



William Floyd Union Free School District

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

June 2018

**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 Union Free 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 2017 Risk Assessment by performing certain internal audit procedures pertaining to the time period starting July 1, 2017 through June 30, 2018. 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
- Extraclassroom 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
November 20, 2018



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 fiscal year ending June 2018 and were carried out in order to determine an internal audit plan for fiscal year 2018/2019 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
- 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
- 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 impact 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 of our risk assessment of the District, which is summarized as follows:

Current Year Ratings

<u>Rating</u>	<u>Count</u>
High	- 0.00%
Moderate	9 10.59%
Low	76 89.41%
Total	85 100.00%

Changes from Prior Year

<u>Category (*)</u>	<u>Count</u>
“High” to “Low”	- 0.00%
“High” to “Moderate”	- 0.00%
“Moderate” to “Low”	1 25.00%
“Low” to “Moderate”	3 75.00%
“Moderate” to “High”	- 0.00%
Total	4 100.00%

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

- The June 2018 risk assessment update contains ten (10) current year recommendations.
- The District has taken action on the fifteen (15) June 2017 risk assessment recommendations as follows:

<u>Status of Prior Year</u>	<u>Complete</u>	<u>In-Process</u>	<u>Not-Complete</u>	<u>Total</u>
# of Recommendations	4	10	1	15

We have summarized below our work plan for the 2018/2019 fiscal year:

Cycle Review:

- Purchasing, Related Expenditures & Vendor Database Analysis

Other 2018/2019 Planned Internal Audit Services:

- Key Control/Other Testing (See “T” categories on Pages 5-6)
- External Audit Corrective Action Plan Monitoring
- Employee Attendance Cycle Recommendations Follow Up
- Quarterly Internal Audit Status Reports
- Annual Risk Assessment Update as of June 2019
- 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	X = Proposed Business Cycle Review
★ = Business Cycle Review Complete	T = Limited Testing of Business Process

	Business	Business Process Categories	Inherent	RISK			YEAR OF SERVICE			
				Control		Change	Prior	18-19	19-20	Subsequent
				16-17	17-18					
1	Governance and Planning	Governance Environment	H	L	L	—			X	
		Control Environment / Policies & Procedures	H	L	L	—	√		X	
2	Budget Development	Budget Development	H	L	L	—			X	
		Budget Monitoring & Reporting	H	L	L	—	√	T	X	
3	Accounting & Reporting	Financial Accounting and Reporting	H	L	L	—	√		X	
		External/Internal/Claims Auditing	H	L	L	—	√		X	
		Fund Balance Management	H	L	L	—	√		X	
4	Revenue and Cash Management	Real Property Tax	M	L	L	—	★			
		State Aid	H	L	L	—	★			
		Out of District Tuition/Reimbursable Expenses	M	L	L	—	★			
		Use of Facilities	L	L	L	—	★			
		Donations	M	L	L	—	★			
		Vending Machines	H	L	L	—	★			
		Cash Receipts	H	L	L	—	★			
		Cash & Investment Management	H	L	L	—	★			
		Petty Cash	L	L	L	—	★			
		Bank Reconciliations	H	L	L	—	★			
		Online Banking	H	L	L	—	★			
Accounts Receivables	H	N/A	L	N/A						
5	Grants	General Processing/Monitoring	H	L	L	—	★			
		Grant Application	M	L	L	—	★			
		Allowable Costs & Expenditures	H	L	L	—	★			
		Cash Management	M	L	L	—	★			
		Reporting and Monitoring	H	L	L	—	★			
6	Payroll	Payroll Disbursements	H	L	L	—	★			
		Overtime Payments	H	L	L	—	★	T		
		Payroll Accounting & Reporting	H	L	L	—	★			
		Payroll Tax Filings	H	L	L	—	★			
		Payroll Reconciliation	H	L	L	—	★			
7	Human Resources	Employment Requisition/Hiring	H	L	L	—	★			
		Personnel Evaluation	H	L	L	—	★			
		Termination	H	L	L	—	★			
		Employee Attendance	H	L	M	▲	★			
8	Benefits	Eligibility	H	L	L	—	★			
		Benefit Calculations	H	L	L	—	★			
		Patient Protection and Affordable Care Act	H	L	L	—	★			
		Retiree Benefits	H	L	L	—	★			
		ERS/TRS System	H	N/A	L	N/A		T		
9	Purchasing and Related Expenditures	PO System & Vendor Database	H	L	L	—	★	X		
		Purchasing Process	H	L	L	—		X		
		Payment Processing	H	L	L	—	√	X		
		Employee Reimbursements	H	L	L	—		X		
		Credit Cards	H	L	L	—	√	X		

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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	Prior	17-18	18-19	Subsequent
				16-17	17-18					
10	Facilities/Capital Projects	Facilities Maintenance & Work Orders	H	L	M	▲	★			
		Construction Planning & Monitoring	M	L	L	—	★			
		Capital Project Funding & Payments	M	L	L	—	★			
		Recordkeeping & Reporting	M	L	L	—	★	T		
11	Fixed Assets	Inventory/ Capitalization Policy	H	L	L	—	★			
		Acquisition and Disposal	H	L	L	—	★			
		Inventory Process & Recordkeeping	H	L	M	▲	★			
12	Food Service	Sales Cycle and System	M	L	L	—	★			
		Inventory and Purchasing	M	L	L	—	★			
		Free & Reduced Meals	M	L	L	—	★			
		Federal and State Reimbursement	H	L	L	—	★			
		Financial Reporting & Monitoring	M	L	L	—	★			
13	Extraclassroom Activity Fund	General Controls	H	L	L	—	★	T		
		Revenue	H	L	L	—	★			
		Expenditures	M	L	L	—	√			
		Reporting	M	L	L	—	√			
14	Information System	Governance	H	M	M	—	★			
		Inventory	H	M	M	—	★			
		Network Security	H	L	L	—	★			
		Application Security	H	M	M	—	★			
		Physical Security	H	M	M	—	★			
		Disaster Recovery	H	M	M	—	★			
15	Student Data Management	Registration & Enrollment	H	L	L	—				
		Student Attendance	H	L	L	—				
		Student Performance	H	L	L	—	★			
16	Pupil Personnel Services	Budgeting and Planning	H	L	L	—	★			
		STAC Reimbursement	H	L	L	—	★			
		Medicaid Reimbursement	H	L	L	—	★			
		RFP and Contracts	H	L	L	—	★			
17	Transportation	Fleet Inventory and Maintenance	H	L	L	—				X
		Bus Routing and Planning	H	L	L	—				X
		Labor and Supervision	H	L	L	—	√			X
		Contract Management	H	L	L	—				X
		Federal and State Reimbursement	H	L	L	—				X
18	Safety & Security	Plan Development & Strategy	H	L	L	—	√			X
		Building Access & Security System	H	L	L	—		T		X
		Compliance and Incident Reporting	H	L	L	—	√			X
		Safety & Security Monitoring	H	L	L	—				X
19	Cyber Security	General Controls	H	N/A	L	N/A				X
		Information & Asset Security	H	N/A	L	N/A				X
		Vulnerability Assessment	H	N/A	M	N/A				X
		Incident Response & Recovery	H	N/A	L	N/A				X

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Inherent Risk - Inherent risk is the risk of a material misstatement in the un-audited information assuming the absence of internal controls procedures.

Control Risk - Control risk is the risk that a material misstatement in the un-audited information will not be detected and corrected by the management's internal control procedures on a timely basis.

Risk Assessment Observations and Recommendations

Current Year Observations and Recommendations

Human Resources

1. Although the approvals levels are properly designed, Timepiece, the District's employee attendance application, does not maintain an audit log by user and host computer to identify whether user names and passwords are shared between employees.
 - *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.*
2. It was represented that all District employees with the exception of Principals, Assistant Principals, and Substitute Employees are required to document their attendance within Timepiece. For the period of July 1, 2017 through October 13, 2017 we noted certain active employees that were listed in the Nvision Employee Personnel Report but did not utilize Timepiece.
 - *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.*
3. It was represented that manual overrides in attendance are performed by the Human Resource Clerk or District Accountant for employees who attempted to punch in/out but an error occurred during their entry process. However, for the period of July 1, 2017 through October 13, 2017 we noted several manual overrides in attendance for employees that did not attempt to punch in/out. We also noted that Timepiece does not have controls in place to prevent manual overrides for employees that did not attempt to punch in/out.
 - *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.*
4. Although Timepiece has the capability to identify the employees who arrive late and/or leave early based on their assigned schedules, the audit trail reported generated by Timepiece lists a significant number of exceptions for employees who arrive and leave early or arrive and leave late even when the employees fulfill their contractual daily work hours. For the period of July 1, 2017 through October 13, 2017 we noted certain employees appear to have not fulfilled their work schedules as Timepiece reports these individuals worked less than their contractual working hours. We have not performed any other procedures to verify if this reporting is accurate or if other circumstances exist which would in fact result in the individual(s) having fulfilled their work schedules.

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- *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.*
5. Timepiece has the capability to track users who added, deleted, or updated employee punches. For the period of July 1, 2017 through October 13, 2017 we noted that days were added to certain employees that did not attempt to punch in/out.
- *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.*
6. We noted that certain personal, professional, jury duty, and vacation days tested were approved subsequent to the requested leave days. We also noted one instance that the approval date was not documented on the leave request form.
- *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.*

Purchasing & Related Expenditures

7. Although the District utilizes nVision to print checks, the Business Office restricts the use of manual checks for the purposes of avoiding late payment charges from its utility bills from PSEG.
- *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.*

Facilities and Capital Projects

8. The Facilities Department is in need of an improved control process in the area of initiating and monitoring the status of work orders, preventive maintenance, and repair requests within the worker order system "HIPPO". We noted that the work order system contained duplicate entries and it did not identify the individuals requesting and/or completing each work order. Furthermore, the Facilities Department has not developed documented guidelines regarding the work order priorities and their required completion time.
- *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.*

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Fixed Assets

9. We conducted key control testing in the fixed asset inventory area and noted one asset that was purchased in November 2016 for \$8,495 was recorded twice on the property ledger. The original entry included the correct asset cost based on the original purchase order and invoice but had an asset tag number that we were unable, at this time, to determine its physical location. The duplicate entry did not include \$500 of the shipping cost and had a separate asset tag number that we were able to trace to its physical location. We also noted that certain fixed assets were not located in the location as stated in property ledger.

- *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.*

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.

Cybersecurity

10. The District has not developed training workshops on Cybersecurity or how to deal with related incidents.

- *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 use of social media, Bring Your Own Device ("BYOD"), and how to respond to a phishing or ransomware attacks.*

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Status of Prior Year Recommendations

We have performed follow-up internal audit services applicable to our previously issued risk assessment update report dated June 2017. The services we performed included observing and evaluating the implementation status of the District’s action plan in respect to our risk assessment recommendations. The June 2017 risk assessment update report identified fifteen (15) recommendations within four (2) distinct areas. The District has completed or taken action on the fifteen (15) recommendations as follows:

<u>Business Process</u>	<u>Complete</u>	<u>In-Process</u>	<u>Not- Complete</u>	<u>Total</u>
Information Systems	2	10	1	13
Student Data Management	2	-	-	2
Total	4	10	1	15

Information Systems

- The Information Technology Department should establish protocols to prevent building level Administrators and Clerical employees from saving data on their personal desktops or laptops. This will prevent any important information from being lost and prevents the user from saving personal or District sensitive documents on their work computer/laptop.

Status at June 2018: Not-Complete

- The District should develop documented guidelines and procedures regarding software and hardware acquisition, information technology inventory management, creating and modifying user accounts, data security, software security, network security, physical security, service continuity, student data management, social media accounts, and email security. The documented procedures should be reviewed and updated annually to maintain relevance and reflect regular changes in the information technology environment. The narratives attached to the internal audit report should serve as supplemental enclosures to the District’s documented procedures.

Status at June 2018: In-process

- The Information Technology Department should document the evaluation results of all software and hardware acquisitions to ensure that they are compatible with the District’s network. The evaluations results should also be attached to the applicable payment vouchers to support and validate the payment processing.

Status at June 2018: In-process

- The Information Technology Department should determine the necessity of the information technology equipment located at the District’s basement and distribute them to the appropriate staff members and classroom. The Business Office and the Information Technology Department should also assess whether similar or duplicate equipment have been purchased in the recent years. This will assist the District in strengthening its budgeting and purchasing controls over information technology equipment.

Status at June 2018: In-process

- The Information Technology Department (or qualified vendor) should conduct penetration tests to circumvent security features of a system and exploit vulnerabilities to gain unauthorized access. This is an effective way for the District to identify the real-time risks to a network security environment.

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Status at June 2018: In-process

- Server rooms and wire closets should have proper access and environmental controls. The District should install smoke detectors and fire suppression systems to all building level server rooms and wire closets to protect the information technology equipment from fire and environmental hazards.

Status at June 2018: In-process

- The Information Technology Department should limit the access to the building level server rooms and switches to authorized users to prevent unauthorized access to information, tampering with sensitive information, or theft. Furthermore, the Information Technology Department should develop an entrance log to the server rooms at the William Floyd High School and William Floyd Middle School indicating the individuals, date, entrance and exit. Documenting the entrance and exit of individuals separate from the Information Technology Department staff will increase the controls over monitoring the access to the District's network/server rooms. In addition, the District should consider deploying video cameras to monitor the site as well as alarms to increase security measures.

Status at June 2018: In-process

- The Information Technology Department should consider exploring the options of implementing an offsite location to back up the District's network data. The Information Technology Department should also develop documented procedures of how often and to what extent backups will be performed, how many backups will be maintained, and if backups will be incremental or complete. The Information Technology Department should maintain a list that describes each time a backup was performed and the type of backup that took place. A record of backups will help facilitate a restoration in the event that data is lost and allows a supervisor to ensure backups are being performed and maintained properly. Offsite backups are essential tools to ensure data is available in case the original data is destroyed or inaccessible.

Status at June 2018: In-process

- The District should consider including the following within its current disaster recovery plan:
 - Effective backup and recovery programs for books and records that encompass both hard copy and electronic data
 - Identification and backup of mission-critical systems
 - Assessment and consideration of financial and operational risks
 - Definition of alternative communication options between employees and the organization
 - Establishment of alternative physical locations for employees, with special attention initially to employees who staff the organization's immediate offsite information systems recovery team(s)
 - Impacts on critical constituents, external clients, government agencies and other relevant organizations in the event of a disruption of continual processing or service
 - Established authorization and access rights to copies of the disaster recovery plan distributed to users

The Information Technology Department should test the disaster recovery plan on an annual basis to ensure it works as intended and that users know their duties during a disaster. The testing results should be documented and formally communicated to the Superintendent of Schools.

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During the course of our audit, Nawrocki Smith provided the Information Technology Department with guidelines and a sample disaster recovery plan to assist the District in developing a comprehensive disaster recovery plan in case of an emergency (such as a flood or fire) to resume orderly operations as soon as possible.

Status at June 2018: In-process

- The District should establish formal training for employees and students to receive awareness communications regarding cybersecurity, phishing email, social engineering, protecting personally identifiable information, and social media guidelines and related risks. District employees should be scheduled to receive such training at regular intervals.

Status at June 2018: In-process

- Email disclaimers are statements that are added to emails to disclaim liability and are usually of a legal character. The District should consult with its legal counsel and develop a standardized email disclaimer to protect email communications and secure confidentiality of information.

Status at June 2018: In-process

- The Information Technology Department should develop controls to encrypt and/or password protect information that flows in and out of the system through emails. Encryption provides another level of security for the data in case someone gains access to the email. Since the data is encrypted or password protected, the information may be kept inaccessible to unauthorized use.

Status at June 2018: Complete

- Access to email accounts from the Information Technology Department should be formally documented and approved by the Assistant Superintendent of Human Resources. The District should develop a standardized request form indicating the following:
 - Individual requesting the retrieval of emails
 - Email account
 - Start & End Periods
 - Individual responsible for accessing the accounts and retrieving the emails
 - Individual authorizing the retrieving of emails
 - Date of approval

The form should be maintained within the Human Resources Department to ensure that access to any email accounts was properly authorized. For audit purposes, the Human Resource Department should also obtain a copy of the MS Exchange compliance analytics log and confirm that any access to other email accounts was properly authorized.

Status at June 2018: Complete

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Student Data Management

- The District should develop documented guidelines regarding requesting and approving student grade changes, establishing marking periods, adding users, establishing users' access rights, deactivating or modifying user accounts, and monitoring audit logs pertaining to student grade changes and user access within Infinite Campus. This will strengthen the District's oversight controls over the student data management application.

Status at June 2018: Complete

- The District should explore the audit capabilities of the application Infinite Campus to generate audit log functions and determine the appropriateness of student grade changes. Audit logs should be run between marking periods, and at random times, to monitor changes in student grades and to review the rationale, documentation, and authorization for any such changes. The Director of Student Information and Secondary Education should review the audit logs as well as the individual requests from building administrators to determine whether any pattern or unusual activity is evident. This review process should be documented.

It was indicated that the District and the vendor are in the process of exploring the system's capabilities in generating such audit reports.

Status at June 2018: Complete

Exhibits

Exhibit I History of Internal Audit Reports Issued

Exhibit II Internal Audit Plan for 2018/2019 see edits

**William Floyd UFSD
Internal Audit - Nawrocki Smith
History of Internal Audit Reports Issued
July 2007 through June 2018
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>CYCLE REVIEWS</u>											
Benefits	-	-	-	-	√	-	-	-	-	-	-
Employee Attendance	-	-	-	-	-	-	-	√	-	-	√
Extra Classroom Activity Follow-Up Report	-	√	-	-	-	-	-	-	-	-	-
Facilities/Capital Projects	-	-	-	√	-	-	-	-	-	-	-
Fixed Assets	-	√	-	-	-	-	-	-	-	-	-
Food Service	-	-	-	√	-	-	-	-	-	-	-
Grants - ARRA Funds Review	-	-	-	√	-	-	-	-	-	-	-
Human Resources	-	-	-	-	-	√	-	-	-	-	-
Information Systems - Data Security	-	-	-	-	-	-	√	-	-	-	-
Information Systems - Fixed Assets	-	-	-	-	√	-	-	-	-	-	-
Information Systems - Student Data, Social Media, Email Security	-	-	-	-	-	-	-	-	-	√	-
Payroll and Personnel Internal Controls Cycle	√	√	-	-	-	-	-	-	-	-	-
Payroll Payout Cycle	-	-	√	-	-	-	-	-	-	-	-
Pupil Personnel Services	-	-	√	-	-	-	-	-	-	-	-
Revenue and Cash Management	-	-	-	-	-	-	-	-	√	-	-
Teacher Center	-	-	-	√	-	-	-	-	-	-	-
Vendor Database Analysis	-	√	-	-	-	-	-	-	-	-	-
<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	-	-	√	-	√	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	√	-	-

**William Floyd UFSD
Internal Audit - Nawrocki Smith
History of Internal Audit Reports Issued
July 2007 through June 2018
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>
Payroll Disbursement Testing - Contractual	-	-	√	√	-	√	-	-	-	√	-
Payroll Disbursement Testing - Hourly Employees	-	-	√	√	-	√	-	-	-	-	-
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	-	√	-	-	-	-	-	-	-	-	-
Employee/Vendor Comparative	-	-	-	-	√	-	-	-	-	-	-
Human Resources - Attendance Accrual Analysis	-	-	-	-	-	-	√	-	-	-	-
Human Resources Cycle Recommendations Follow Up	-	-	-	-	-	-	√	-	-	-	-
Island Group Administration Benefit Analysis	-	-	-	-	-	-	-	-	-	√	-
Payroll Duplicate Disbursement Analysis	-	-	-	-	-	-	-	√	-	-	-
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	-	-	-	-	-	-	-	-	-	√	-
Risk Assessment	√	√	√	√	√	√	√	√	√	√	√



William Floyd Union Free School District

2018/2019 INTERNAL AUDIT PLAN

(Based upon June 2018 Risk Assessment Update)

Exhibit II

Cycle Reviews

Status

- **Purchasing, Related Expenditures & Vendor Database**

Planned for Nov-18

Key Control Testing Areas

Status

- **Budget Transfers**
- **Payroll Overtime Payments**
- **ERS/TRS Monitoring**
- **Building Access and Security Systems**
- **Capital Project Recordkeeping & Reporting**
-

Planned for Feb-19

Planned for Feb-19

Planned for Feb-19

Planned for Feb -19

Planned for Feb-19

Additional Internal Audit Services

Status

- **Risk Assessment Update Report as of June 2018**
- **Annual ECAF Training Sessions**
- **Pupil Personnel Services Cycle Recommendations Follow Up**
- **Annual Risk Assessment Update as of June 2019**
- **Issue Quarterly Status Reports**
- **Retirement/Severance Payout Monitoring**
- **Other Internal Audit Services at the Request of the District**

Draft Complete

Commencement TBD

Planned for Jun-19

Planned for Jun-19

Quarterly

As Requested

As Requested

Tentative On-Site Internal Audit Schedule

November 16th through November 21st

February 4th through February 8th

June 5th & June 6th