



a community for learning

Chappaqua Central School District

Updated Risk Assessment Report
Covering the State mandate for the year ending June 30, 2021

Chappaqua Central School District

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TOBIN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, PC

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

We have performed an update to our Risk Assessment report of the Chappaqua Central School District (the District). The purpose of this engagement is to ensure compliance with applicable New York State laws and regulations under the Fiscal Accountability Initiative.

Our report updates the risk assessment scores and levels of the different processes of the District and highlights any improvement changes or weaknesses in internal controls noted since the last risk assessment report. This report also provides a recommended area where an in-depth review should be performed.

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 the Chappaqua Central School District for their time and assistance during our engagement.

Sincerely,

Tobin & Company
Certified Public Accountants, PC

Purchase, New York
August 23, 2020

Executive Summary

Two of the most significant changes since our last Risk Assessment were the appointments of a new District Treasurer and Claims Auditor. Both bring with them valuable school district experience.

Below is a summary of noted internal control improvements and areas for potential improvement:

Summary of notable improvements to internal controls and procedures:

- 1) **(Payroll)** The District recently updated their payroll time sheets to include the following:
 - A designated area, independent from overtime, to specify compensatory hours earned.
 - An area for employees to provide a description of the purpose for their overtime.
 - Employees now initial their timesheets, attesting to the number of hours worked.
- 2) **(Payroll)** The District created a formal checklist highlighting processes and procedures performed during the annual salary rollover. This document is dated and signed by each responsible person, indicating completion of each required step.
- 3) **(Payroll)** The District is in the process of implementing positive pay for payroll.
- 4) **(Payroll)** The District's exit checklist now specifies the employee's bargaining unit.
- 5) **(Benefits)** The Claims Auditor now reviews and approves the monthly Aetna benefit invoice.
- 6) **(Purchasing)** Due to the Pandemic, New York State issued a State of Emergency Declaration, allowing school districts to bypass certain purchasing municipal laws. An approved memo is used to state the justification for any purchases done in accordance with this declaration.
- 7) **(Student Services)** All checks are now printed from nVision instead of being typed or handwritten for Extra Classroom Activities, Teams, and Scholarship accounts.
- 8) **(Accounts Payable)** The Claims Auditor now reviews and approves all disbursements paid out of the Trust and Agency Fund.
- 9) **(Accounts Payable)** Once a week, the Assistant Superintendent for Business, Treasurer, Purchasing Agent, and Accounts Payable Clerk meet to discuss and resolve findings noted in the weekly claims audit report.
- 10) **(Wire Transfers)** The District recently switched over to a more secure wire transfer service through Chase, called JP Morgan Access.
- 11) **(Accounting)** All bank reconciliations are now completed in nVision.
- 12) **(Accounting)** At the end of each month, the Treasurer presents the Assistant Superintendent for Business with a report of all journal entries with detailed supporting documentation for review and signature.
- 13) **(Revenues)** The District will now record food service revenues using Nutrikids sales reports.
- 14) **(Human Resources)** The District has reconciled attendance in nVision and Aesop.
- 15) **(Facilities and Operations)** The District recently updated their employee ID and building entrance security system and protocols. The Director of Facilities periodically reviews security reports for unauthorized usage or access.
- 16) **(Information Technology)** The District joined the LHRIC Data Privacy Services. This service provides the District with support and information relating to current or potential issues.
- 17) **(Information Technology)** Should work from home be mandated again, the District has been holding IT training sessions for clerical employees.
- 18) **(Information Technology)** The Information Technology Director is notified of multiple failed attempts into a District user account.

Summary of newly noted areas for potential improvement:

- 1) **(Information Technology)** Should working from home be required, employees have been given District laptops. Several employees have opted to use their own computers to perform District work.
- 2) **(Facility Use Billing)** The District should review its outstanding facility use receivables.

Chappaqua Central School District

Risk Assessment Overview

At the request of the Board of Education of the Chappaqua Central School District "the District" we have performed a Risk Assessment of several areas. Our assessment includes an analysis of business procedures and activities. The risk assessment considered qualitative, quantitative, technological, and human elements of the District's operations.

During our engagement we performed the following procedures:

- We interviewed key personnel, including central administration, mid-level management, and business office employees.
- We evaluated forms and documentation used in daily business processes.
- We evaluated internal controls, policies, and procedures.
- We evaluated technology used by the District as well as the security of the technology.
- We Discussed the impact of the Covid-19 Pandemic.
- We updated flowcharts for key operational areas.
- We reviewed the audit reports from the District's External Auditor.

During our engagement we interviewed the following key personnel:

John Chow, *Assistant Superintendent for Business*

Cathleen Lynch, *District Treasurer*

Michael Trnik, *Purchasing Agent*

Joseph Gramando, *Director of Facilities*

Josh Culwell-Block, *Director of Instructional Technology*

Jackie Petricha Silipigni, *Benefits Assistant*

Tony Sinanis, *Assistant Superintendent for Human Resources*

Alex Djordjevic, *Accountant*

Suzann Schriro, *Payroll Bookkeeper*

Christine Brundage, *Accounts Payable Clerk*

Jonathon Ross, *Claims Auditor*

Angela Nannariello, *Human Resource Assistant*

Marissa Greenfeld, *Payroll Clerk*

Deirdre McManus, *Food Services Manager*

Seth Corwin, *Transportation Owner*

Mary Marchionno, *Senior Office Assistant*

Pam Tole, *Office Assistant*

Chappaqua Central School District

Explanation of Risk Ratings

The risk assessment quantifies scores in various areas of the operations of the District. The scores determine if a particular area is graded low, medium, or high risk. The following illustrates the range of possible scores:

Low Risk	21 - 49
Medium Risk	50 - 77
High Risk	78 - 105

Risk levels were assigned to each area based on six key variables.

- 1) *Dollar Volume* - The higher the dollar volume, the higher the value assigned.
- 2) *Adequacy of Personnel* - Values assigned depend on personnel having proper qualifications, and that there is enough staff to perform proper internal controls.
- 3) *Complexity of Activity* - Different reviewed areas are more complicated and allow more opportunities for fraud or misappropriations.
- 4) *Management Interest* - If management places a priority, or expresses interest in a particular area, it is awarded a higher risk value to ensure that attention is paid to that area.
- 5) *Adequacy of Procedures* - If there are proper procedures that are understood and followed, risk levels are significantly reduced.
- 6) *Adequacy of Internal Controls* - Lack of controls could mean that procedures are not followed correctly, increasing risk levels.

In order to calculate the Risk Score for each reviewed area, we have to determine the risk level for each variable. The following is an illustration of the calculation which assigns risk scores to each variable:

A = Rank - Each variable is ranked in order of its importance from 1-6 (6 being most important).

B = Descriptive Value - Each variable is scored with a value from 1-5 (5 being highest risk) depending on our findings for that particular area.

A x B = Weighted Value - Calculated by multiplying each variable's rank by its descriptive value.

When we have computed a score for each variable, they are totaled giving us the Total Risk Score for the reviewed area being evaluated.

**It should be noted that not all of these variables can be controlled by the District. For instance, the dollar volume for receipts, payables, and payroll will always be high. Therefore, even with perfect controls these areas would not be considered low risk. This should be taken into consideration when reading the results of our scoring.*

Chappaqua Central School District

Risk Ratings - Results

In the illustration below we list each operational area, its review history, previous assigned risk score, and the updated risk score and level.

Area of Review	Intensive Review History	Current Risk Score		Previous Risk Score
		Score	Level	
Benefits	6/30/2016 & 2019	77	Medium	78
Human Resources	6/30/2015	69	Medium	69
Capital Projects*	6/30/2017, 2018, 2019	69	Medium	67
Facilities and Operations	6/30/2014	68	Medium	67
Payroll	6/30/2012 & 2020	67	Medium	70
Purchasing and Payables*	6/30/2011	66	Medium	65
Online Banking and Transfers		65	Medium	64
Transportation		65	Medium	65
Revenue and Receipts	6/30/2018	63	Medium	64
Information Technology	6/30/2013	57	Medium	55
Student Services		53	Medium	53
Food Service		51	Medium	51
Grants		50	Medium	50
Fixed Assets		49	Low	49

*Recommended for next review

Covid-19 Impacts

In addition to our normal Risk Assessment procedures, we spent time during our interviews discussing the impact that COVID-19 has had on the various areas of the District. Most Business Office employees worked on-site throughout the height of the pandemic, so many daily processes, procedures, and controls remained unchanged. However, Covid-19 has impacted the District in various ways. Some of these changes or impacts are pointed out in the following pages of this report. As always, we did also discuss improvements made, and potential areas for further improvement.

Recommendation for Next Review Areas: Capital Projects and Purchasing and Payables

Based on our Risk Assessment, and recommendations from the Board, the next areas selected for Intensive Reviews are Capital Projects and Purchasing and Payables.

The District is in its final stages of completion of its capital projects relating to the \$42.5 million bond. Over the past year, these projects have faced significant changes. The District has since replaced its contractor and terminated its construction manager. The Director of Facilities now oversees all capital projects. As a result, we recommend that this area be selected for the intensive review.

The last Intensive Review of Purchasing and Payables was done for the year ended June 30, 2011. Due to the time elapsed and a recent transition to a new Claims Auditor, we believe now is the time for an in-depth review of processes and procedures over Purchasing and Payables.

Benefits - Risk Score: 77

The largest potential risks in this area for any District are providing health benefits for individuals who are no longer eligible, and failure to properly bill the individuals who are required to contribute to their benefits.

Covid-19 Impact

- 1) Increase in enrollee questions and concerns.
- 2) Potential increase in the number of retirees.

Significant internal control changes made since the previous risk assessment report

- 1) The Claims Auditor now reviews the Aetna benefit invoice.

Previously reported observations and recommendations

- 1) Observation (unresolved): Billing for benefits is currently being done through Excel.
Recommendation: As a best practice, this process can be automated using the District's accounting software, nVision. NVision also gives the District a more effective means of tracking outstanding amounts owed to the District as well.

Current Assessment

We completed an intensive review of this area for the year ended June 30, 2019. Although the recent pandemic has complicated matters relating to Benefits, the District is still committed to and has been implementing recommendations and process improvements where feasible. We decreased the score slightly, decreasing the risk level to a *Medium*.

Human Resources - Risk Score: 69

This area is highly significant not only due to its relationship with Payroll, but also due to the complexity and sensitivity in maintaining relations with employees' representative unions, related contractual obligations, and compliance requirements. As a result, this area can never be given a score lower than *Medium*.

Covid-19 Impact

- 1) Potential increase in retirees or employees not returning due to health concerns.
- 2) Changes in the hiring and interview process to promote social distancing.
- 3) Remote onboarding of new employees.

Significant internal control changes made since the previous risk assessment report

- 1) With assistance from BOCES, the District has reconciled attendance in nVision and Aesop.

Previously reported observations and recommendations

- 1) Observation (unresolved): The District does not utilize My Learning Plan software to its full capabilities.
Recommendations: The District uses My Learning Plan to register for in-service credits as well as BOCES courses. A large part of My Learning Plan is its ability to track all credits and submit courses for approval. The District is considering taking advantage of this capability to replace the current manual tracking system.

Human Resources (continued)

Current Assessment

As with any other department, Human Resources has been met with new challenges relating to the Covid-19 pandemic. The Risk Score remains the same, and the Risk Level remains at *Medium*.

Capital Projects- Risk Score: 69

This is an area where the amount of funds expended can be significant. As with accounts payable and payroll, this attribute automatically increases the level of risk. Large capital projects are funded through bonds. During June 2016 voters approved a \$42.5 million bond to finance projects through the 2021 year. The greatest risk in this area would be invoices being paid without proper review and approval. However, the District has procedures in place to minimize their exposure. Currently, the District is still in the process of various infrastructure improvements and renovations.

Current Assessment

The District is in its final stages of completion of its capital projects relating to the \$42.5 million bond. Over the past year, these projects have faced significant changes. The District has since replaced its contractor and terminated its construction manager. The Director of Facilities now oversees all capital projects. As a result, we recommend that this area be selected for a future updated intensive review. We increased the Risk Score to a 69, however, the Risk Level remains at a *Medium Risk*.

Facilities and Operations - Risk Score: 68

Facilities and Operations are an important part of keeping the District up and running. The District employs skilled maintenance and custodial workers for the repair and maintenance of the District's facilities. The Director of Facilities oversees the District's buildings, grounds, and facilities maintenance. The Director supervises a staff of approximately 54 employees.

Covid-19 Impact

- 1) Potential increase in overtime relating to daily cleaning requirements by the Department of Health.
- 2) New York State now requires a detailed log of when a room is cleaned. These logs are subject to random audits from the Department of Health to ensure compliance. The District has implemented this.
- 3) Increase in spending relating to personal protection equipment and cleaning supplies.
- 4) Increase in spending related to ensuring HVAC systems are in accordance with New York State mandates.

Recommendation: The District should continue to monitor the above to ensure compliance with New York State requirements. In addition, the District should continue to track its personal protection equipment and cleaning supplies to ensure its usage is solely for District purposes.

Facilities and Operations (continued)

Significant internal control changes made since the previous risk assessment report

- 1) The District recently updated their employee ID and building entrance security system and protocols. The Director of Facilities periodically reviews security reports for unauthorized usage or access.

Previously reported observations and recommendations

- 1) Observation (unresolved): The District recently updated their gas system for Facilities and Transportation. However, the system is not being used to run specialized reports tracking fuel usage.

Recommendation: The new system has the capability of running specialized reports showing fuel usage. This would be beneficial for the District, as it would help track how often fuel is being used and how efficient District employees are with their usage. In addition, reviewing these reports could also indicate where potential problems may be.

Current Assessment

We felt the above finding and current climate warranted a slight increase in the Risk Score. However, the level remains at a *Medium Risk*.

Payroll - Risk Score: 67

Payroll is an area in which the high dollar volume in relation to the District budget (payroll represents greater than 50% of the budget) inherently makes it a “higher risk” area. Payroll is also an area that is generally susceptible to fraud. These two factors make it difficult for the risk level in this area to ever be rated low, regardless of the controls in place.

Covid-19 Impact

- 1) The Treasurer estimates payroll funding needs, and with the approval of the Assistant Superintendent for Business, arranges in advance for wire transfers to process automatically when needed for two or three future payrolls at a time. This is done as a precautionary measure in the event the Assistant Superintendent for Business or Treasurer become temporarily unavailable.

Significant internal control changes made since the previous risk assessment report

- 1) Based on prior recommendations, the District recently updated their payroll time sheets to include the following:
 - A designated area, independent from overtime, to specify compensatory hours earned.
 - An area for employees to provide a description of the purpose for their overtime.
 - Employees are now required to initial their timesheets, attesting to the number of hours worked.
- 2) The District created a formal document highlighting procedures performed during the annual salary rollover. In addition, this document is dated and signed by each responsible person, indicating completion of each required step.
- 3) The District's exit checklist now specifies the employee's bargaining unit. This will assist in the review process and could easily tie back to the bargaining unit's contract to ensure final pay rates are accurate.
- 4) The District is in the process of implementing positive pay for payroll.

Payroll (continued)

Current Assessment

We performed an intensive review of Payroll for the year ended June 30, 2020. Our report, dated March 24, 2020, provided several recommendations to improve the controls and processes over the payroll function. The District has implemented or is currently implementing all of the recommendations agreed to in the District's management response.

Due to this area's nature, complexity, and monetary size, it is difficult for the risk level ever to fall below medium. However, we believe the new changes put in place warranted a decrease in the Risk Score to a 67. The level of this area remains at a *Medium Risk*.

Purchasing and Payables - Risk Score: 66

Purchasing and Payables is another significant operational area of the District. The District follows New York State purchasing regulations and has an independent Accountant serving as its internal claim's auditor. We reviewed the procedures and documentation for purchases of equipment, supplies, employee reimbursements, and contract purchases. We found good overall internal controls and segregation of duties. As with human resources and payroll, this area's rating is affected by its significant dollar value and its susceptibility to fraud. As a result, it is unlikely the area of Purchasing and Payables will ever rate low risk.

Covid-19 Impact

- 1) Increase in spending relating to personal protection equipment and cleaning supplies.
- 2) During the year, New York State issued a State of Emergency Declaration, allowing school districts to bypass certain purchasing municipal laws due to the Covid-19 pandemic.
- 3) The District Treasurer now prints Accounts Payable & Payroll checks directly from her office. She no longer oversees the clerical staff printing the checks. This process will continue indefinitely.
- 4) When schools were completely shut down, there was a delay in buildings confirming receipt of goods of various orders to the Accounts Payable Clerk. As a result, there were many invoices waiting to be paid.
- 5) Due to the pandemic, the new claims auditor is reviewing claims offsite. This has caused a delay in resolving certain issues since the Business Office staff does not have the payment packet to review until it is returned the following week. It is anticipated that later in the year, he will be onsite and resolve issues at the time of review.
- 6) Since the District is using both a blank and unencoded check stock, and cannot print checks while working remotely, the Treasurer ordered manual checks for the General Fund, Capital Fund, and Payroll as part of their financial disaster recovery plan. This check stock would only be used in a dire emergency.

Significant internal control changes made since the previous risk assessment report

- 1) The Claims Auditor now reviews all disbursements paid out of the Trust and Agency Fund.
- 2) The District requires an approved memo stating the purpose and justification for any purchases done in accordance with New York State's Emergency Declaration.

Purchasing and Payables (continued)

- 3) Once a week, the Assistant Superintendent for Business, Treasurer, Purchasing Agent, and Accounts Payable Clerk meet to discuss and resolve findings noted in the weekly claims audit report.

Current Assessment

The biggest change within this area was the appointment of a new Claims Auditor. The new Claims Auditor brings with him valuable experience as a Purchasing Agent in another school district.

Although we found no significant findings, due to the current climate the score is raised slightly, but we continue to assess this area at the *Medium Risk* level.

Online Banking and Transfers - Risk Score: 65

Online banking provides access to the District's accounts. Authorized users can review account balances, view recent transactions, and transfer funds between District accounts as well as external accounts. Positive pay is used to prevent check fraud and unauthorized disbursements. Wire transfers typically involve significant amounts of money, and as such, strong controls must be in place to prevent unauthorized transfers from occurring.

Significant internal control changes made since the previous risk assessment report

- 1) The District recently switched over to a more secure wire transfer service through Chase, called JP Morgan Access.
- 2) In an effort to improve efficiency, the District now utilizes a mobile check scanning system.

Current Assessment

Online banking has recently become an area of focus for the Office of the New York State Comptroller's school district audits, and as such, we believe an intensive review of this area would benefit the District. This area is given a Risk Level of *Medium*.

Transportation - Risk Score: 65

The District has a contract with a third-party vendor to provide transportation for District students. This contract relieves the District from handling the scheduling of bus routes, timing, and hiring of drivers. As part of the agreement, the District is responsible for purchasing the fuel during the months of September through April. After this period, the fuel is purchased by the transportation company. From our understanding, the transportation company uses the same bus fleet to transport students of neighboring districts. Management feels its transportation costs are more favorable when compared to other districts.

Covid-19 Impact

- 1) Additional bus routes will now be needed to meet the needs of all school schedules.

Transportation (continued)

- 2) To ensure compliance with New York State, additional cleaning is now required for all buses and vans.

Recommendation: The District should continue to work with its transportation provider to ensure operations are in compliance with New York State requirements. In addition, bus routing should be continuously reviewed to ensure efficiency.

Current Assessment

Based on our findings, we continue to assess Transportation at a Risk Level of *Medium*.

Revenue, Receipts, and Accounting - Risk Score: 63

Revenue is an area that includes the receipt of funds, the movement of these funds within the District, and the maintaining of miscellaneous receivables. The funds the District receives are composed of taxes remitted by the towns of Mt. Pleasant and New Castle. The District also receives funds from state aid, STAR, facility usage, sales tax, and student activities. When reviewing the District's procedures in this area, we reviewed different methods in which money is received, how it is recorded, and the revenue sources. Our review revealed the existence of good overall internal controls, with proper reviews and sign offs.

Covid-19 Impact

- 1) Reduced revenues, including and especially, state aid.

Significant internal control changes made since the previous risk assessment report

- 1) All bank reconciliations are now completed in nVision.
- 2) The District will now record food service revenues using Nutrikids sales reports.

New observation and recommendation

- 1) Observation: The District currently has outstanding receivables relating to facility usage. Some of these receivables are related to usage prior to the pandemic. During our review, it was noted that some may have been previously paid but not processed in SchoolDude.
Recommendation: The District should review its outstanding receivables related to facility usage for both accuracy and to determine their collectability.

Current Assessment

We believe the above new controls warranted a slight decrease in the Risk Score. However, the Risk Level remains at *Medium*.

Information Technology - Risk Score: 57

Information Technology in education environments have basic inherent risks due to the concentration of critical information being in an electronic format and the need to provide for the proper security over this information. We believe that the District's network is well developed, and all of its data is secure. Technology must be monitored closely and vigilantly at all times, for the safety of information, as well as the students using computers within the District.

Information Technology (continued)

Covid-19 Impact

- 1) One of the largest undertakings resulting from the pandemic was the move to virtual learning. This move required distribution of devices, coordination with instructional staff, and continued support.
- 2) In addition to remote learning, certain District staff worked (and may continue to work) from home requiring the Technology Department to ensure all employees had/have seamless access to all systems required to perform their duties. Additionally, this means remotely supporting staff.

Significant internal control changes made since the previous risk assessment report

- 1) The District joined the LHRIC Data Privacy Services. This service provides the District with research, support, and newsletters of current or potential security concerns.
- 2) The District has been holding IT training sessions for clerical employees should work from home be mandated again.
- 3) The Information Technology Director is notified of multiple failed attempts into a user District account.

New observation and recommendation

- 1) **Observation:** Should working from home be required, employees have been given District laptops. However, during our interviews, it was noted that several employees have opted to use their own personal computers to perform District work.
Recommendation: To maintain proper security, all offsite work should be done using District computers. Employees should work with the Information Technology Department should any issues arise with the use of District computers.

Current Assessment

Due to an uptick in remote working, the pandemic has put a new spotlight on cyber security. Based on our review, it appears the District has the necessary cyber security controls in place. Due to its nature, it is nearly impossible for the risk level of this area to ever be at a low level. We felt that the current climate warranted a slight increase in the Risk Score, reminding the District to remain vigilant. However, the Risk Level remains at *Medium*.

Student Services - Risk Score: 53

Extra Classroom Activities is an area where student funds are handled by many individuals before being deposited into the club's bank account. Although the dollar amount is low, this is an area where the risk of theft is greatest. It should be noted that our review did not find any instances of theft or fraud.

Covid-19 Impact

- 1) Due to school closings there has been virtually no activity in the Student Club accounts, and no club events have taken place.

Significant internal control changes made since the previous risk assessment report

- 1) All checks are now printed from nVision instead of being typed or handwritten for Extra Classroom Activities, Teams, and the Scholarship accounts.

Student Services (continued)

Previously reported observation and recommendation

- 1) **Observation (unresolved):** Student Services (Extraclassroom Activities) is accounted for centrally at the District's Business Office. We noted that the District Treasurer maintains effective controls of the area. However, all processes are performed by the Treasurer, including receiving and recording cash receipts, check disbursements, and bank reconciliations. This is a segregation of duties issue. The former part time Accounts Payable Clerk previously handled many of the duties involved, including check disbursement processes. However, since she left, these accounting procedures have all been given to the District Treasurer.

Recommendation: As part of best practice, the District should segregate duties involved with Extraclassroom Activities. The District may want to consider a stipend position for a Central Treasurer, a common setup in neighboring districts. This position manages Student Services and reports directly to the District Treasurer.

Current Assessment

Since our last review, the biggest change in this area is a new District/Central Treasurer. While Student Services has been mostly shut down as a result of the pandemic, the new Treasurer is fully committed to improving processes where needed. Although dollar amounts are generally small, the frequent handling of cash makes this area susceptible to fraud. The Risk Level remains at *Medium*.

Food Service - Risk Score: 51

Food Service is run by an independent third-party company (Aramark). This alleviates the need for the District to manage this area of operations. The District has an employee responsible for tracking and reporting free and reduced lunch for students. Aramark handles the food program and provides sufficient documentation of activity for the District to feel comfortable that they are reporting revenues correctly.

Covid-19 Impact

- 1) Although the District was not open for the full school year, the contract structure with Aramark allowed the District to still finish the school year with a profit from food service.
- 2) Decrease in volume of school lunches due to staggered schedules and limited menus.
- 3) Although the District was closed, the Food Service Department continued to prepare meals for students qualifying for free lunch. Parents and Guardians of students "opted in" which allowed the District to know how many meals to prepare.

Significant internal control changes made since the previous risk assessment report

- 1) The District will now record food service revenues using Nutrikids sales reports. This will assist the District with reconciling food service sales back to cash deposits.

Current Assessment

The District is currently in the middle of their 5-year contract with Aramark. We noted no significant changes to processes and procedures over Food Services and as such, the Risk Level remains unchanged at *Medium*.

Government Aid / Grants - Risk Score: 50

School districts are entitled to a variety of program aid from the state and federal government. Government aid and grants can account for a significant source of funding for public education. Most state and federal program aid require certain applications and claim forms to be submitted at a determined schedule. This area has a medium risk rating.

Current Assessment

This area continues to be rated as *Medium Risk* due to existing controls over government and grant expenditures.

Fixed Assets - Risk Score: 49

This area includes security of equipment, other District assets and inventory controls. The Director of Facilities and Operations oversees the District's fixed assets. The Director helps ensure that facilities are safe, and regulations promote the educational mission of the District as well as monitors the construction and capital improvement projects. This area has been rated a moderate risk with the highest area of risk being the strategic planning impact.

Current Assessment

The District continues to maintain good controls over fixed assets. This area continues to be rated as *Low Risk* due to existing controls over Fixed Assets.