

a community for learning

Chappaqua Central School District
Review of Select Business Office Roles and Responsibilities

Fulfilling the State Mandate for the year ending June 30, 2022

Chappaqua Central School District

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TOBIN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, PC

To the Board of Education
Chappaqua Central School District
Chappaqua, New York

We have performed a review of select business office roles and responsibilities. The purpose of this engagement is to ensure compliance with applicable New York State laws and regulations under the Fiscal Accountability Initiative for the fiscal year ended June 30, 2022.

Our report provides observations and recommendations for potential improvements to existing processes and internal controls.

We are pleased to have had the opportunity to serve you and look forward to reviewing this report in detail with you. We would also like to thank the Board of Education and the employees of Chappaqua Central School District for their time and assistance during our engagement.

Sincerely,

Tobin & Company
Certified Public Accountants, PC

Purchase, New York
November 29, 2021

Chappaqua Central School District

Overview

At the request of the Board of Education of the Chappaqua Central School District ("the District"), we performed a review of select business office operations. Using our Risk Assessment report (dated August 30, 2021), the Board of Education engaged our firm to review the roles and responsibilities of the business office staff. Our engagement documented existing functions of staff, considered the alignment of computer access rights with current duties, and reviewed segregation of duties of key employees in the reviewed areas.

Our intensive review consisted of the following:

- 1) Interview staff members responsible for selected Business Office functions.
- 2) Prepare flowcharts to outline and document major processes.
- 3) Identify key employees involved and their general responsibilities.
- 4) Review for proper segregation of duties.
- 5) Review selected employees nVision access rights to ensure permissions align with designated responsibilities.
- 6) Provide findings and recommendations where necessary.

Information used during our process was provided by:

Andrew Lennon, *Assistant Superintendent for Business*

Cathleen Lynch, *District Treasurer*

Michael Trnik, *Purchasing Agent*

Jackie Petricha Silipigni, *Senior Office Assistant (Human Resources)*

Alex Djordjevic, *Accountant*

Florentina Casterella, *Payroll Clerk*

Marissa Greenfeld, *Payroll Senior Office Assistant*

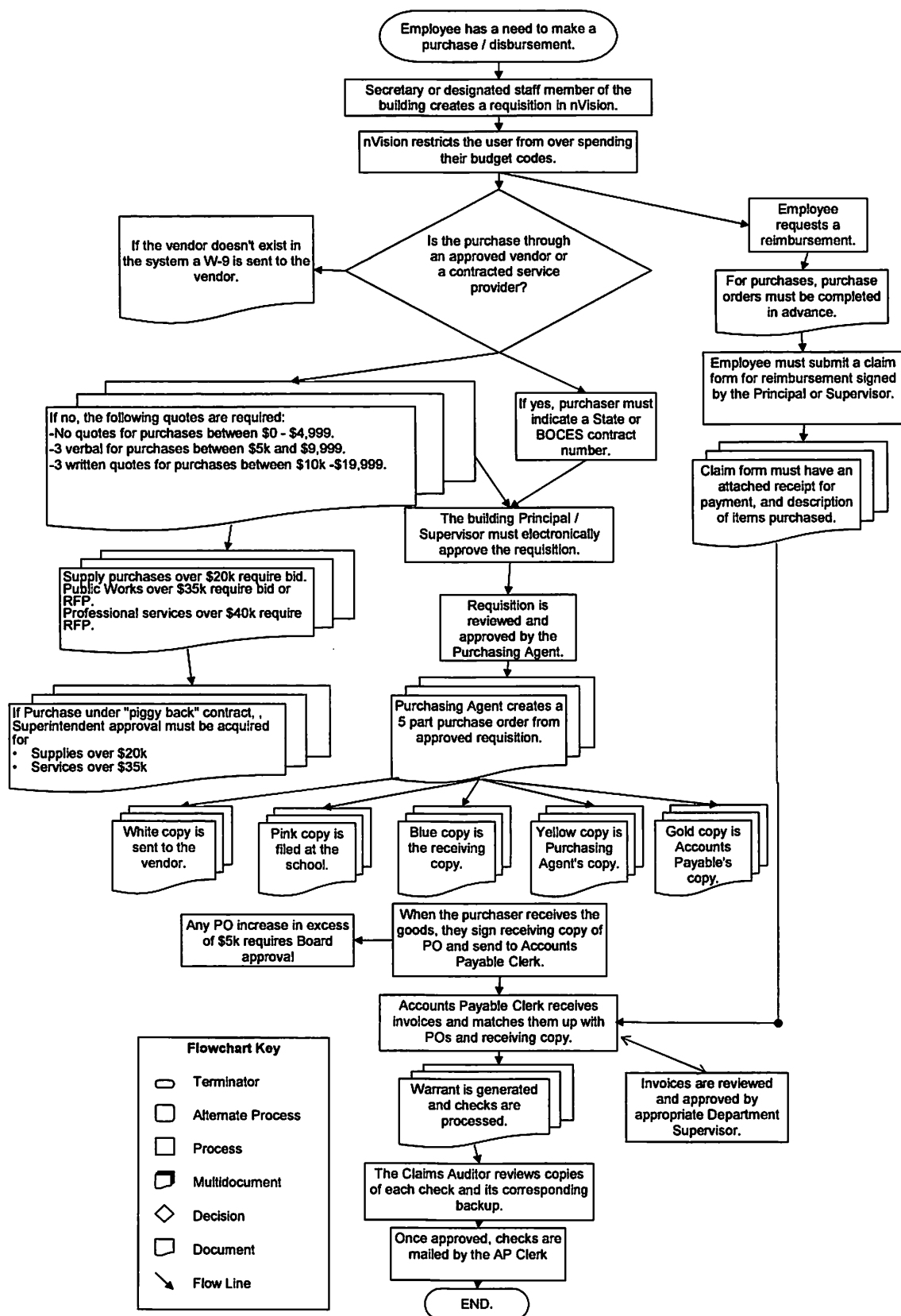
Christine Brundage, *Accounts Payable Clerk*

Paola Conklin, *Personnel Assistant*

Mary Marchionno, *Senior Office Assistant / Registrar*

Chappaqua Central School District

Purchasing and Accounts Payable



Chappaqua Central School District

Purchasing and Accounts Payable

Key Employee Responsibilities

Purchasing Agent

- Reviews requisitions in nVision for compliance with New York State Municipal Law as well as District's Purchasing Policy. If approved, converts to purchase order.
- Prepares bids and requests for proposals with assistance from appropriate Department supervisor.
- Attends bid openings with another District employee.
- Sends award letter to winning lowest responsible bidder.
- Adds new vendors into nVision.
- Monitors vendor spending to ensure they do not exceed requirements for bidding.

Accounts Payable Clerk

- Matches invoices with purchase orders.
- Sends invoices to appropriate department for supervisor approval.
- Posts payments into nVision after confirmation of receipt of goods from appropriate Department.
- Prepares claim packets and prints warrants with backup to present to Claims Auditor.
- Uploads warrant to Chase for positive pay.
- Reviews outstanding purchase orders to ensure accurate and timely payments.
- Reviews 1099 vendors and submits to the LHRIC for processing.

District Treasurer

- Maintains custody of signature flash drive.
- Signs and prints checks from all funds.
- Monitors positive pay.
- Enters capital project invoices.

Office Assistant

- Assists Purchasing Agent by entering new vendors into nVision.

Accountant

- Prepares requisitions for Capital Projects.
- Reviews and obtains approval for capital project invoices (in addition to Director of Buildings and Grounds).
- Reviews and obtains approvals for school lunch invoices submitted by Aramark.
- Enters invoices into nVision for school lunch.

Review of nVision permission rights that may be conflicting or unnecessary:

Senior Office Assistant -Human Resources (formerly Benefits Assistant)

- We noted during our review this position has access to some functions in the accounting module such as preparing checks. We did not note this employee being involved in the Accounts Payable or Purchasing process; therefore, these rights should be reviewed and removed.

Payroll Clerks

- We noted that these positions have requisition rights, We did not note these employees being involved in the Accounts Payable or Purchasing process; therefore, these rights should be reviewed and removed.

District Treasurer

- The Treasurer has permission rights to both enter an invoice and process accounts payable checks. While this position is also the backup to Accounts Payable, these access rights should be turned off when not needed. Access rights for entering invoices and signing checks should be segregated.

Chappaqua Central School District

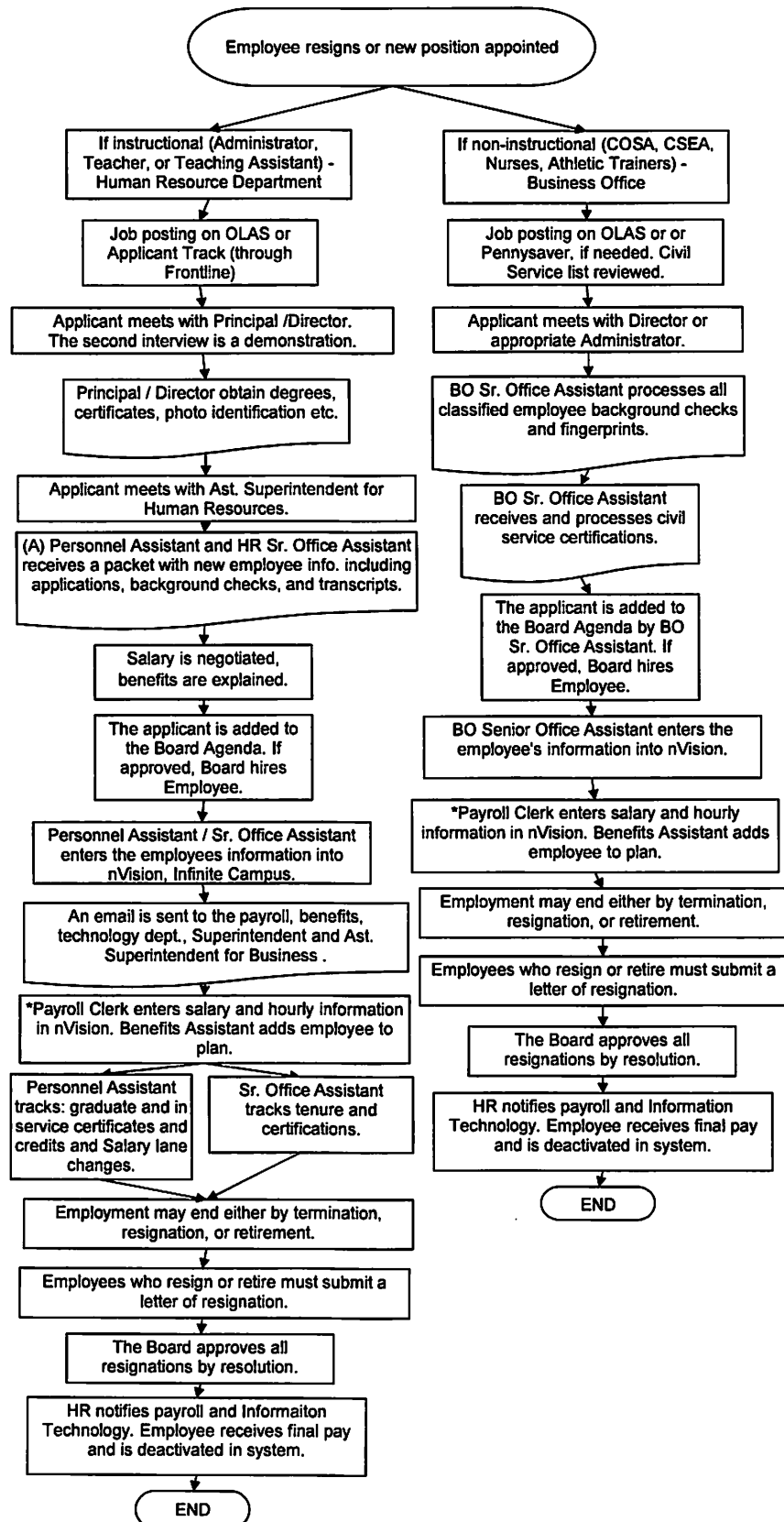
Purchasing and Accounts Payable

Segregation of Duties

As mentioned above, the District Treasurer can enter invoices for payment, sign checks, and perform bank reconciliations. While the District Treasurer only performs all the above tasks in certain situations (such as capital expenditures), this does represent a segregation of duties weakness. We believe the District already has the resources in place to help segregate the District Treasurers duties (discussed later in this report).

Chappaqua Central School District

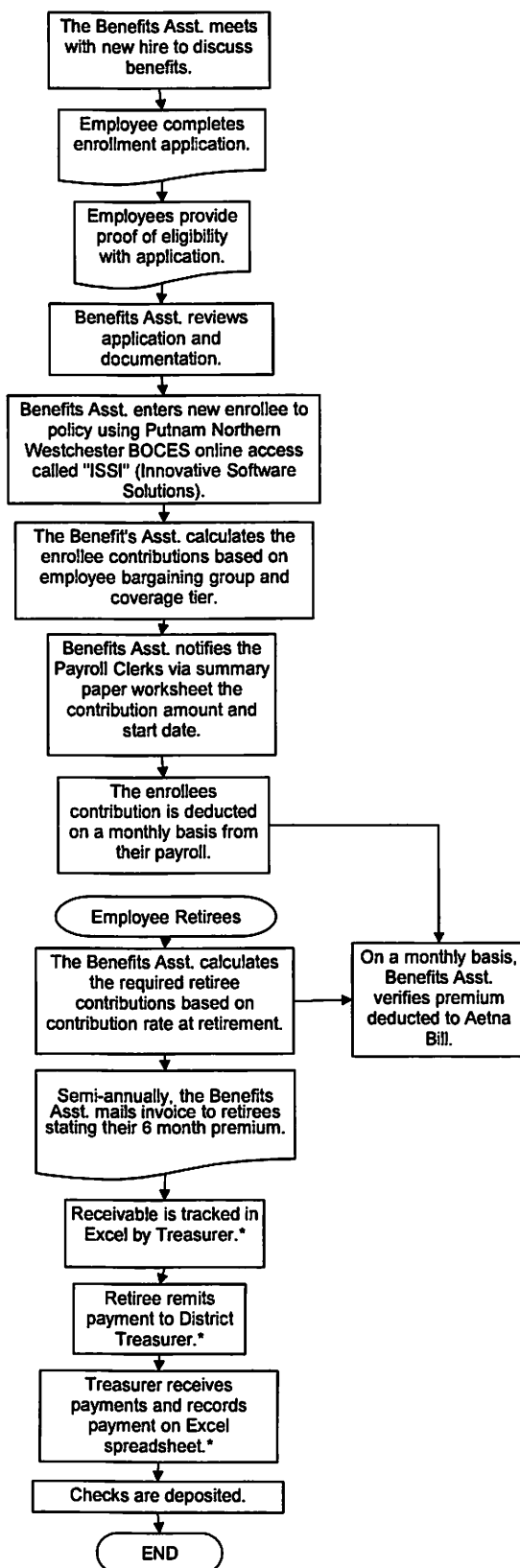
Human Resources and Benefits



*Indicates segregation of duties weakness.
(A) Applicant Track allows documents to be submitted electronically, expediting certain HR processes.

Chappaqua Central School District

Human Resources and Benefits



*Indicates segregation of duties weakness

Chappaqua Central School District

Human Resources and Benefits

Key Employee Responsibilities

Personnel Assistant

- Hiring and onboarding instructional administrators, teachers, and teaching assistants (including background checks and review of application packet to ensure completeness).
- Prepares Board agendas and letters for appointments.
- Builds new employees in nVision and enters sick and personal days.
- Tracks salary lane changes based on approved and completed credits.
- Prepares and sends salary verification letters for instructional staff.
- Prepares EEO5 US Department of Labor Report.
- Reconciles Aesop attendance to nVision.

Human Resources Senior Office Assistant

- Hiring and onboarding building specific substitutes, per diem substitutes, BOCES interns, and coaches. (including background checks and review of application packet to ensure completeness)
- Builds employees in nVision and Infinite Campus.
- Builds all employees in the District's cyber security Global Compliance Network.
- Prepares and maintains employee personnel folders.
- Tracks attendance in nVision and Aesop for childcare and medical leaves.
- Oversees and schedules exit interviews.

Senior Office Assistant / Registrar

- Prepares and places employment advertisements in Pennysaver or OLAS.
- Hiring and onboarding non instructional employees, including COSA, CSEA, Nurses, and Athletic Trainers.
- Processes classified employee background checks and fingerprint authorizations.
- Prepares Board Agendas for non-instructional staff and substitutes.
- Tracks civil service employees for changes to employment status.
- Prepares and sends salary verification forms for non-instructional employees.

Benefits Assistant

- Meets with new hires to discuss benefits offered by the District.
- Onboards new employees to the various benefit plans offered by the District.
- Calculates employee benefit contribution deduction percentage and provides information to payroll to enter into nVision.
- Generates and mails semi-annual insurance premium bills to retirees.
- Reviews monthly insurance invoices and approves for disbursement.

Payroll Clerks (Payroll Clerk and Payroll Senior Office Assistant)

- Responsible for rolling over attendance in nVision.
- Enters new employee salary information into nVision.

Treasurer

- Tracks retiree health insurance premium contribution (based on Benefit Assistant's calculation)
- Receives, records, and deposits retiree health insurance contribution.

Chappaqua Central School District

Human Resources and Benefits

Review of nVision permission rights that may be conflicting or unnecessary:

Accountant

- We noted during our review that this position has a wide range of both Human Resources and Payroll modification user access rights (such as benefits, position appointment, and appointment earnings). While the Accountant is involved in assisting with the annual salary rollover, many of these rights appear conflicting and do not appear to be necessary for this position's current job description. These should be reviewed to determine if these rights are necessary to perform the job function.

Payroll Clerks

- We noted during our review that these positions have a wide range of Human Resources functions, many of which create segregation of duty weaknesses. These should be reviewed to determine if these rights are necessary to perform the job function.

Accounts Payable Clerk

- This position has permission rights to adjust daily attendance records. While review of this position's job description notes that attendance records are used and compared to travel reimbursement requests, access should be limited to view only.

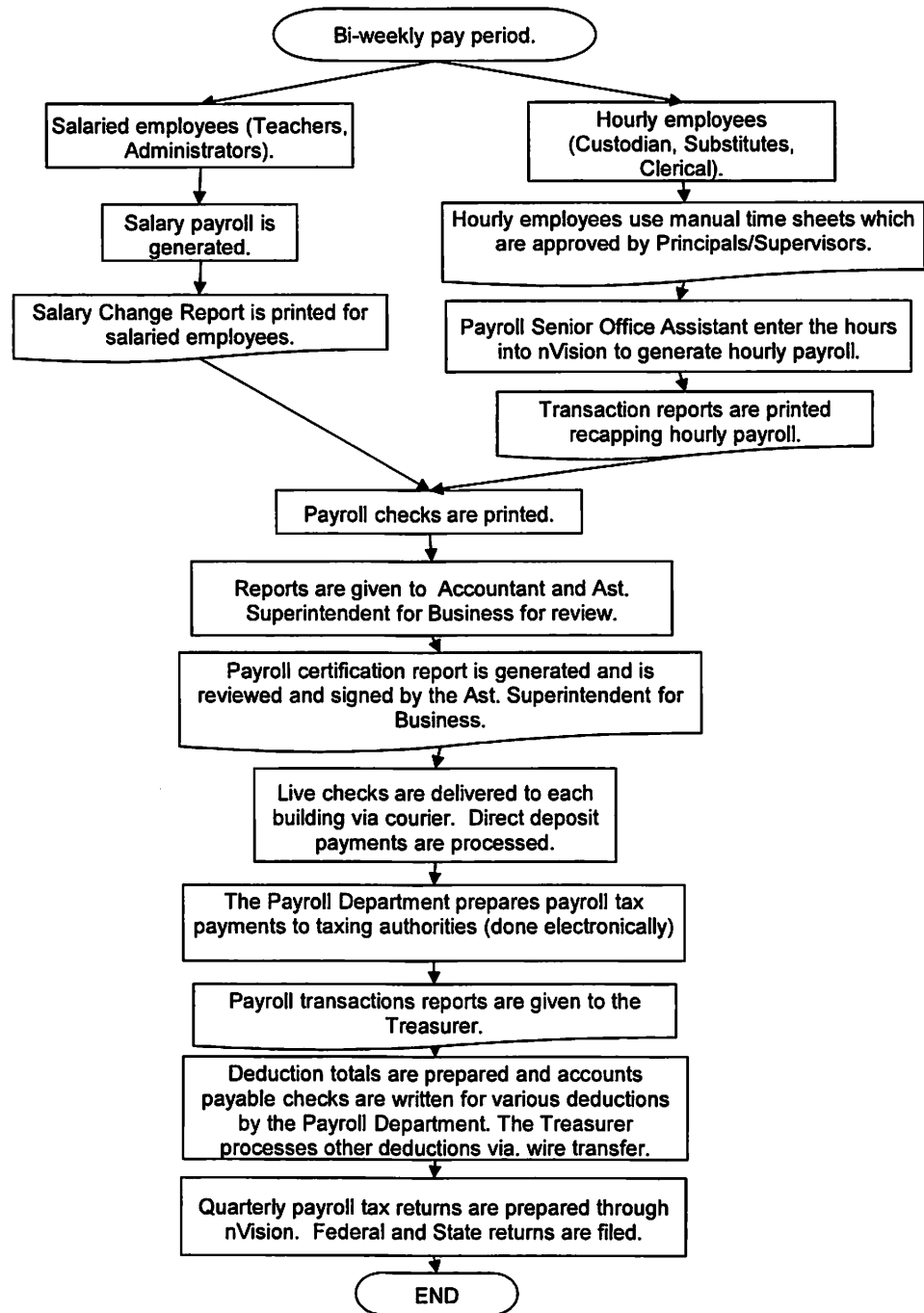
Segregation of Duties

The Payroll Clerks are responsible for entering salary and hourly information into nVision. As noted above, based on review of their nVision access rights, the Payroll Clerks also can enter and modify employee information. While we do not suspect any malfeasance, and compensating controls are in place, this increases the risk that the payroll clerks can establish phantom employees and increase hourly rates and salaries, including their own.

Recommendation (FA-2122-1): The Human Resource function of the District is divided between the Business Office, who manages non-instructional staff, and the Human Resource Department, who manages the instructional staff. If feasible, the District should consider moving the responsibility of inputting salary and hourly information to the Senior Office Assistant/Registrar for non-instructional employees, and to Human Resources for Instructional employees.

The Treasurer is responsible for receiving, recording, and depositing retiree's health insurance contributions.

Recommendation (FA-2122-2): To promote proper segregation of duties, The District should consider having an employee other than the Treasurer receive and log retiree health insurance contributions.



Key Employee Responsibilities

Payroll Clerk

- Processes payroll for Teachers, Administrators, and other contractual employees.
- Enters/Changes pay rates, salaries, and deductions.
- Processes deduction requests from employees.
- Prepares quarterly payroll tax returns.
- Performs review of Payroll Change/Exceptions report.
- Reviews new hires against board minutes.

Payroll Senior Office Assistant

- Processes payroll for Teacher Aids, Substitute Teachers, hourly employees, and Overtime.
- Makes payroll tax payments.
- Uploads attendance in nVision.
- Performs attendance rollover.
- Generates check stubs.
- Initiates deductions for tax payment wires.

Accountant

- Projects employees' salaries using nVision and excel spreadsheets.
- Assists in the annual roll-over of salaries.
- Reviews payroll timesheets for hourly or daily rates.

Treasurer

- Backup support for payroll.
- Funds payroll and payroll withholding accounts.
- Posts payroll to general ledger.
- Monitors positive pay.
- Review salary schedules and assists with the annual roll-over of salaries.
- Initiates payroll withholding wires.

Review of nVision permission rights that may be conflicting or unnecessary

Payroll Clerk

The Payroll Clerk has several access rights outside of the payroll function, most of which being in the Human Resources module. While view only rights may be necessary for the Payroll Clerk to obtain necessary information, the access to make changes in the Human Resources module should be limited. The Payroll Clerk also has rights to enter requisitions. If these are not functions of the Payroll Clerk, they should be eliminated.

Payroll Senior Office Assistant

Like the Payroll Clerk, the Senior Office Assistant has several access rights outside of the payroll function, most of which being in the Human Resources module. While view only rights may be necessary to obtain necessary information, the access to make changes in the Human Resources module should be limited. The Payroll Senior Office Assistant also has rights to enter requisitions. If these are not functions of the Payroll Senior Office Assistant, they should be eliminated.

District Treasurer

The District Treasurer appears to have three nVision Accounts. These three accounts differ but have several access rights in common. One of the three accounts appears to be for use as a backup to Payroll. With two Payroll employees, this may not be necessary. If the District deems this backup function is in fact necessary, this account should be turned off at any time it isn't needed, and all Payroll access rights should be removed from the District Treasurer's main account.

Human Resources Department

It appears three staff members who are performing Human Resources functions have the access rights to perform several Payroll functions. Segregation between the Human Resources and Payroll Departments is of utmost importance. While these two departments may frequently require access to information housed in both modules, their access should be limited to view only, and not allow for changes to be made outside of their respective departments.

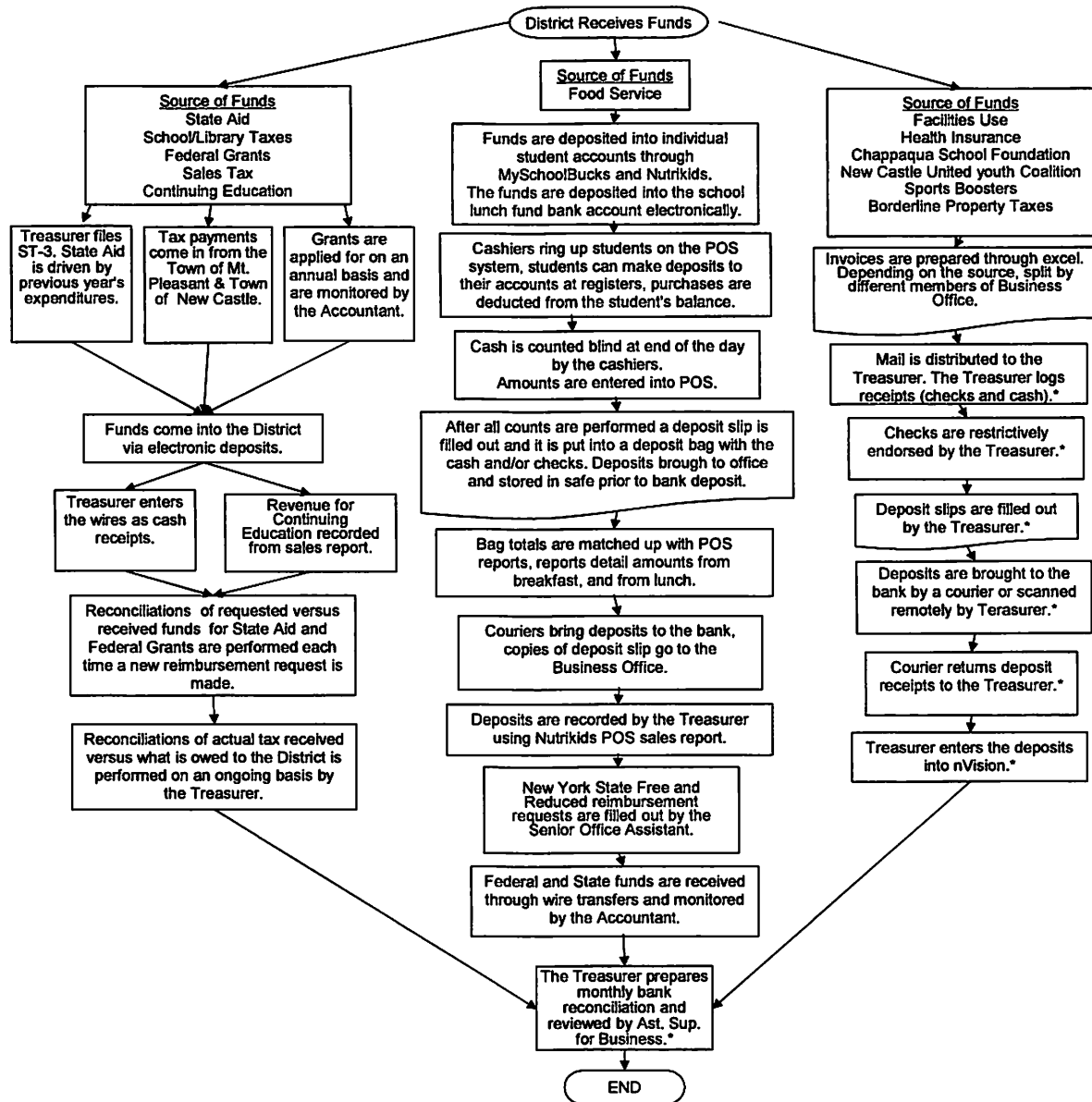
Segregation of Duties

We noted that many duties related to Human Resources involve employees who also perform duties outside of the Human Resources Function. We also noted that there are Business Office employees who assist in Payroll functions that are not formally part of the Payroll Department. As a result, there are several employees who have redundant access rights, therefore weakening controls over segregation of duties.

Recommendation (FA-2122-3): The Payroll Department does not currently have formal division of responsibilities. A written division of duties should be formalized, with all tasks laid out and clearly delineated.

Chappaqua Central School District

Revenues and Accounts Receivable



*Segregation of duties issue, Treasurer receives money, logs, prepares bank rec, and scans checks through check scanner

Chappaqua Central School District

Revenues and Accounts Receivable

Key Employee Responsibilities

Treasurer

- Receives cash and check receipts in the mail, logs, and records in nVision.
- Receives notifications of wire transfers into the District's bank account and will post cash receipts.
- Prepares bank deposit slips and bank deposit bag for cash receipts.
- Stores deposits in a locked cabinet until picked up by District appointed courier.
- Prepares and scans remote deposits for check receipts.
- Maintains records and back up for all deposits including bank confirmations.
- Prepares manual billing for the Chappaqua School Foundation, New Castle United Youth Coalition, and sports boosters.
- Tracks all receivables except for facilities usage.
- Prepares bank reconciliations for all accounts, monthly, within nVision.
- Files form ST-3 for State Aid with assistance from the Accountant.
- Records food service revenues using Nutrikids' sales reports.

Senior Office Assistant / Registrar

- Applies and records receipts relating to facility usage within SchoolDude.
- On an annual basis, requests borderline property tax details from neighboring Town Tax Collector Offices. The Senior Office Assistant uses this information and compares to District records through Infinite Campus.
- Prepares and sends borderline property tax invoices to each applicable neighboring school district.
- Using information provided by Aramark, submits monthly Free and Reduced New York State reimbursement claims.

Accountant

- Prepares form FS-25 and FS-10F, "Request for funds" for all grants.
- Monitors New York State Free and Reduced reimbursements.
- Assists in filing form ST-3 for State Aid.

Benefits Assistant

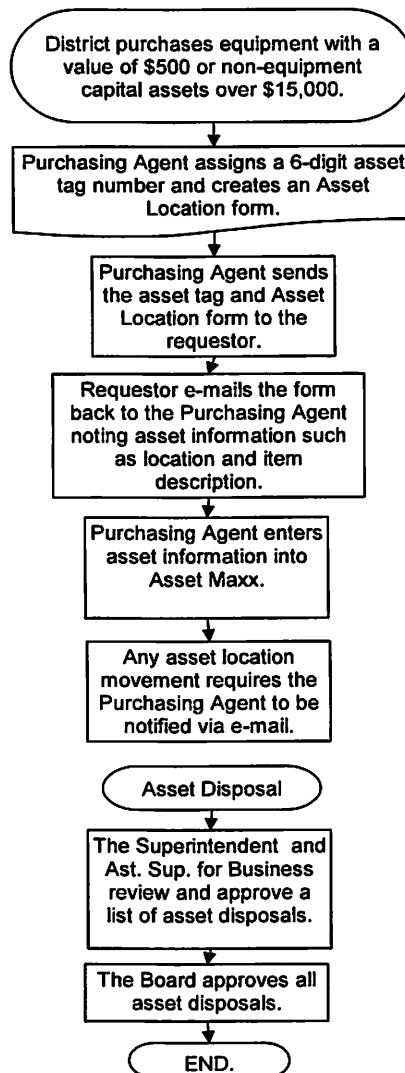
- Calculates and prepares semi-annual retiree health insurance contribution invoices.

Review of nVision permission rights that may be conflicting or unnecessary:

Most processes relating to the receipt and revenue cycle, such as billing and accounts receivable, are handled outside of nVision. As a result, we did not note any unnecessary or conflicting nVision user permission rights. Based on previous reviews, the District is currently evaluating the implementation of the Accounts Receivable module within nVision.

Segregation of Duties

The Treasurer receives, logs, records, prepares deposit slips, and deposits checks. In addition to this, the Treasurer also prepares the monthly bank reconciliations. While we understand there may be limitations due to current staffing structure, proper segregations of duties dictate that the individual responsible for the bank account reconciliations should not have any (or limited with appropriate mitigating controls in place) duties related to cash receipts.



Key Employee Responsibilities

Purchasing Agent (Property Control Manager)

- Reviews requisitions to determine if purchase request includes an item or project that meets the Districts capitalization or inventory thresholds.
- Assigns asset number and tag to purchased asset.
- Maintains AssetMAXX database. This includes entering and removing assets in the software.

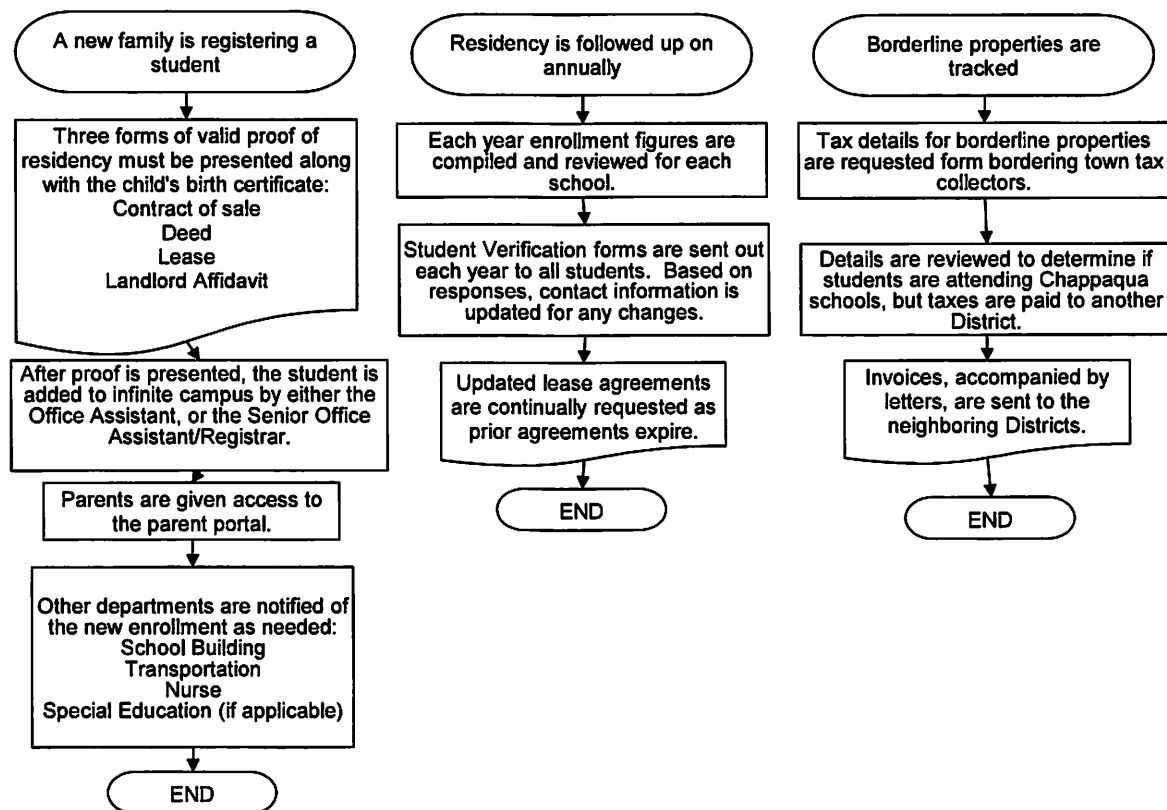
Segregation of Duties

The District's Purchasing Agent is responsible for both authorizing purchases and the record keeping of District fixed assets. Allowing one individual to control both activities increases the risk of error or misuse of District assets.

To alleviate potential segregation of duties concerns and provide for additional efficiencies, the District will begin using third party consultant, CBIZ, to assist in fixed asset maintenance and tracking.

Chappaqua Central School District

Student Registration



Key Employee Responsibilities

Senior Office Assistant / Registrar

- Registers new families with the District.
- Review incoming Kindergarten packets and mail to families.
- Sets up parent portal access for new families.
- Ends enrollment for students moving out of the District and informs appropriate schools.
- Compiles District enrollment data for each school.
- Requests information from bordering town tax collector's office for tax details of borderline properties.
- Send letters and invoices to neighbor districts for borderline property tax payments.

Office Assistant

- Verify new resident families through tax assessor list, and through provided proof of residency.
- Send out Student Verification forms to all new students, as well as annual updates to all existing students to ensure there are no changes in contact information.
- Maintain contact info for District families.
- Communicate with Special Education to ensure all new Special Education Students are in the system and have student identification numbers.

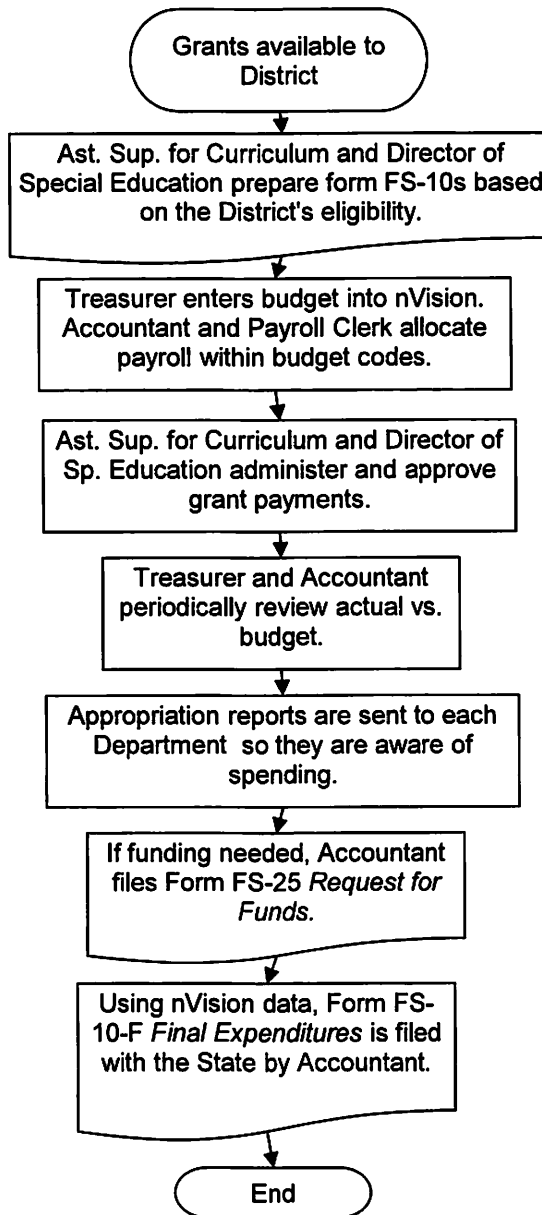
Chappaqua Central School District

Student Registration

- Ensure all Special Education students intake dates, services, and exit status information is up to date.
- Notify Transportation Department and respective schools of any newly registered students.
- Collect and Organize deeds and contracts of sale to avoid double residencies. Follow up with new residents.
- Collect, and organize lease agreements for residents who rent their homes. Obtain updated lease agreements to ensure continued residence.
- Send notification to families from which the District requires additional proof of residency.

Segregation of Duties

Both key employees noted above have additional responsibilities outside of the area of Student Registration. Within student registration we felt that the segregation of duties between these two employees was sufficient. While this area does not have direct financial implications, registration and enrollment of course are major drivers of district costs and funding. We felt that the division of tasks allows for redundancies, while ensuring that no single employee can register an unauthorized student without detection.



Key Employee Responsibilities

Treasurer

- Posts budgets for all grants.
- Reviews grant reports prepared by Accountant.
- Assist grant administration staff as needed.
- Records grant receipts when received by the District.

Chappaqua Central School District

Grants

Accountant

- Reviews monthly revenues and expenses; compares to budget.
- Files form FS-25 *Request for Funding*
- Files form FS-10F *Final Expenditure* report and submits to the State.
- Prepares grant journal and accrual entries for entry by the Treasurer.

Assistant Superintendent for Curriculum and Director of Special Education

- Prepares form FS-10, Proposed Budget for Federal or State Project
- Approves requisitions for grant purchases.
- Administers and approves all payments related to grants.

Segregation of Duties

The employees noted above have additional responsibilities outside of the area of Grants. Within Grants we felt that the segregation of duties between these employees was sufficient.

Chappaqua Central School District

Realignment of Staff Responsibilities

Business Office

For the most part we found similar processes, and controls that we commonly see in area Districts. Most functional areas discussed in this report can benefit from minor improvements to controls on an ongoing basis, and recommendations for those types of controls will continue to be reported on our updated risk assessment reports. However, we did note a few positions and areas that may benefit from a realignment of roles and responsibilities, either for increased efficiency, or to promote proper segregation of duties.

Accountant

Finding: During this engagement we noted that the Accountant participates in several Business Office operations. The Accountant's responsibilities appear to be ad hoc and informal.

Recommendation (FA-2122-4): For this position to be used as efficiently as possible we would suggest formalizing the roles and responsibilities associated with this position. In many districts, the Accountant, or Bookkeeper roles are used to help create segregation of duties from the Treasurer. The Accountant can be used in a way that would help to alleviate the segregation issues we noted within the Treasurer position.

Billing and Accounts Receivable

Finding: The District Treasurer (among other employees) generates invoices, tracks accounts receivable, receives funds for deposit, records receipts, and performs bank reconciliations. Several controls that would normally prevent misappropriation are less effective than they would be under proper segregation.

Recommendation (FA-2122-5): Employees who receive funds should not also record the receipts of funds or perform bank reconciliations. As mentioned above, the Accountant can be useful in creating proper segregation. If segregation of these duties is not possible, other compensating controls should be put into place.

Recommendation (FA-2122-6): In addition, the District recently hired an Office Assistant. To centralize billing, we recommend assigning all billing responsibilities to this new position. Not only will this allow for efficiencies, but it will also assist in current segregation of duties issues within the revenue and billing function.

Budget Transfers

Finding: Currently, the Senior Office Assistant/Registrar, with approval from the Assistant Superintendent for Business, is responsible for entering all budget transfers in nVision. Current practice has each Department who requests a transfer provide the information to the Senior Office Assistant/registrar, who will then enter within nVision.

Recommendation (FA-2122-7): Each Department has the capabilities of entering their own budget transfers within nVision. These would then still be routed to the Assistant Superintendent for Business and/or Board for proper approvals. Having the preparation of budget transfers come from the original source would still allow for proper approval while reducing data entry within the Business Office.

Purchasing and Accounts Payable

Finding: In certain instances, such as capital projects, and extra classroom activities, the Treasurer enters payments for processing, signs the checks, and prepares bank reconciliations.

Recommendation (FA-2122-8): An employee who can generate checks should not also be performing the bank reconciliations. Access rights for processing of capital projects payments should be removed and given to another District employee. However, as Central Treasurer for Extra Classroom Activities, these rights must be retained.

Chappaqua Central School District

Realignment of Staff Responsibilities

Human Resources and Payroll

We noted during our engagement that Human Resources responsibilities are segregated (between instructional and non-instructional staff). Division of Human Resources duties between two departments has led to inconsistent practices. For example:

- Maintaining position control records
- Attendance and Method of assigning sick and personal PTO days
- Methods of communication with the Payroll Department
- Performance of Exit interviews

Benefits

Finding: The Benefits Assistant is responsible for numerous functions outside of the management of health and other enrolled benefits. This position requires consistent communication with Human Resources, and, in addition, fields numerous questions from employees and retirees.

Recommendation (FA-2122-9): We recommend reviewing the duties and role of this position to focus mainly on health, and other enrolled benefits to allow for the focus to be on enrollment, reconciliation of billing, and fielding questions directly related to enrolled benefits.

Time Sheet Review

Finding: The current process for this function includes both the Payroll Clerks and the Accountant. While having an additional set of eyes can be helpful, having the Accountant review time sheets in addition to the Payroll Clerks appears to be redundant.

Recommendation (FA-2122-10): The District should create a formalized rate sheet encompassing all relevant pay rates. Using this rate sheet, the final review for all time sheets should be performed within the Payroll Department.

Salary and Pay Rate Appointment/Change

Finding: The Payroll Department is responsible for entering salary and hourly information into nVision. As noted in previous sections, this presents a segregation of duties issue and could allow the Payroll Clerks the ability to alter their own rates. No employee who processes payroll should have the ability to alter rates.

Recommendation (FA-2122-11): To promote proper segregation, the District should consider removing this function from the Payroll Department to Human Resources and the Senior Office Assistant in the Business Office.

Exit Interviews

Finding: Exit interviews are primarily performed by the Payroll Department. However, these have been typically limited to providing information relating to an employees' final paycheck. A full exit interview can provide valuable feedback about the District. While exit interviews are currently offered, they are not a normal operating procedure.

Recommendation (FA-2122-12): We suggest the District consider creating a procedure for full exit interviews to be conducted for all retirements, resignations, and terminations as part of the end of employment process.