RFP process to secure the best qualified provider, agency or personnel.
- The special education office will meet with the Business administrator or designee to discuss fiscal responsibilities, billing concerns, budgeting and data submission for state reporting on a quarterly basis.

2. Develop procedures to promptly notify the Payroll Department of staff changes from the Special Education Department to ensure that all salary budget code changes are updated timely in FM. As part of the annual roll-over process, have the Special Education Director review the list of staff being charged to the Special Education codes.

CORRECTIVE ACTION:

- The Director of Special Education and or designee will provide the Payroll department with monthly updates regarding the district special education staffing list to ensure appropriate budget coding.
- The Director of Special Education or designee will review the list of staff being charged to IDEA grant codes and will notify the Payroll department of immediate changes in staff assignments.

3. Implement processes to ensure that POs are created prior to the Department receiving goods or services to prevent instances of confirming POs. In the event of staff changes, we recommend that the Department seek assistance to handle key financial tasks during these transitions.

CORRECTIVE ACTION:

- Special education purchase orders will be created by clerical staff with prior written authorization of the Director of Special Education to ensure that purchased vendor items are allocated according to the approved IDEA grant.

- The Special Education Director or designee will monitor and track purchase order activities, including confirmation of purchased and delivered items to appropriate staff personnel/students.
 - The Director of Special Education will approve all special education office requisitions in Finance Manager
4. Improve the timeliness of preparing and filing the STAC Forms to ensure that the District meets the deadlines and allows adequate time to make any necessary amendments. We recommend that the Department complete the STAC Forms for the 2014-15 school year and file these with the NYSED as soon as possible. In addition, the Department should aim to prepare and file STAC Forms during the fall each year for the previous fiscal year end. Also, the Department should establish procedures that require the Director to review and approve all STAC Forms and AVLs for accuracy and completeness. The District should consider having the Principal Account Clerk in the Business Office also review the STAC Forms and AVLs.

CORRECTIVE ACTION

- The Director of Special Education and or designee will work with Management Advisory Group to ensure that the district accounts for all STAC eligible students. The Director of Special Education will train and notify Chairperson of STAC process to ensure that De/Certifications are made in a timely manner.
 - The Director of Special Education in tandem with clerical staff will monitor all school tuition invoices to determine any changes in student placement or special education services that would impact STAC filing.
 - The Director of Special Education will meet with clerical staff monthly to discuss best office financial practices.
 - The Director of Special Education will ensure that office clerical personnel are trained in STAC fiscal matters especially pertaining to memorandum updates and timelines (ex: webinars and workshops)
 - The Director of Special Education will submit quarterly STAC information and or reports to the Business office
5. Establish procedures to ensure that STAC Forms for students placed in out-of-district facilities, both private and public locations (i.e., other districts and BOCES), are properly filed when costs exceed the District's thresholds. We recommend that the Department print IEP Direct system-generated reports and compare the list of students placed to the STAC system to ensure completeness and accuracy.

CORRECTIVE ACTION:

- The Director of Special Education and or designee will work with Management Advisory Group to ensure that the district accounts for all STAC eligible students.
 - The Director of Special Education will train and notify Chairpersons of STAC process to ensure that De/Certifications are made in a timely manner for DOL/DOR students.
 - The Director of Special Education will monitor all school tuition invoices from out-of-district facilities, both private and public locations to ensure timely filing of students when costs exceed the District's thresholds
6. Develop procedures to perform a thorough review of all in-district students who may reach or exceed the District's high-cost aid threshold. This would include students receiving significant services (e.g., 6-1-1, 8-1-1, etc.) The STAC Clerk should prepare worksheets for these students with all appropriate costs clearly detailed then enter the STAC Forms into the NYSED website. We recommend that the worksheets should be reviewed by the Director and also consider the Principal Account Clerk. These documents should then be filed within the Department.

CORRECTIVE ACTION:

- The Special Education Office will compile worksheets for students in school programs that exceed the threshold (high cost) beginning in July of the school year and will review quarterly to assess any significant changes impacting STAC filing.
- The Special Education Office will monitor entering and exiting students to ensure accuracy of STAC filing.

7. Improve the recordkeeping process in the Department by maintaining a binder with all STAC Forms and AVLs that were prepared and filed for the District for each school year. The STAC Forms should include any backup documentation to be able to facilitate a review by and independent person.

CORRECTIVE ACTION:

- The Special Education Office will maintain an exhaustive binder for all STAC and AVL forms for the school year. The binder will be updated throughout the school year.

8. Review the placement of the students attending the facility that was not on the list of New York approved private schools. In the future, a memo should be written to explain the reason why any student is placed in a non-approved facility.

CORRECTIVE ACTION:

- The Special Education Director, Assistant Director and Chairpersons will ensure that regulatory (Part 200) procedures are followed to ensure student placement in a state approved special education program. Documented efforts and a detailed rationale will be kept on file for any non-approved facilities.
- Chairpersons will be trained on the application process to all out of district facilities (private/public , approved and non-approved)

FACILITIES

Recommendations:

We recommend that the District consider implementing the following items to further improve internal controls and operational efficiencies related to the financial operations of the Facilities Department:

1. 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 recommend that the Facilities Department perform periodic physical inventories of all assets (i.e., tagged and non-tagged items) and document the results.

CORRECTIVE ACTION:

The Director of Facilities will have Head Custodians create an inventory list of District property. The Maintenance Shop will have their workers sign out any tool that is needed and sign tool back in when returning. The Director of Facilities has requested all building to send him a list of materials and supplies on hand so that an inventory of all items can be maintained.

2. Develop procedures related to District vehicles by utilizing an Excel spreadsheet to improve the tracking and monitoring of the fuel usage (gasoline and diesel) of each District vehicle to ensure that there is no misappropriation of usage and that the miles per gallon is reasonable. We also recommend establishing a formal process to handle any excessive mileage or fuel usage that is identified.

CORRECTIVE ACTION:

The Director of Facilities will use the spreadsheet for tracking and monitoring fuel usage that was obtained from our Internal Auditors.

3. Prepare a list of authorized approvers and provide a copy to the Payroll Department, so the payroll clerks can verify that the timesheets are approved by the appropriate employees. We noted during our review, the Timesheet Form was amended to have the appropriate signature lines on the form.

CORRECTIVE ACTION:

The Secretary for the Director of Facilities will create a master sheet of signatures for the payroll department to use to verify signatures.

4. Improve the procedures related to purchasing and invoice review in the Facilities Department:
 - a) Include the bid or quote specifications that certified payroll is required when the vendors perform labor-related services (e.g., companies with employees who perform physical work) in compliance with DOL laws. These documents should be reviewed and agreed to the invoice. Additionally, these documents should be attached to the voucher packet and provided to the Claims Auditor for review.

CORRECTIVE ACTION:

The facilities secretary will state on the PO for labor related projects that no invoice will be paid without certified payroll/prevaling wage information.

- b) Ensure compliance with the District's purchasing policy that includes obtaining quotes as required and selecting the lowest responsible bidder. In the event that the Facilities Department does not select the lowest bidder, the reason should be clearly described on the PO.

CORRECTIVE ACTION:

This has been implemented by the Director of Facilities.

- c) Implement processes to ensure that POs are created prior to the Department ordering goods or services to prevent instances of confirming POs.

CORRECTIVE ACTION:

The Facilities Depart has been processing POs prior to ordering and will use open POs when possible to prevent confirming POs.

- d) Attach the signed packing slip to the signed receiving copy of the PO, if feasible, when submitting the paperwork to the Accounts Payable Department for processing the vendor payment. Additionally, if items are picked up by District employees from a vendor, a procedure should be setup for a second employee at the District to sign off that the items were delivered to the District.

CORRECTIVE ACTION:

The Facilities secretary is already attaching the packing slips (if available) to the receiving copy of the PO when submitting paperwork for payment. The Facilities Director will come up with a procedure to address the issue of insuring that an item picked up by a District employee is verified by another employee that the item was delivered to the District.

- e) Print the pricing information from the bids or state contracts, agree the amounts to the vendor invoices and indicate that this review was completed on the invoice. This printout should be included with the submission to the Business Office and available for the Claims Auditor's review.

CORRECTIVE ACTION:

The Secretary for the Director of facilities will attach the award letter when making purchases from the NCSBGA cooperative bid. When purchasing from other bids or contracts, she will obtain a copy of the bid or contract to attach to the PO.

- f) Invoices related to natural gas, oil etc. should be accompanied by the delivery ticket and pricing information that should be compared to the invoice to ensure accuracy. This documentation should also be available for the Claims Auditor's review.

CORRECTIVE ACTION:

Natural gas and electric invoices do not have delivery tickets. The District is currently on firm gas so oil deliveries have been eliminated.

- g) Develop procedures to document that a purchase was due to an emergency circumstance and include any supporting documentation.

CORRECTIVE ACTION:

This procedure has already been put in place.

- h) Establish procedures to document that a purchase was from a vendor that is a sole source and obtain a letter from the vendor stating such to validate this scenario.

CORRECTIVE ACTION:

The Facilities secretary will begin to get a letter from sole source vendors whenever the District makes a purchase.

- i) Document all PO increases on the PO Increase Form and have the form signed by the Purchasing Agent prior to entry into FM.

CORRECTIVE ACTION:

The facilities Department will use the PO increase form when any PO needs to be increased.

- j) Pricing related to bids, state contracts, etc. should be checked to the invoice to ensure that all prices are accurate. We also recommend that the bid or state contract pricing is attached, electronically if possible, to the PO to facilitate the review process.

CORRECTIVE ACTION:

The Secretary for the Director of facilities will **attach** the award letter when making purchases from the NCSBGA cooperative bid. When purchasing from other bids or contracts, she will obtain a copy of the bid or contract to attach to the PO.

5. Develop a standard hourly rate related to the use of facilities that includes either an average of the rate of the employees to be working or the highest rate of any possible employee to be working, plus social security taxes and all applicable retirement system costs.

CORRECTIVE ACTION:

The Director of Facilities has developed a standard hourly rate to be used to calculate use of facilities charge.

6. Establish procedures to enter a complete description into the work order system. There should be sufficient details for the Facilities Department staff to be able to complete the requested work without having to contact the requestor for additional information.

CORRECTIVE ACTION:

The District has started using SchoolDude software to enter and track work orders. This system provides detail description of the work order and provides the status of each work order and the technician assigned to the job.

CAPITAL PROJECTS

Recommendations:

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

1. Close out the 4 projects in the Supplemental Schedule by filing the FCR with the NYSED by June 2016.

CORRECTIVE ACTION:

The Assistant Superintendent for Business will close out three out of the four projects by June 30th. The open project (HS track) is in litigation.

2. Inquire with legal counsel to determine the status of the lawsuit related to the High School Track Lighting project and make efforts to resolve this matter to close out the project.

CORRECTIVE ACTION:

The Assistant Superintendent for Business will follow up with legal counsel in relation to the High School Track capital project.