



Bedford Central School District

Updated Risk Assessment Report
Covering the State mandate for the year ending June 30, 2020

Bedford Central School District

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TOBIN & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS, PC

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

We have performed an update to our Risk Assessment as agreed to by the Bedford 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 for the fiscal year ending June 30, 2020.

Our report assigns risk assessment scores and levels to the different processes of the District, and highlights weaknesses in internal controls as well as valuable controls that are already in place. 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 Bedford Central School District for their time and assistance during our engagement.

Sincerely,

Tobin & Company
Certified Public Accountants, PC

Purchase, New York
September 17, 2019

Since our last review, the District has made internal control changes to the procedures of several areas. The scores for some of these areas have decreased while others increased. Since our last Risk Assessment, the District replaced vacancies in key positions as noted below:

- Assistant Superintendent for Business & Purchasing Agent
- District Treasurer
- Transportation Supervisor

Below is a summary of our observations. Further detail can be found in the body of this report:

Notable improvements to internal controls and procedures since the last Risk Assessment Report:

- 1) The District is in the process of implementing Positive Pay for the payroll account.
- 2) The District recently filled the Payroll Clerk position to provide additional support and backup to the Lead Payroll Clerk. The Clerks now cross check and review each other's work.
- 3) With the recent upgrade of the accounting software to nVision, requisitioners can now attach key purchasing documents, such as vendor quotes, directly to the requisition.
- 4) The District developed a list that tracks the expiration of vendor contracts and bidding obligations.
- 5) The District has implemented the use of the accounts receivable module of nVision for District billing, increasing controls and reporting over invoice generation and accounts receivable.
- 6) To fulfill new state mandates and improve transparency and reporting, the District has created several new detailed budget codes by school. With this, the District can now track spending by location.
- 7) Human Resources recently put restrictions in Absence Management (formerly Aesop) to prevent employees from exceeding their approved paid time off allotment.
- 8) The District added the position of "Faculty Auditor" to assist Extraclassroom Activities with ensuring compliance and correctness of transactions and procedures by clubs.
- 9) In an effort to control custodial/maintenance overtime relating to athletic events, the Director of Buildings of Grounds now requires the Athletics Director to review and sign off on timesheets.
- 10) Buildings and Grounds has transitioned to "MasterLibrary," an automated facility usage system.
- 11) In order to enhance information technology security, the District enrolled in the Multi-State Information and Analysis Center (MS-ISAC).

Summary of newly noted areas for potential improvement:

- 1) **(Payroll)** The District does not perform annual or periodic live paycheck distributions.
- 2) **(Payroll)** Currently, certain employee payroll adjustments (i.e.: longevity), are included together in nVision and on paystubs as one amount and classified as "contractual adjustments" rather than detailed descriptions of what they really are.
- 3) **(Benefits)** The District does not review their benefits invoice to ensure they are not paying for terminated, resigned, or ineligible retired employees.
- 4) **(Accounts Payable)** Employees are not required to submit to the Accounts Payable Department certificates of attendance or other documentation supporting attendance at conferences.
- 5) **(Revenues, Receipts, and Reporting)** Bank reconciliations are being completed in Microsoft Excel rather than nVision. In addition, the current spreadsheet used does not have a "prepared by" or "approved by" line noting review and approval.
- 6) **(Extraclassroom Activities)** Cap and gown funds are not deposited in the bank. Funds are recorded by the High School Extraclassroom Activities Treasurer and stored in a locked cabinet until they are picked up by the cap and gown vendor.
- 7) **(Purchasing)** The District does not utilize E-Procurement services such as BidNet.
- 8) **(Human Resources)** The District is not using nVision for position control and budgeting. Instead, a manual employee position control spreadsheet is used.

Risk Assessment Overview

At the request of the Board of Education of the Bedford Central School District "the District" we have performed a Risk Assessment of several areas of district operations. 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 top administration, mid-level management, and business office employees.

We evaluated forms and documentation used in the 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 updated flowcharts for key operational areas.

We reviewed the audit reports issued by the State Comptroller's Office as well as the District's External Auditors. In addition, we reviewed prior audit comments and the District's action plan.

During our engagement we interviewed the following key personnel:

Cynthia Hawthorne, Assistant Superintendent for Business and Purchasing Agent

Faith Sparks, District Treasurer

Kelly Lent, Assistant Business Manager and Deputy Purchasing Agent

Patricia Gomez, Senior Bookkeeper and Deputy Treasurer

Patricia McKenna, Accounts Payable Clerk

Rob Gimigliano, Director of Buildings and Grounds

Lisa Cocomello, Secretary of Buildings and Grounds

Judy Schurmacher, Lead Payroll Clerk

Linda Cali, Payroll Clerk

Christine O'Connor, Business Office Secretary

David Gee, Director of Technology

Susan Weeks and Lynn Jorgensen, Extraclassroom Activities Treasurers (MS & HS)

Fran Cortina, Food Service Director (Aramark)

Christopher Weir, Claims Auditor

Anne Marie Bazyk, Executive Assistant for Human Resources

Elizabeth Walsh, Senior Office Assistant for Human Resources

Stacey Haynsworth, Assistant Superintendent for Human Resources

Kim Oltman, Secretary to School Official

Mark Connolly, Transportation Supervisor

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 observations 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.*

Bedford Central School District

Risk Ratings- Results

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

Area of Review	Current Risk		Previous Risk	
	Score	Level	Score	Level
Purchasing and Payables	78	High	78	High
Employee Benefits	75	Medium	70	Medium
Human Resources	73	Medium	73	Medium
Payroll	70	Medium	73	Medium
Facilities and Capital Assets	64	Medium	65	Medium
Extra Classroom Activities	61	Medium	61	Medium
Food Service	57	Medium	57	Medium
Information Technology	57	Medium	57	Medium
Revenue and Receipts	51	Medium	53	Medium
Transportation	50	Medium	50	Medium
Government Aid and Grants	47	Low	47	Low

Below is the prior history of completed intensive reviews as well as our recommendation for the next area to be reviewed:

	Intensive Review History
Employee Benefits	<i>completed June 2012</i>
Purchasing and Payables	<i>completed June 2014 & June 2019</i>
Board Governance	<i>completed June 2015</i>
Facilities and Capital Assets	<i>completed June 2016</i>
Human Resources	<i>completed June 2013 and 2017</i>
Extra Classroom Activities	<i>completed June 2018</i>

Recommendation for next review area: Responsibilities and Duties Between Human Resources and the Business Office

During our engagement we highlighted the importance and necessity for a clear definition and distinction of duties between Human Resources and the Business Office. With the recent turnover within the District, we believe this would be a good time to review policies, procedures, and duties in Human Resources and the Business Office to determine if there are opportunities to increase efficiency and improve upon communication.

PURCHASING AND PAYABLES- Risk Score: 78

Purchasing and Payables are assessed together due to their close relationship. The District follows New York State purchasing regulations. We reviewed the procedures and documentation for purchases of supplies, employee reimbursements, and contract purchases. As with human resources and payroll, this area's rating is affected by its significant dollar value and its susceptibility to fraud.

Internal control changes made since the last Risk Assessment Report:

- 1) With the recent transition to nVision, requisitioners can now attach key purchasing documents, such as vendor quotes, directly to the requisition. This allows for a more efficient and streamlined review process.
- 2) The District developed a list that tracks the expiration of vendor contracts and bidding obligations.

Newly noted observations and recommendations:

- 1) Observation: Employees are not required to submit to the Accounts Payable Department certificates of attendance or other similar documentation supporting attendance at conferences.
Recommendation: To further strengthen controls, we recommend the District require employees to submit documentation to Accounts Payable proving attendance at conferences.
- 2) Observation: The District does not utilize E-Procurement services. During our review it was indicated to us that there was a lack of response on certain services/goods recently placed out for bid.
Recommendation: We recommend that the District perform a cost benefit analysis for joining an E-Procurement service such as BidNet. BidNet would not only increase the District's vendor outreach, it could also provide for more cost saving options through increased competitive bidding.

Unresolved observations and recommendations from prior Risk Assessment Reports:

- 1) Observation: Due to recent turnover, department heads and office managers in charge of initiating requisitions are not properly trained on setting up new purchases, which causes delays in the purchasing process.
Recommendation: Training and education to the system users should continue year-round or on an as needed basis. It is important to note that the new Assistant Superintendent for Business/Purchasing Agent is scheduled to meet with all requisition initiators to train and discuss proper processes and procedures to provide for a more efficient operation.
- 2) Observation: Receiving copies of purchase orders are printed out and mailed via interoffice to the requisitioner. NVision can automate this process, which is not currently done.
Recommendation: To improve efficiency of operations, purchase orders should be emailed to vendors and departments. Other districts are now doing this.

Current Assessment

The position of Assistant Superintendent for Business continues to act as the Purchasing Agent. Both positions require a great deal of attention and due to the large number of District claims, it can be difficult to scrutinize each one. While we do not believe a material weakness exists, if it is in the District's means, they should consider hiring a Purchasing Agent. The District recently added the title of "Deputy Purchasing Agent" to the Business Manager, however the position's role is still unclear. The sole purpose of this position would be dedicated to purchasing, which includes checking quotes for optimal pricing, reviewing contracts and vendors for validity, and ensuring that the District is adhering to bid restrictions. Neighboring school districts of similar size have dedicated purchasing agents.

We recently performed an Intensive Review of this area. Please see our report dated May 28, 2019 for further observations and recommendations. While we did note additional findings above, we do not believe they warranted an increase to our Risk Score. It is important to note that we do believe District management understands the importance of internal controls within this area and continues to look for ways to improve. However, due to the recent turnover, we continue to assess this level as *High*.

EMPLOYEE BENEFITS - Risk Score: 75

The largest potential risks in this area for any District are providing benefits for individuals who are no longer eligible, and failure to properly bill the individuals who are required to contribute to their benefits. In this case, as a self-insured District, there is the additional risk of paying for claims that are billed to the District that are inaccurate or are for ineligible enrollees.

Newly noted observations and recommendations:

- 1) Observation: The District does not review their benefits invoice to ensure they are not paying for terminated, resigned, or ineligible retired employees.
Recommendation: We recommend that the District develop an independent census of all employees and retirees eligible to receive employee benefits. This census can then be compared to the third-party administrator's invoice. As noted, the District recently transitioned to nVision. nVision is a robust system that can house key employee information, including benefits. To further control and track employee and retiree benefits as well as develop an independent census, we recommend that the District continues to explore, and if feasible, use these components of nVision.

Unresolved observations and recommendations from prior Risk Assessment Reports:

- 1) Observation: The District is self-insured for health benefits and uses a third-party administrator to assist with employee benefits. Employees have many questions and there is no clear functioning department. The Benefits function is broken up between Human Resources and other parts of the Business Office.
Recommendation: A study should be performed to determine if the cost of self-insuring is equal to or less than the cost of insuring through a third party. If insuring through a third party is more efficient, the District may want to consider hiring a Benefits Clerk to assist in managing the area.

Summary of Reviewed Areas

Current Assessment

As with any District, Benefits remain a complex area. The last time an Intensive Review was performed in this area was June 2012. Due to this, the findings noted above, and the complexity surrounding the area of Benefits, we believe this area would benefit from a future review. We believe that our findings warranted an increase in the Risk Score. However, the Risk Level remains at *Medium*.

HUMAN RESOURCES - Risk Score: 73

This area is a highly significant one, not only due to its relationship with the payroll process, but also due to the complexity and sensitivity in maintaining its relations with its employees' representative unions, related contractual obligations and compliance requirements. It is important in any school district that both, the Human Resource Department and Payroll Department, work jointly to effectively process the District's largest expense. The Board of Education engaged our firm to perform an intensive review of Human Resources. Our report dated January 19, 2018 noted the District has good policies in place, and follows them to the best of their abilities. The review also noted areas for potential improvements. The details of those findings can be found in that report. Management continues to address where feasible.

Internal control changes made since the last Risk Assessment Report:

- 1) The District continues to expand on its usage of the attendance software, Absence Management (formerly Aesop). Human Resources recently put restrictions in Aesop to prevent employees from exceeding their approved paid time off allotment.

Newly noted observations and recommendations:

- 1) Observation: The District is not using nVision for position control and budgeting. Currently, the District has a manual employee position control spreadsheet. In the past, the spreadsheet was maintained by the Treasurer and used by the Business Office. Independent of this, Human Resources has their own manual position control spreadsheet.
Recommendation: nVision is a robust system capable of tracking and automating many of the current manual processes. In order to improve efficiency, tracking, and reporting capabilities, we recommend the District begin updating employee positions within the Human Resource module of nVision.

Unresolved observations and recommendations from prior Risk Assessment Reports:

- 1) Observation: The District does not currently perform formal exit interviews. They do however send exit letters with an attached optional survey.
Recommendation: The District should consider conducting exit interviews with its resigning/terminating staff. These exit interviews can sometimes provide valuable information about the District that may not have otherwise been disclosed while employed.

Summary of Reviewed Areas

Current Assessment

During our engagement we highlighted the importance and necessity for a clear definition and distinction of duties between Human Resources and the Business Office. With the recent turnover within the District, we believe this would be a good time to review policies, procedures, and duties in Human Resources and the Business Office to determine if there are opportunities to increase efficiency and improve upon communication. We recommend a review of the duties and responsibilities between Human Resources and the Business Office as the next review area. The Risk Level remains at *Medium*.

PAYROLL - Risk Score: 70

Payroll is an area in which the high dollar volume in relation to the District's 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.

Internal control changes made since the last Risk Assessment Report:

- 1) The District is in the process of implementing Positive Pay for the payroll account.
- 2) The District recently filled the position of Payroll Clerk to provide additional support and backup to the Lead Payroll Clerk. The Clerks now cross check and review each other's work.

Newly noted observations and recommendations:

- 1) Observation: The District does not perform live payroll distributions.
Recommendation: As a best practice function, the District should perform periodic live paycheck distributions (at least annually). This process usually involves Business Office employees not related to the payroll or human resource department. Some large school districts limit this function to one building per year, chosen at random.
- 2) Observation: Currently, certain employee payroll adjustments (i.e.: longevity) are included together in nVision and on paystubs as one amount and classified as "contractual adjustments" rather than detailed descriptions. This makes it difficult to track the details.
Recommendation: To improve transparency and tracking ability, the District should breakout each salary adjustment by accurate description within nVision. The District plans on implementing this for the next school year.

Unresolved observations and recommendations from prior Risk Assessment Reports:

- 1) Observation: The District currently uses manual paper time sheets to track the work hours of hourly employees. These are reviewed by supervisors and manually signed. Additionally, these are manually entered by the Payroll Clerk into nVision. As with any other manual process, manual entry leaves room for human error. Additionally, the use of manual time sheets makes verification of actual hours worked difficult.
Recommendation: The District should consider adopting the use of an electronic time tracking system such as Timepiece, which integrates with nVision. This system would eliminate manual entry of data, and would verify exact times of employee arrivals and departures. The approval process by supervisors would also become automated, providing accurate records of approvals.

Summary of Reviewed Areas

Current Assessment

As noted, since our last Risk Assessment, the District hired a Payroll Clerk to provide backup and support to the Lead Payroll Clerk. We believe that this will further strengthen controls and processes over this area. Because of this, we decreased our Risk Score. However, the Risk Level remains at *Medium*.

FACILITIES AND CAPITAL ASSETS - Risk Score: 64

Maintenance is 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 buildings and grounds. The Board of Education engaged our firm to perform an intensive review of Capital Projects. Our report, dated September 26, 2016, noted the District has good policies in place, and follows them to the best of their abilities. The review also noted areas for potential improvements. The details of those findings can be found in that report.

Internal control changes made since the last Risk Assessment Report:

- 1) In an effort to control custodial/maintenance overtime relating to athletic events, the Director of Buildings of Grounds now requires the Athletics Director to review and sign off on timesheets.
- 2) The Buildings and Grounds Department has transitioned to an automated facility usage system, MasterLibrary. This software automates, streamlines, and simplifies the building use request process. In addition, it provides a scheduling module to assist in preventing double booking. The system is also capable of creating specialized reports that could assist in tracking usage.

Unresolved observations and recommendations from prior Risk Assessment Reports:

- 1) Observation: Currently the District does not keep track of District vehicles mileage and fuel usage by vehicle. No reports are generated to analyze if vehicles and fuel are used for non-District activities.
Recommendation: Generating reports on a monthly basis can help determine if fuel usage is more than it should be.

Current Assessment

As noted in the Revenues and Receipts section, the District now generates and tracks invoices (including facility use billing) through nVision. Previously, invoices were created through Microsoft Word and tracked manually. We believe that this, as well as the new procedures put into place noted above, will further strengthen controls over Buildings and Grounds. However, due to the inherent risks involved, we continue to assess the area as *Medium*.

EXTRACLASROOM ACTIVITIES – Risk Score: 61

Although this is not a part of the District's budget, Extraclassroom Activities is an area where student funds may be handled by many individuals before being deposited into the club bank account. Although the dollar amount is relatively low, this is an area where the risk of theft can be high.

Bedford Central School District

Summary of Reviewed Areas

Internal control changes made since the last Risk Assessment Report:

- 1) The District added the position of "Faculty Auditor" at both the Middle School and High School to assist Extraclassroom Activities. Their responsibilities include examining the statement of accounts from the Extraclassroom Treasurers, audits of the ledgers kept by student treasurers, and ensure compliance and correctness of transactions and procedures by clubs.

Newly noted observations and recommendations:

- 1) Observation: Cap and gown funds at the High School are not deposited in the bank. Funds are recorded by the High School Extraclassroom Treasurer and stored in a locked cabinet until they are picked up by the cap and gown vendor. In addition, there is no independent review or reconciliation of the activity.
Recommendation: The District should review their cash handling procedures over cap and gowns funds. We recommend the funds be deposited within the Extraclassroom bank account and disbursed via check. New York State recommends that all monies be deposited in a bank within 72 hours of receipt.

Unresolved observations and recommendations from prior Risk Assessment Reports:

- 1) Observation (Best Practice): The Extraclassroom Treasurer currently uses Excel to track cash balances as well as detail of receipts and disbursements. Disbursement checks are handwritten. Because of the manual nature of the books it is difficult to generate reports by club, or to perform transaction searches.
Recommendation: We suggest the District consider using nVision to account for Extraclassroom Activities. Using accounting software would reduce the amount of time necessary to perform the extraclassroom function. It would also drastically improve reportability. Checks can be printed from this system which eliminates redundancies such as typing the check, and then having to separately "book" it to a ledger.

Current Assessment

During our intensive review we noted several valuable controls already in place. While we did note areas for improvement of existing controls, we did not feel that our findings warranted a change in the risk score for this area. Therefore, we continue to rate this area as *Medium Risk*.

FOOD SERVICE - Risk Score: 57

Food service is run by an independent vendor (Aramark). This limits the need for the District to manage this area of operations. Although this area is handled by an outside vendor, this is where the majority of cash changes hands within the District. Therefore, strong controls are necessary to ensure that the possibility of fraudulent activity is limited.

Summary of Reviewed Areas

Unresolved observations and recommendations from prior Risk Assessment Reports:

- 1) Observation: The cashiers count their drawers at the end of the period. The count report, on the cash register, is not closed within the system, until it is recounted by a second food service employee. The District should limit the handling of cash whenever possible. In our experience, when cash is handled by more than one person, the risks of misappropriation increases.
Recommendation: The cashiers should close out the count report and immediately place the money in a sealed deposit bag. Any discrepancies between the register count and the actual deposit will be limited to one person. This would eliminate the risk of an employee skimming cash and falsifying register reports.

Current Assessment

While we did not note any significant weaknesses, we believe the implementation of our recommendations above will further strengthen controls. The Food Service Risk Level remains at a *Medium Risk*.

INFORMATION TECHNOLOGY - Risk Score: 57

Technology is ever changing and so are its dangers. Based on our interviews we believe that the District's systems and data are secure, but that can change in an instant. Technology must always be monitored closely and vigilantly, for the safety of information, as well as the students using computers within the District.

Internal control changes made since the last Risk Assessment Report:

- 1) In order to enhance information technology security, the District enrolled in the Multi-State Information and Analysis Center (MS-ISAC). MS-ISAC is a non-profit organization that actively notifies state and local governments of growing cyber security issues.

Current Assessment

The biggest change for the District's information technology infrastructure since our last Risk Assessment was the transition to the nVision accounting software. We found the transition between accounting systems to be seamless, with no significant disruption to daily operations. We do recommend that the District continues to explore and make use of all nVision's capabilities, where feasible.

Overall, we noted strong controls over the District's information technology. The District has several safeguards in place to guard against loss of data, and therefore we do not feel the District is at risk of loss. Security over information seems to be solid and should protect against unauthorized use. Due to its nature, it is nearly impossible for the risk level of this area to ever be at a low level. The Risk Level remains at *Medium*.

REVENUES, RECEIPTS AND REPORTING- Risk Score: 51

This area includes all budget, accounting, financial reporting and cash management functions of the District. The factors affecting this area included strategic planning impact and materiality to the financial statements; internal control environment and documentation of internal controls.

Summary of Reviewed Areas

Internal control changes made since the last Risk Assessment Report:

- 1) The District has implemented the use of the accounts receivable module of nVision for District billing, increasing controls and reporting over invoice generation and tracking accounts receivable.
- 2) To fulfill new state mandates and improve transparency and reporting, the District has created several new detailed budget codes by school. With this, the District can now track spending by location.

Newly noted observations and recommendations:

- 1) Observation: Bank reconciliations are currently done manually through Microsoft Excel. In addition, while we noted that the Treasurer does review each reconciliation, the current spreadsheet used does not have a "prepared by" or "approved by" line noting review and approval.
Recommendation: We recommend that the District begin using nVision for bank reconciliations. We do want to point out that the District has explored and is intending to transition over to nVision once fully tested by BOCES.

Current Assessment

The biggest change within this area was the implementation of nVision's accounts receivable module. We believe that this will enhance controls over the area of revenues and receipts. However, due to the inherent risk involved, the Risk Level remains at *Medium*.

TRANSPORTATION - Risk Score: 50

The District's transportation operation has a third party contracted vendor to provide transportation for District students. Bus routes and scheduling of pickups are developed internally. As part of the agreement with the third party vendor, the District is responsible for purchasing fuel for the vendor's routes. The total fuel responsibility of the District is capped by the contract based on live miles. Additionally, the District stores fuel on its premises for its own vehicles and has its own pumps.

Current Assessment

At the time of our last Risk Assessment, the Transportation Supervisor was also the Assistant Superintendent for Business. The District recently hired a dedicated Transportation Supervisor who has prior school district transportation experience. We believe that having a full time and dedicated Transportation Supervisor will allow for a more efficient and controlled operation. The Risk Level of *Medium* remains the same.

GOVERNMENT AID AND GRANTS - Risk Score: 47

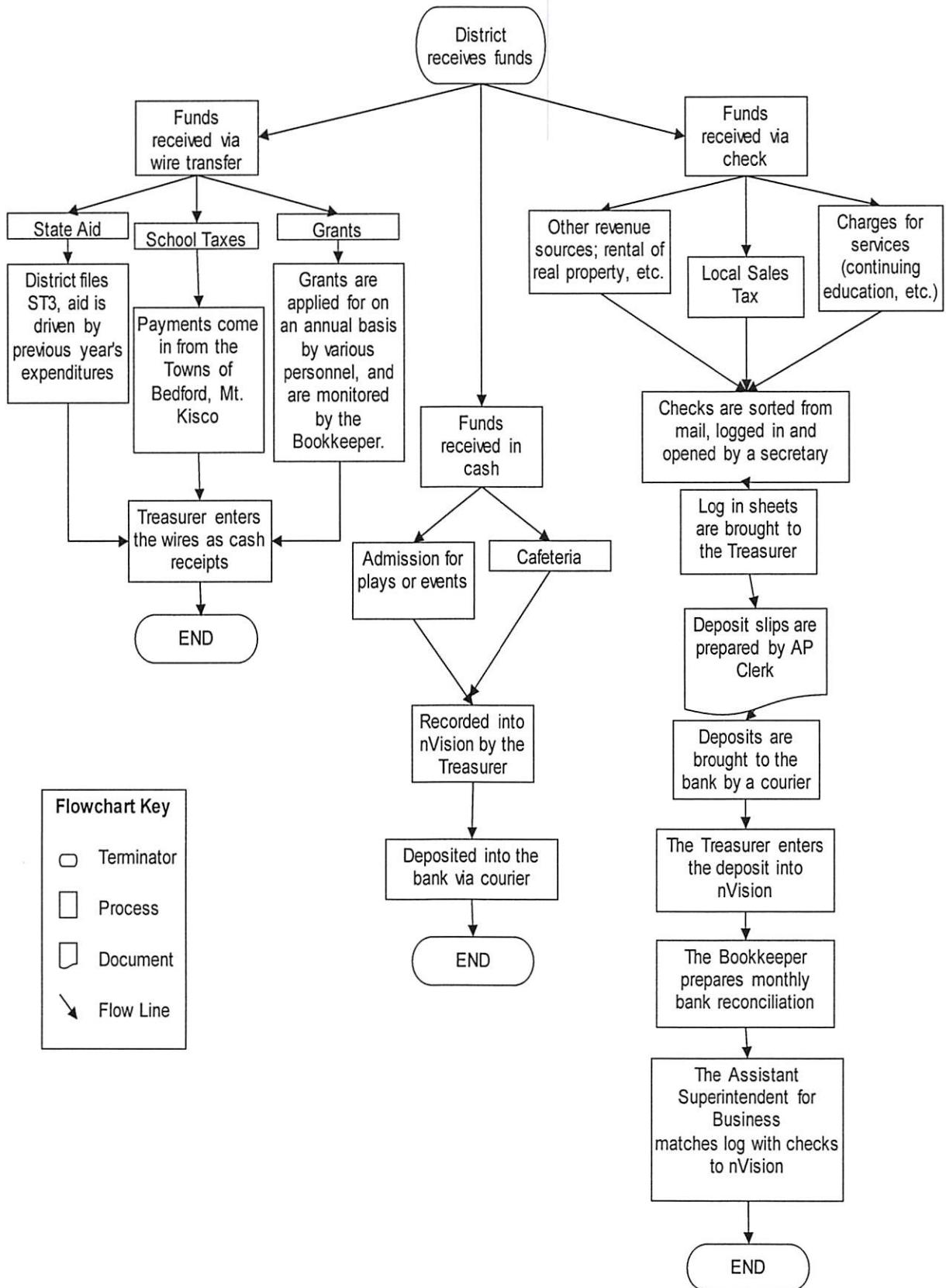
School Districts are entitled to a variety of program aid from the state and federal government. Government Aid and Grants can be a substantial source of funding for public education. The highest risk related to Government Aid and Grants would be that the District is not receiving all funds that it may be entitled to.

Summary of Reviewed Areas

Current Assessment

We noted no significant changes within this area. We found that the controls in place were similar to neighboring districts. We continue to assess this area with a Risk Score of 47 and a Risk Level of *Low* due to existing controls over government and grant expenditures.

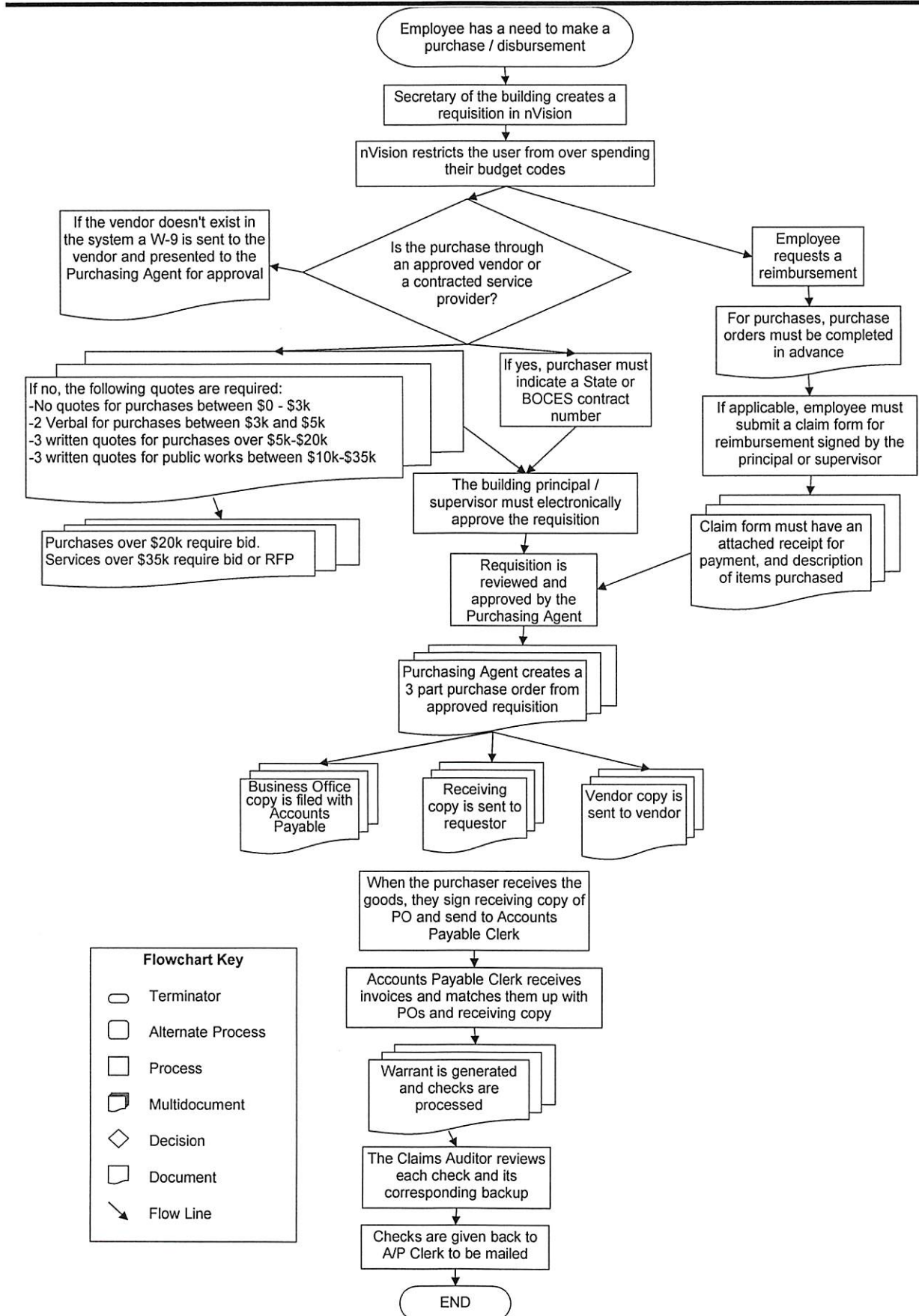
Flow Charts of Receipt Cycle



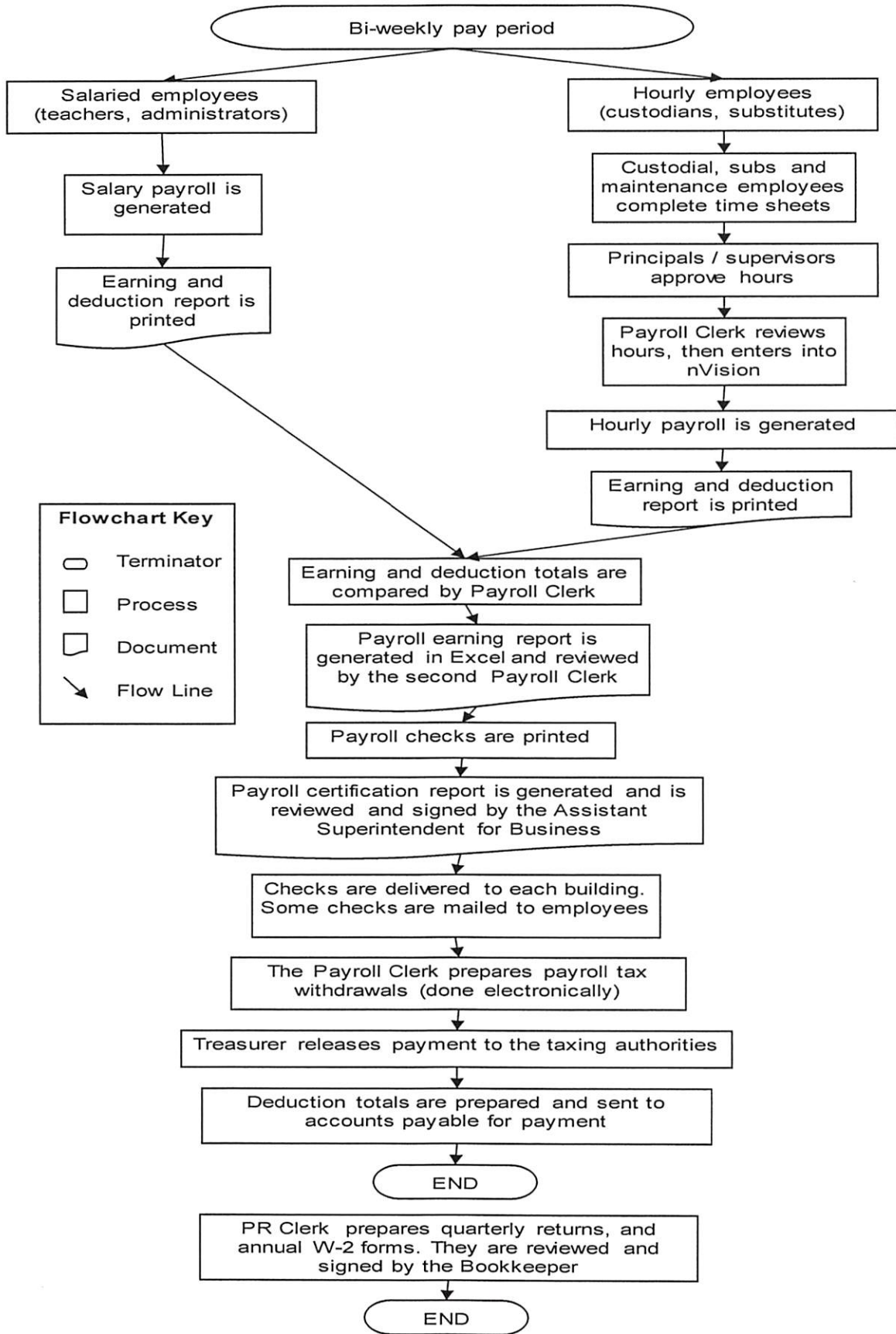
Flowchart Key

- Terminator
- Process
- ▭ Document
- ↘ Flow Line

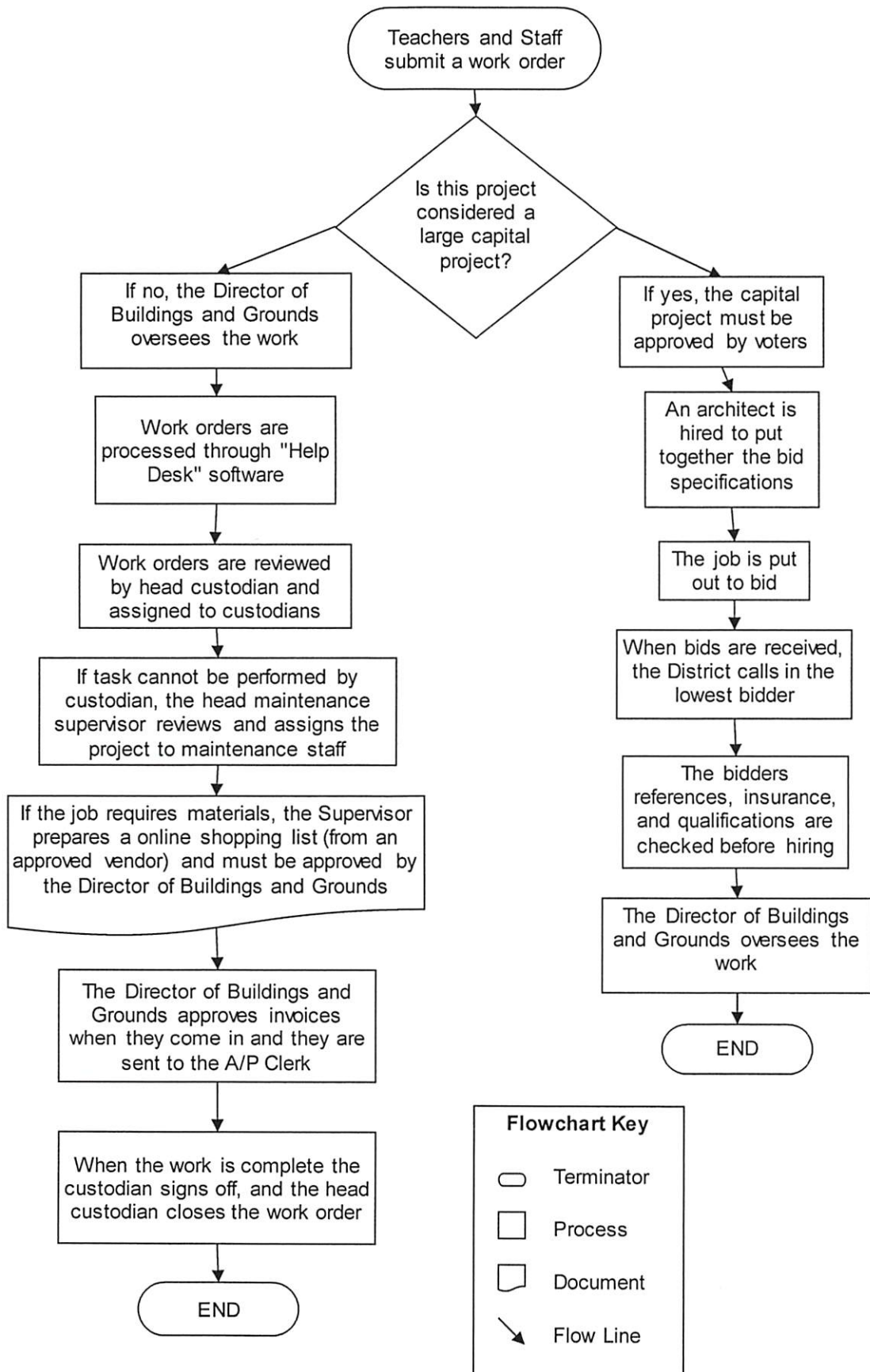
Flow Chart of Purchase Cycle







Flow Chart of Payroll Cycle



Flow Chart of Capital Projects



Flowchart Key

-  Terminator
-  Process
-  Document
-  Flow Line

Flow Chart of Food Service

