

IROQUOIS CENTRAL SCHOOL DISTRICT

RESULTS OF TESTING

FOR THE YEAR ENDED JUNE 30, 2017

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RISK AREA: PAYROLL AND BENEFITS: TIME AND ATTENDANCE

RISK ASSESSMENT: LOW

OBJECTIVE:

- To assess procedures over attendance requirements for the Iroquois Faculty Association (IFA) and Civil Service Employees' Association, Inc. (CSEA) contract employees

TESTING PERFORMED:

For IFA contracted employees:

- Obtained the substitute log for the 2017 fiscal year and randomly selected 6 days
- For each day selected, obtained all "Claim for Absence" forms (pink slips) for each employee reported as having a substitute on the substitute log
- Reviewed pink slips to determine if they were completed timely and signed by the employee and supervisor

For CSEA contracted employees:

- Obtained a list of all CSEA contracted employees in the District
- Selected 15 employees and traced them to applicable time sheets for the year to determine all dates they were not at work
- Traced days off from the time sheets to the "Support Staff Absence Report" forms (blue slips) to determine that they were completed timely and signed by the applicable employees and supervisors

RESULTS:

- Noted two instances of pink slips not yet turned in
- Noted six instances of pink slips not returned within three days of employee's return to work
- Noted six instances of blue slips not yet turned in to the business office
- Noted three instances in which teachers had long term absences and pink slips were not turned in after their return
- Noted 22 blue slips not dated by the employees, therefore unable to determine if they were submitted timely
- Noted 11 blue slips not dated by supervisor or department heads
- Noted seven instances of blue slips not completed timely

RECOMMENDATIONS:

- Require pink and blue slips to be submitted within a reasonable time frame after the employee returns – two to three days
- Require pink slips to be submitted for long term leaves upon a teacher's return
- Require employees and supervisors to sign and date all pink and blue slips

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RISK AREA: PILOT PAYMENTS

RISK ASSESSMENT: 2017 - HIGH

OBJECTIVE:

- To gain an understanding of the District's Payment in Lieu of Taxes (PILOT) agreements and determine if the District is correctly billing and receiving PILOT amounts

TESTING

PERFORMED:

- Obtained the District's listing of all PILOT agreements
- Reviewed PILOT bills and recalculated amounts based on the individual PILOT agreements to determine if the District is billing the correct amounts

RESULTS:

- Reviewed cash receipts of PILOT amounts to determine that amounts billed are being collected
- PILOT amounts are correctly billed based on examination of the District's nine agreements
- All amounts billed were collected

RECOMMENDATIONS:

- An incorrect tax rate was being used for one PILOT calculation, resulting in \$135 underbilled
- Continue to review PILOT calculations against Erie County Industrial Development Agency (ECIDA) calculations annually to ensure correct amounts are calculated
- Consider a secondary review process to ensure correct tax rates are used when calculating PILOT payments

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UPDATE OF PRIOR RECOMMENDATIONS NOT INCLUDED ELSEWHERE*

- 1 - recommendations that BOCES has the ability to change and would likely provide a greater benefit to BOCES than the cost of implementation
- 3 - recommendations that are considered to be best practices and reminders to BOCES to continue with certain procedures

ACCOUNTS PAYABLE/ PURCHASING PAYROLL AND BENEFITS	• Consider listing authorized employees on purchase orders for vendors at which District has store credit	3
	• Increase segregation of duties between payroll and human resource functions by having the administrative assistant for personnel add and update all employees in Finance Manager	3
	• Document the process used to distinguish between an independent contractor and an employee	1
	• Document job requirements and duties for each job title	1
CLAIMS AUDITOR	• Use formal, written contracts when the District desires an independent contractor relationship	3
	• Claims auditor is required to report to the Board at least once a year <ul style="list-style-type: none"> ◦ District is in the processing of transitioning to a new claims auditor 	1
TRANSPORTATION	• Consider implementing an electronic time clock system	2
	• Formal inventory count procedures should be performed at least annually for the Transportation and Buildings & Grounds departments	2
EXTRACLASSROOM (Student clubs)	• Whenever possible, disbursements should be made through the standard approval process with extraclassroom checks instead of reimbursing students after purchases have been made	3
	• Maintain a list of Board-approved clubs	1
	• The Extraclassroom Central Treasurer should meet with the faculty and students each year	3
INFORMATION SYSTEMS	• Establish proper segregation of duties between the cash deposit and bank reconciliation processes	2
	• Continue to develop and implement a Disaster Recovery Plan	3
SPECIAL EDUCATION/ BILLING	• Maintain documentation of costs per student for non-STAC students	3
	• Continue to review documentation for accuracy and completeness prior to submission to MAG	3
	• Actual information should be used to calculate costs whenever possible to maximize reimbursement	3
	• Ensure calculations for STAC purposes do not include costs reimbursed by grants	3
	• When possible, adjust grant budgets to include only costs that are unlikely to be aided through STAC procedures	3

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UPDATE OF PRIOR RECOMMENDATIONS NOT INCLUDED ELSEWHERE* (con't.)

CASH RECEIPTS		
	<ul style="list-style-type: none"> • Maintain a schedule for vending machine item stocking and cash withdrawal 	1
	Bookstore:	
	<ul style="list-style-type: none"> • District should consider performing a surprise test count of bookstore cash at both locations once a year to ensure that proper procedures are being followed 	1
	<ul style="list-style-type: none"> o During the year, the District Treasurer performed a test count of bookstore cash at both locations 	
	<ul style="list-style-type: none"> • An inventory log should be developed and maintained whereby inventory sold and returned is entered into the log; additionally, inventory should be reconciled to the sales report on a monthly basis 	2

* Items in blue denote changes since our previous report.

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