



William Floyd Union Free School District

**Annual Risk Assessment Update
Pertaining to the Internal Controls
of District Operations**

June 2019

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

The Board of Education
William Floyd Union Free School District

We have performed the procedures enumerated below, which were agreed to by the William Floyd School District (the "District"), solely to assist the District. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have updated our June 2018 Risk Assessment by performing certain internal audit procedures pertaining to the time period starting July 1, 2018, through June 30, 2019. The updated Risk Assessment and related internal audit plan concentrates on the following key internal control areas:

- Governance and Planning
- Budget Development
- Accounting and Reporting
- Revenue and Cash Management
- Grants
- Payroll
- Human Resources
- Benefits
- Purchasing and Related Expenditures
- Facilities/Capital Projects
- Fixed Assets
- Food Service
- Extra classroom Activity Fund
- Information Systems
- Student Data Management
- Pupil Personnel Services
- Transportation
- Security and Safety
- Cyber Security

Our engagement is limited in scope and will be confined to our agreed-upon procedures. We will not be conducting an audit or review of the district's financial statements and therefore we will not express an opinion or any other form of assurance on them.

At the end of our engagement, we will present the results of applying the agreed-upon procedures in the form of our findings in a report. Our accountants' report should be used only for the intent of the original users of this report and will include a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. As such, using this report for anything other than the original intent of the agreed-upon procedures could mislead the readers. You must notify us immediately if the original users of the report change.

Very truly yours,

Nawrocki Smith LLP
July 10, 2019



William Floyd Union Free School District

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Risk Assessment Overview

This Risk Assessment report provides a presentation of our view of the school district's risk pertaining to its financial operations. It gives the District's administration the information necessary to help optimize its overall performance. The report identifies, expresses, and prioritizes the key program risks so that the District's administration can focus on those areas most critical to its success. This analysis is used to define the District's risk profile. It will provide an overview of the risks facing the District's operations.

In accordance with the laws of New York, 2005, Chapter 263, all school districts and BOCES were required to establish an internal audit function no later than July 1, 2006 and be in operation no later than December 31, 2006. This function should include, at a minimum, development of a risk assessment of district operations, including but not limited to:

- A review of financial policies, procedures and practices
- An annual review and update of such risk assessment
- Annual testing and evaluation of one or more areas of the District's internal controls
- Preparation of reports which analyze significant risk assessment findings
- Recommended changes for strengthening controls and reducing identified risk; and specifying time frames for implementation of such recommendations

Pursuant to Section 170.12 – Regulations of the Commissioner of Education – School District Financial Accountability, each school district must prepare a corrective action plan, approved by the Board of Education in response to findings to final reports issued by the internal auditor. This plan should include expected dates of implementation and should be filed with the New York State Education Department.

Internal Audit Objectives

The objectives of our engagement are as follows:

- Develop an understanding of the critical business processes of the District within each functional area
- Identify and qualify risks based on the understanding of the business processes and stated business rules
- Identify stated controls that are currently in place to address those risks and ascertain if they are operating effectively
- Recommend improvements in internal controls

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Scope and Methodology

The Board of Education has engaged Nawrocki Smith as the District's internal auditor. In compliance with New York State Laws, we have performed an annual update to the District risk assessment with respect to policies, procedures, and internal controls pertaining to District operations. The procedures applicable to the annual update of the District's risk assessment were performed during the twelve months ending June 2019 and were carried out in order to determine an internal audit plan for fiscal year 2019/2020 and thereafter. This risk assessment will be updated annually to reflect any changes in the current control environment and the existing internal audit plan.

Our risk assessment consisted of the following methodology:

- Perform interviews of Administration and other appropriate personnel
- Document procedures within key Functional Areas
- Identify key controls and perform audit tests of those controls
- Assess effectiveness of the key controls
- Identification and review of organization structure
- Analysis of risks that are a threat to the achievement of objectives
- Create a risk profile and internal audit plan

In addition to the above procedures, we have also evaluated and considered the following within our overall risk assessment:

- District policies and procedures
- A recent focus of State Comptroller Audits
- Board of Education/Audit Committee Meetings
- Materiality to Financial Statements
- Changes in management or key personnel
- Financial reports provided to the Board
- External auditor management letters
- District corrective action plans
- The organizational chart and job descriptions

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Internal Audit Risk Assessment Update Summary

We have analyzed nineteen (19) Business Process areas within the District and have developed an internal audit plan based upon our assessment of each area. Each of the nineteen (19) Business Processes contains multiple categories for which an extensive cycle analysis will be performed during the proposed time period noted within the risk rating and internal audit plan. The plan as presented will be revised each year based upon the annual risk assessment update and events/requests that occur during the year which impacts the priority of future internal audit services.

The results of our update risk assessment are summarized below and, in the tables, presented on pages 5 through 6. We have utilized a “Low,” “Moderate,” and “High” control risk rating assessment scale in our assessment of the District which is summarized below:

#	Business Process	<u>Current Year Ratings</u>				<u>Recommendation(s)</u>	<u>Changes From Prior Year</u>	
		<u>Ratings</u>	<u>Low</u>	<u>Moderate</u>	<u>High</u>		<u>Total</u>	<u>Category (*)</u>
1	Governance & Planning	2	-	-	2	-	“High” to “Low”	- 0.00%
2	Budget Development	2	-	-	2	-	“High” to “Moderate”	- 0.00%
3	Accounting and Reporting	3	-	-	3	-	“Moderate” to “Low”	6 100.00%
4	Revenue & Cash Management	12	-	-	12	-	“Low” to “Moderate”	- 0.00%
5	Grants	5	-	-	5	-	“Moderate” to “High”	- 0.00%
6	Payroll	5	-	-	5	-	Total	6 100.00%
7	Human Resources	3	1	-	4	-		
8	Benefits	5	-	-	5	-		
9	Purchasing & Related Expenditur	5	-	-	5	9		
10	Facilities/Capital Projects	4	-	-	4	-		
11	Fixed Assets	3	-	-	3	-		
12	Food Services	5	-	-	5	-		
13	Extracurricular Activity	4	-	-	4	-		
14	Information Systems	5	1	-	6	-		
15	Cyber Security	3	1	-	4	-		
16	Student Data Management	3	-	-	3	-		
17	Pupil Personnel Services	4	-	-	4	-		
18	Transportation	5	-	-	5	-		
19	Safety & Security	4	-	-	4	-		
	Total	82	3	-	85	9		
	<i>% of Total</i>	<i>96.47%</i>	<i>3.53%</i>	<i>0.00%</i>	<i>100.00%</i>			

(*) Refer to pages 5 through 6 for business process rating changes.

- The status of the District’s action on the ten (10) prior year risk assessment report recommendations is as follows:

	<u>Complete</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
Recommendations	1	8	1	10

We have summarized below our work plan as a result of this risk assessment:

<u>Cycle Reviews:</u>	<u>Other 2019/2020 Planned Internal Audit Services:</u>	
<ul style="list-style-type: none"> Teacher Credentialing Transportation 	<ul style="list-style-type: none"> Key Control/Other Testing (See “T” categories on Pages 5-6) External Audit Corrective Action Plan Monitoring Quarterly Internal Audit Status Reports 	<ul style="list-style-type: none"> Purchasing Cycle Recommendations Follow-Up Annual Risk Assessment Update as of June 2020 Other Internal Audit Services at the Request of the District/BOE

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Risk Rating and Internal Audit Plan

√ = Internal Audit Services Provided
★ = Business Cycle Review Complete

X = Proposed Business Cycle Review
T = Limited Testing of Business Process

	Business Process	Business Process Categories	Inherent	RISK			YEAR OF SERVICE		
				Control		Change from PY	Prior Years	19-20	Subsequent
				17-18	18-19				
1	Governance and Planning	1 Governance Environment	H	L	L	—			X
		2 Control Environment / Policies & Procedures	H	L	L	—	√		X
2	Budget Development	3 Budget Development	H	L	L	—			X
		4 Budget Monitoring & Reporting	H	L	L	—	√		X
3	Accounting & Reporting	5 Financial Accounting and Reporting	H	L	L	—	√		X
		6 External/Internal/Claims Auditing	H	L	L	—	√		X
		7 Fund Balance Management	H	L	L	—	√		X
4	Revenue and Cash Management	8 Real Property Tax	M	L	L	—	★		
		9 State Aid	H	L	L	—	★		
		10 Out of District Tuition/Reimbursable Exp.	M	L	L	—	★		
		11 Use of Facilities	L	L	L	—	★		
		12 Donations	M	L	L	—	★		
		13 Vending Machines	H	L	L	—	★		
		14 Cash Receipts	H	L	L	—	★		
		15 Cash & Investment Management	H	L	L	—	★		
		16 Petty Cash	L	L	L	—	★		
		17 Bank Reconciliations	H	L	L	—	★	T	
18 Online Banking	H	L	L	—	★				
19 Accounts Receivable	H	L	L	—	★				
5	Grants	20 General Processing	H	L	L	—	★		
		21 Grant Application	M	L	L	—	★		
		22 Allowable Costs & Expenditures	H	L	L	—	★		
		23 Monitoring	M	L	L	—	★		
		24 Reporting	H	L	L	—	★		
6	Payroll	25 Payroll Disbursements	H	L	L	—	★		
		26 Overtime Reporting	H	L	L	—	★		
		27 Payroll Accounting & Reporting	H	L	L	—	★		
		28 Payroll Tax Filings	H	L	L	—	★		
		29 Payroll Reconciliation	H	L	L	—	★		
7	Human Resources	30 Employment Requisition/Hiring	H	L	L	—	★	X	
		31 Personnel Evaluation	H	L	L	—	★		
		32 Termination	H	L	L	—	★		
		33 Employee Attendance	H	M	M	—	★		
8	Benefits	34 Eligibility	H	L	L	—	★		
		35 Benefit Calculations	H	L	L	—	★		
		36 Patient Protection and Affordable Care Act	H	L	L	—	★		
		37 Retiree Benefits	H	L	L	—	★	T	
		38 ERS/TRS	H	L	L	—	★		X
9	Purchasing and Related Expenditures	39 PO System & Vendor Database	H	L	L	—	★		
		40 Purchasing Process	H	L	L	—	★		
		41 Payment Processing	H	L	L	—	★		
		42 Employee Reimbursements	H	L	L	—	★		
		43 Credit Cards	H	L	L	—	★		

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Risk Rating and Internal Audit Plan

√ = Internal Audit Services Provided	X = Proposed Business Cycle Review
★ = Business Cycle Review Complete	T = Limited Testing of Business Process

Business Process	Business Process Categories	Inherent	RISK				YEAR OF SERVICE		
			Control		Change from PY	Prior Years	18-19	Subsequent	
			17-18	18-19					
10 Facilities/Capital Projects	44 Facilities Maintenance & Work order Process	H	M	L	▼	★			
	45 Construction Planning & Monitoring	M	L	L	—	★			
	46 Capital Project Funding & Payments	M	L	L	—	★			
	47 Recordkeeping & Reporting	M	L	L	—	★			
11 Fixed Assets	48 Inventory/ Capitalization Policy	H	L	L	—	★			
	49 Acquisition and Disposal	H	L	L	—	★			
	50 Inventory Process & Recordkeeping	H	M	L	▼	★			
12 Food Service	51 Sales Cycle and System	M	L	L	—	★	T		
	52 Inventory and Purchasing	M	L	L	—	★			
	53 Free & Reduced Meals	M	L	L	—	★			
	54 Federal and State Reimbursement	H	L	L	—	★			
	55 Financial Reporting & Monitoring	H	L	L	—	★			
13 Extraclassroom Activity Fund	56 General Controls	H	L	L	—	★			
	57 Revenue	H	L	L	—	★			
	58 Expenditures	M	L	L	—	✓		X	
	59 Reporting	M	L	L	—	✓		X	
14 Information System	60 Governance	H	M	L	▼	★			
	61 Inventory	H	M	L	▼	★			
	62 Network Security	H	L	L	—	★			
	63 Application Security	H	M	L	▼	★			
	64 Physical Security	H	M	M	—	★			
	65 Disaster Recovery	H	M	L	▼	★			
15 Cyber Security	66 General Controls	H	L	L	—			X	
	67 Information & Asset Security	H	L	L	—			X	
	68 Vulnerability Assessment	H	M	M	—			X	
	69 Incident Response & Recovery	H	L	L	—			X	
16 Student Data Management	70 Registration & Enrolment	H	L	L	—	✓			
	71 Student Attendance	H	L	L	—		T		
	72 Student Performance	H	L	L	—	★			
17 Pupil Personnel Services	73 Budgeting and Planning	H	L	L	—	★			
	74 STAC Reimbursement	H	L	L	—	★			
	75 Medicaid Reimbursement	H	L	L	—	★	T		
	76 RFP and Contracts	H	L	L	—	★			
18 Transportation	77 Fleet Inventory and Maintenance	H	L	L	—			X	
	78 Bus Routing and Planning	H	L	L	—			X	
	79 Labor and Supervision	H	L	L	—	✓		X	
	80 Contract Management	H	L	L	—			X	
	81 Federal and State Reimbursement	H	L	L	—	✓		X	
19 Safety & Security	82 Plan Development & Strategy	H	L	L	—	✓		X	
	83 Building Access & Security System	H	L	L	—		T	X	
	84 Compliance and Incident Reporting	H	L	L	—	✓		X	
	85 Safety & Security Monitoring	H	L	L	—			X	

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Inherent Risk - Inherent risk pertains to the overall school district industry. Inherent risk is the risk of a material misstatement may occur assuming the absence of internal controls.

Control Risk - Control risk pertains specifically to the William Floyd School District. Control risk is the risk that a material misstatement will not be detected and corrected by Management's internal controls on a timely basis.

Risk Assessment Observations and Recommendations

Current Year Observations and Recommendations

Purchasing & Related Expenditures

1. Based upon our analysis of the user permissions within the requisition module of nVision we noted that in addition to the Purchasing Agent, BOCES and the Accounts Payable Clerk had access to convert requisitions to purchase orders. It should be noted that BOCES has full access to the District's nVision software for backup and training purposes.
 - *The District should consider removing the permissions to convert requisitions to purchase orders from the Accounts Payable Clerk limit such access to the Purchasing Agent and Deputy Purchasing Agent. This will prevent the Accounts Payable Clerk from generating purchase orders and will ensure the segregation of duties in the purchasing and accounts payable functions.*
2. The District's Claims Auditor report includes identified instances of confirming purchase orders. The practice of issuing confirming purchase orders bypasses the encumbrance process and does not permit the Purchasing Agent to consolidate orders or obtain the lowest possible prices in an effort to minimize costs. Additionally, confirming purchase orders represent that an employee has committed District funds without proper approval.
 - *All purchases should be subject to the encumbrance process and be created and approved by the Purchasing Agent. Confirming purchases should be supported by a memorandum or letter justifying the circumstances and need to issue a confirming purchase order.*
3. The requestor is required to document the receipt of goods and services by signing off on the receiving copy of the purchase order and/or the invoice. Additionally, the packing slip and/or receiving purchase order copy, where applicable, is forwarded to the Business Office to support the delivery of goods purchased. It was represented that the Secretaries at the building level who receive purchased goods do not have access to nVision to document the receiving items directly in the system.
 - *The District should consider the cost-benefit options of having the building level Secretaries utilizing the nVision receiving module to document the goods received directly in the system. This will assist the Business Office in confirming efficiently the receipt of goods and making accurate and timely payments.*

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4. The District has not established controls of stamping paid invoices to avoid duplicate payments.
 - *The District should cancel with a “paid” stamp an invoice upon payment. This control will assist in the prevention of making duplicate payments.*
5. The Accounts Payable Clerk has the ability to prepare the payment process, set up payments, and print checks in nVision by utilizing the District’s Treasurer’s signature disk on a pre-numbered check stock which creates a segregation of duties risk. The Business Office maintains a log of the usage of the District Treasurer’s signature disk whereby the Accounts Payable Clerk indicates the date, time, funds, and applicable check sequences. It was represented that the District Treasurer does not utilize a signature disk to print checks but reviews the check log for any discrepancies or gaps in the check sequences.
 - *The District should limit the check signing authority to the District Treasurer. It is also recommended that the District consider appointing a Deputy District Treasurer separate from the Accounts Payable Clerk to sign checks in the absence of the District Treasurer. Segregating check preparation and check signing from the preparation and approval of claims prevents an employee from making improper purchases, approving them for payment, and then preparing the check to pay for such purchases without being detected.*
6. Blank check stock is not secured in a locked cabinet or safe.
 - *The District should keep blank checks and check stock secure at all times. Securing blank checks and check stock in a locked environment helps prevent their misuse.*
7. For the 2017/2018 year, the Claims Auditor drafted and submitted two (2) audit reports to the District for the period of July 2017 through March 2018 and April 2018 through September 2018 respectively. We observed that the Claims Audit Reports presented information on the number and types of inquiries reported, the total number of claims audited, and the resolutions for any inquiries. No significant findings were disclosed in these reports. It was noted however that the claims audit reports were not formally approved by the Board of Education.
 - *The Claims Auditor is appointed by the Board of Education and is responsible for reporting to the Board of Education any findings or concerns that they may have. It is recommended that the Claims Auditor formally report to the Board of Education on a periodic basis and that their reports be formally approved by the Board of Education. Review and acceptance of the Claims Auditor Reports should be documented in the Board of Education meeting minutes. This will provide proof of receipt and review by the Board of Education.*
8. The District has not established a process to review the “Vendor Name Change Report” from nVision.
 - *The District should explore the application capabilities in nVision for generating automatic vendor edit reports pertaining to vendor name changes. The Purchasing Agent should review and sign off on the above reports on a monthly basis. This control will assist in ensuring the accuracy and completeness of the vendor database and applicable payments.*
9. User access to the accounting system (nVision) should be reasonable and compatible with each employee’s position. The nVision user permissions listing was obtained and an analysis was performed in order to determine if each employee’s permissions were reasonable and compatible with their position. Based on our analysis, we noted the following:

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- The Assistant Superintendent for Secondary Education has access in nVision to generate computer and manual checks, process and setup payments, and print checks.
 - The Accounts Payable Clerk, former and current Purchasing Agents, Payroll Manager, and Senior Account Clerks have access to print checks.
 - The former and current Purchasing Agents have access to generate computer and manual checks, setup and process payments, and void and reissue checks.
- *The user permissions of the Assistant Superintendent for Secondary Education should be limited to view only access. The user permissions to print and reissue checks should be limited to the District Treasurer. The user permissions of the Purchasing Agent should be limited to the requisition and purchasing modules of nVision. The Business Office should periodically review the permissions user account report and verify the appropriateness of user accounts and permissions on an individual employee basis. This recommendation will assist the Business Office in increasing its oversight and controls over its access to the District’s accounting system.*

Status of Prior Year Recommendations

We have performed follow-up internal audit services applicable to our previously issued risk assessment update report dated June 2018. The services we performed included observing and evaluating the implementation status of the District’s action plan with respect to our prior risk assessment recommendations. The June 2018 risk assessment update identified ten (10) recommendations within five (5) distinct areas. The District has completed or taken action on the ten (10) recommendations as follows:

<u>Business Process</u>	<u>Complete</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
Human Resources	-	6	-	6
Purchasing & Related Expenditures	-	-	1	1
Facilities and Capital Projects	-	1	-	1
Fixed Assets	1	-	-	1
Cybersecurity	-	1	-	1
Total	1	8	1	10

Human Resources

- The District and the support vendor for Timepiece should explore the software capabilities to generate the above audit log to ensure that the approval process is not circumvented by unauthorized users.

Status at June 2019: In-Process

- The Human Resource Department should review the detail within the internal audit report and confirm the reasons surrounding the discrepancy between the active employees that were listed in the nVision Employee Personnel Report but did not utilize Timepiece.

Status at June 2019: In- Process

- The District and the support vendor for Timepiece should establish controls whereby manual overrides in attendance are conducted only for employees that attempted to punch in/out but an error occurred during the data entry process and a reasonable explanation is provided to their direct Building Level Supervisor.

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Status at June 2019: In- Process

- The District and the support vendor for Timepiece should explore the software capabilities to limit the exception reporting to the employees who do not fulfill their work schedule and to the employees whose schedule need to be adjusted to reflect their actual working hours.

Status at June 2019: In- Process

- The District and the support vendor for Timepiece should establish controls whereby a user cannot add attendance for employees that did not attempt to punch in/out.

Status at June 2019: In- Process

- All employees should obtain pre-approval from their building level supervisors for vacation, personal business, maternity, bereavement, military, jury duty, extended sick, and conference leave days. The Human Resource Department should continue reviewing the leave forms received to ensure that the proper approval has been acquired. Any incomplete absence forms should be forwarded back to the employee's immediate supervisor for approval.

Status at June 2019: In- Process

Purchasing & Related Expenditures

- The Business Office should consider the cost-benefit options of making payments for utility bills electronically through the ACH (Automated Clearing House Network) debit transfers to vendors' bank accounts. Application controls should be established to prevent the unauthorized execution of ACH payments.

Status at June 2019: Not Started

Facilities and Capital Projects

- The Facilities Department should consider providing training to users of the work order system in respect to initiating and monitoring repair and maintenance requests, scheduling orders, preventative maintenance, managing help desk, and time efforts and priorities. This will ensure that work orders are resolved in a timely manner and enhance the oversight of the facilities maintenance function.

Status at June 2019: In- Process

Fixed Assets

- All fixed assets should be recorded in the District's property ledger at the purchase price as indicated on the applicable invoice. The District should designate an additional employee to review the accuracy of the fixed asset data entry within the inventory schedule. The review function should be conducted on a monthly or quarterly basis by reconciling the information reported on the warrant reports and applicable invoices to the information reported on the inventory schedule. Any duplicate entries or other discrepancies should be investigated and communicated to the Assistant Superintendent for Business.

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The District should assign an employee separate from the Business Office and the Facilities Department to conduct periodic walk-through observations and verify whether the fixed assets are properly affixed to the equipment. The observation function should be conducted on an annual basis during the month of March and the results should be documented and communicated to the Assistant Superintendent for Business. Any exceptions should be investigated, and corrective action should be implemented in a timely manner.

Status at June 2019: Complete

Cybersecurity

- The District should develop and provide periodic cybersecurity awareness training for all employees including new hires, Information Technology Department, and job positions that handle PII. The training should explain the proper rules of behavior for using information technology systems, the insider type of threats from a cyber security perspective, and the implications of a cyber security breach. The training should also include guidance on the use of social media, Bring Your Own Device (“BYOD”), and how to respond to a phishing or ransomware attacks.

Status at June 2019: In-Process

Exhibits

Exhibit I History of Internal Audit Reports Issued

Exhibit II Internal Audit Plan for 2019/2020



**William Floyd School District
History of Internal Audit Reports Issued from July 2007 through June 2019
Exhibit I**

<u>REPORT</u>	<u>07/08</u>	<u>08/09</u>	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>
<u>CYCLE REVIEWS</u>												
Governance & Planning	-	-	-	-	-	-	-	-	-	-	-	-
Budget Development	-	-	-	-	-	-	-	-	-	-	-	-
Accounting and Reporting	-	-	-	-	-	-	-	-	-	-	-	-
Revenue & Cash Management	-	-	-	-	-	-	-	-	√	-	-	-
Grants - ARRA Funds Review	-	-	-	√	-	-	-	-	-	-	-	-
Payroll	√	√	-	-	-	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	√	-	-	-	-	-	-
Human Resources - Employee Attendance	-	-	-	-	-	-	-	√	-	-	√	-
Benefits	-	-	-	-	√	-	-	-	-	-	-	-
Purchasing & Related Expenditures	-	-	-	-	-	-	-	-	-	-	-	√
Facilities/Capital Projects	-	-	-	√	-	-	-	-	-	-	-	-
Fixed Assets	-	√	-	-	-	-	-	-	-	-	-	-
Food Services	-	-	-	√	-	-	-	-	-	-	-	-
Extraclassroom Activity	-	√	-	-	-	-	-	-	-	-	-	-
Information Systems	-	-	-	-	-	-	-	-	-	-	-	-
Information Systems - Data Security	-	-	-	-	-	-	√	-	-	-	-	-
Information Systems - Fixed Assets	-	-	-	-	√	-	-	-	-	-	-	-
Information Systems - Student Data, Social Media, Email Security	-	-	-	-	-	-	-	-	-	√	-	-
Cyber Security	-	-	-	-	-	-	-	-	-	-	-	-
Student Data Management	-	-	-	-	-	-	-	-	-	-	-	-
Pupil Personnel Services	-	-	√	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Safety & Security	-	-	-	-	-	-	-	-	-	-	-	-
<u>KEY CONTROL TESTING</u>												
Bank Reconciliations & Treasurer's Reports	√	√	√	√	√	-	√	-	-	-	-	-
Benefit Calculations	-	-	-	-	-	-	-	-	-	√	-	-
Budget Monitoring & Reporting	-	-	-	-	-	-	-	-	√	-	-	-
Budget Transfers	√	√	√	√	√	-	-	-	-	-	-	√
Credit Cards	-	-	-	-	-	-	-	√	-	-	-	-
District Safe Audit	-	√	-	√	-	-	-	-	-	-	-	-
Donations	-	√	√	√	-	√	-	-	-	-	-	-
Employee Attendance	-	-	√	√	-	-	-	-	-	-	-	-
Employee Hiring	-	-	-	√	-	-	-	-	-	-	-	-
Employee Requisition	-	-	-	√	-	-	-	-	√	-	-	-
Employee Termination	-	-	-	√	-	-	-	-	-	-	-	-
Extraclassroom - Cash Receipts	√	√	√	√	√	-	√	-	-	-	-	-
Extraclassroom - Cash Receipts/Expenditures	-	-	-	-	√	-	√	-	-	-	-	-
Facilities Maintenance	-	-	-	-	-	-	-	√	-	-	√	-
Fixed Asset Acquisition & Disposal	-	-	√	-	√	-	-	-	-	-	-	-



William Floyd School District
History of Internal Audit Reports Issued from July 2007 through June 2019
Exhibit I

<u>REPORT</u>	<u>07/08</u>	<u>08/09</u>	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>	<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>
Fixed Asset Inventory	-	-	√	-	√	-	√	-	-	-	√	-
Food Service Eligibility Verification	-	-	-	-	-	-	-	-	-	-	√	-
Food Service Inventory	-	-	-	-	-	-	-	-	√	-	-	-
Fund Balance	-	-	-	-	√	-	-	-	-	-	-	-
Grant Applications	-	-	-	-	-	-	-	√	-	-	-	-
Investment Management	-	-	-	√	-	-	-	-	-	-	-	-
IT - Financial Application/Audit Trail Review	-	-	-	-	√	-	-	-	-	-	-	-
IT - Financial Application/Permissions	-	-	-	-	√	-	-	-	-	-	-	-
Journal Entries	√	√	√	√	√	-	-	-	√	-	-	-
Medicaid Reimbursement	-	-	-	-	-	-	-	-	-	√	-	-
Out of District Tuition	-	-	-	√	-	-	-	-	-	-	-	-
Patient Protection & Affordable Care Act	-	-	-	-	-	-	-	-	√	-	-	-
Payroll Disbursement Testing - Contractual	-	-	√	√	-	√	-	-	-	√	-	-
Payroll Disbursement Testing - Hourly Employees	-	-	√	√	-	√	-	-	-	-	-	-
Payroll Overtime	-	-	-	-	-	-	-	-	-	-	-	√
Petty Cash Testing	-	-	√	√	-	-	-	-	-	-	-	-
PPS - RFP and Contracts	-	-	√	-	-	-	-	-	-	-	-	-
PPS - STAC Reimbursement	-	-	-	-	-	-	-	-	√	-	-	-
Purchasing Process	-	-	-	-	-	-	-	√	-	-	-	-
Safety and Security Plan Development	-	-	-	-	-	-	√	-	-	-	-	-
Student Data Management - Registration	-	-	-	-	-	-	-	-	-	-	√	-
Transportation Aid	-	-	-	-	-	-	-	-	-	√	-	-
Transportation Labor and Supervision	-	-	-	-	-	-	√	-	-	-	-	-
Use of Facilities	-	-	-	-	-	√	-	-	-	-	-	-
Vending Machines	-	-	-	-	√	-	-	-	-	-	-	-
<u>ADDITIONAL INTERNAL AUDIT SERVICES</u>												
Analysis of Facilities Clerk Duties	-	-	-	-	-	√	-	-	-	-	-	-
Benefits Cycle Recommendations Follow Up	-	-	-	-	-	-	√	-	-	-	-	-
BOCES Finance Manager Disaster Recovery Testing	-	-	-	-	√	√	-	√	-	-	-	-
Business Manual Procedures Review	-	-	-	-	√	√	-	-	-	-	-	-
Cell Phone Policy Analysis	-	-	-	-	-	-	-	-	-	√	-	-
Conflict of Interest/Related Party Disclosure	-	-	-	-	-	√	-	-	-	-	-	-
Corrective Action Plan - Comptroller's Report	-	-	√	√	-	-	-	-	-	-	-	-
Corrective Action Plan - External Auditors	√	√	√	√	√	√	√	√	√	√	√	√
Data Security Follow Up	-	-	-	-	-	-	-	√	-	-	-	-
ECAF - Club Review	-	-	√	-	-	-	-	-	-	-	-	-
ECAF - Kickoff Meeting	-	-	-	-	√	-	-	-	-	-	-	-
ECAF - Treasurer/Advisor Training	-	-	√	√	√	√	√	√	√	√	√	√
Employee Salary-Benefit Comparison	-	-	-	-	-	-	-	√	-	-	-	-
Employee Step Level Verification	-	√	-	-	-	-	-	-	-	-	-	-



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Employee/Vendor Comparative	-	-	-	-	√	-	-	-	-	-	-	-
Human Resources - Attendance Accrual Analysis	-	-	-	-	-	-	√	-	-	-	-	-
Human Resources Cycle Recommendations Follow Up	-	-	-	-	-	-	√	-	-	-	-	-
Island Group Administration Benefit Analysis	-	-	-	-	-	-	-	-	-	√	-	-
Payroll Duplicate Disbursement Analysis	-	-	-	-	-	-	-	√	-	-	-	-
Payroll Payout	-	-	√	-	-	-	-	-	-	-	-	-
Retirement Payout Analysis	-	√	√	√	√	√	√	√	√	√	√	√
Information Technology Cycle Recommendations Follow Up	-	-	-	-	-	-	-	-	-	-	√	-
Revenue and Cash Management Follow Up	-	-	-	-	-	-	-	-	-	√	-	-
Sports Camp	-	-	-	-	√	-	-	-	-	-	-	-
Sports Club - Extraclassroom Activities	-	-	-	-	√	-	-	-	-	-	-	-
State Audit - Payroll - Follow Up	-	-	-	-	-	-	-	-	-	√	-	-
Superintendent Attendance/Expense Reimbursement	-	-	-	-	-	√	√	-	-	-	-	-
Tax Benefit Research	-	-	-	-	√	-	-	-	-	-	-	-
Timesheet Review	-	-	-	-	-	-	-	-	-	√	-	-
Teacher Center	-	-	-	√	-	-	-	-	-	-	-	-
Vendor Database Analysis	-	√	-	-	-	-	-	-	-	-	-	-
Risk Assessment	√	√	√	√	√	√	√	√	√	√	√	√



William Floyd Union Free School District

2019/2020 INTERNAL AUDIT PLAN

(Based upon June 2019 Risk Assessment Update)

Exhibit II

Cycle Reviews

Status

- **Teacher Credentialing**
- **Transportation**

Complete
Fieldwork IP

Key Control Testing Areas

Status

- **Bank Reconciliations**
- **Retiree Benefits**
- **Food Service Sales Cycle & System**

Planned for Mar-20
Planned for Mar-20
Planned for Mar-20

Additional Internal Audit Services

Status

- **Annual Risk Assessment Update as of June 2019**
- **Analysis of Conflict of Interest**
- **Analysis of Fund Balances**
- **Analysis of Employee Appointment Forms**
- **Retirement and Severance Payout Monitoring**
- **External Audit Corrective Action Plan Monitoring**
- **Purchasing Cycle Recommendations Follow Up**
- **Quarterly Status Reports**
- **Annual Risk Assessment Update as of June 2020**
- **Other Internal Audit Services at the Request of the District**

Complete
Fieldwork IP
Fieldwork IP
Fieldwork IP
As Requested
Planned for Jul-20
Planned for Jul-20
Quarterly
Planned for Jul-20
As Requested

Tentative On-Site Internal Audit Schedule

TBD