

# CHAPPAQUA CENTRAL SCHOOL DISTRICT

P.O. BOX 21, CHAPPAQUA, NEW YORK (914) 238-7200

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September 10, 2015

To: O'Connor Davies, LLP  
External Auditor

From: John L. Chow

Re: Response to Management Letter for Fiscal Year Ended June 30, 2015

This is the District's response to the above-mentioned management letter issued by the external auditing firm, O'Connor Davies. On September 17, the District's Audit Committee will meet with auditors to review the management letter and financial statements. On October 7, the auditors will make a presentation to the Board of Education at an open meeting after which the Board will accept the report.

We discussed this management letter with personnel from the areas that are affected and collectively came up with this response. We believe that all the internal controls, operational/procedural issues, and recommendations made in the management letter either have been or will be addressed through corrective action plans presented below:

## **Special Aid Fund**

### ***Finding: Amounts Due from State***

The auditor noted that District had outstanding amounts due from the state for the 2010-11, 2011-12, 2012-13, 2013-14, and 2014-15 summer handicapped program year of \$115,151, \$189,721, \$307,542, \$260,276 and \$457,541, respectively.

### ***Recommendation***

The District monitors these outstanding amounts and presents all write-offs to the Board including records relating to these programs identifying the rate setting costs and the amounts actually paid by the School District. If such amounts are ultimately deemed uncollectable, they should be written off with board approval and funded by the General Fund.

### ***Response***

Responsible: Director for Special Education, Educational and Management Services, Inc. (contractor who files District's special education claims), and Business Office

Action: We do monitor these collectables closely. All the above-mentioned collectibles are still considered active. At the June 17, 2015 meeting, the

Board of Education approved the write-off of \$6,801.45 which was the amount that was uncollectable from school year 2009-10.

Timeline: Ongoing

### **Extraclassroom Activities**

#### ***Finding: Cash Receipts***

Auditor's review indicated a receipt within the High School Band account that was not deposited timely.

#### ***Recommendation***

It is recommended that all monies be deposited within 72 business hours upon receipt as mandated by New York State.

#### ***Response***

Responsible: High School Principal, Assistant Principal and Treasurer

Action: We informed the above-mentioned responsible individuals and also informed all the principals that all monies must be deposited within 72 hours of receipt.

Timeline: Completed

### **Journal Entries**

#### ***Finding: Entries without Supervisory Review***

Auditor noted several journal entries were posted without additional supervisory review.

#### ***Recommendation***

It is recommended that the District adhere to its policy that all journal entries are approved by someone independent of the preparer.

#### ***Response***

Responsible: Assistant Superintendent for Business and District Treasurer

Action: We will make sure all future journal entries will have proper review and approval.

Timeline: Completed

### **Internal Control**

#### ***Finding: Confirming Invoices***

5 of the 50 claims tested had purchased orders dated subsequent of the invoice date.

#### ***Recommendation***

It is recommended that purchase orders be initiated prior to District purchases goods or services.

#### ***Response***

Responsible: Purchasing Agent and all personnel making purchases

Action: We have informed all personnel involved that purchase orders must be issued prior to the purchase of goods or services.

Timeline: Completed

Cc: Lyn McKay  
Audit Committee Members