

Item#	Audit Type	Title	Audit Issue	Audit Findings	Audit Recommendations	Plan of Action	Assigned to	Implementation Date	Status
1	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	There is a lack of cooperation and engagement between the District Treasurer and the rest of the Business Office, especially when it comes to the budget process.	The District Treasurer is an important component to the Business Office and should play an important role when it comes to the development of the District's budget for the upcoming school year. Getting the Treasurer involved in the budget process with responsibilities such as answering	The District Treasurer is actively working with the Assistant Superintendent for Business and the Business Office staff to ensure the budget is being monitored and implemented appropriately.	District Treasurer		Immediate implementation.
2	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	The monthly Treasurers Report frequently provides inaccurate account, expense and revenue information.	Monthly Treasurer's Reports are a vital tool in developing the budget for the next school year. Before being submitted, they should be reviewed by the treasurer with information that has been entered into the financial software to verify its accuracy. Any variances should be researched and adjusted accordingly.	The District recognizes the importance of accurate financial reporting and as a result, has implemented procedures so as to mitigate erroneous reporting. The reporting is vetted against the financial software to verify its accuracy. All variances are researched and adjusted prior to board approval.	District Treasurer & Assistant Superintendent for Business		Immediate implementation.
3	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	While the District has a valid Budget Calendar for developing the 2020-2021 school budget, it does not show who is responsible for completing each task.	Within the Budget Calendar, the District should consider identifying who is responsible for each task. Accountability can lead to a more efficient and timelier budget process.	The District has taken this into consideration and will assign responsibilities to various members of the Business Office so as to ensure more efficient and timely budgeting practices.	Assistant Superintendent for Business		Immediate implementation.
4	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	Only the Superintendent and Assistant Superintendent for Business were involved in developing the budget for the 2020-2021 school year.	While the Superintendent and Assistant Superintendent for Business are integral parts of the budget development process, they are not able to estimate the needs of each department. Department heads should be held accountable for the development of their own budgets and thus be able to explain any major increases or decreases to each of their expense and revenue codes.	The District trained Principals best practices on building-level budgeting during the District's Leadership Summit in August, 2021. The Assistant Superintendent for Business, along with various members from the Business Office, presented basic and fundamental budgeting practices. The intent is to continue training and oversight as we continue the budget development for the 22/23 fiscal year.	Assistant Superintendent for Business		Immediate implementation.
5	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	Department heads or budget development forms were not used in generating the budget for the 2020-2021 school year.	Department heads should be utilized in the development of their respective budget. One way to get them involved is to distribute forms to each of the department heads showing all their expense and revenue codes. These forms should show prior year expenses and revenues and current year-to-date expenses and revenues. This form should have an area for department heads to input expenditure requests for the next year with any explanations for large increases or decreases to the current year amounts.	The District intends to implement this practice during the budget development for the 22/23 fiscal year.	Assistant Superintendent for Business		Immediate implementation.
6	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	There was no documentation or justification for increases or decreases to budget codes.	Best practice dictates having an explanation accompany any significant changes to any budget. With a lack of backup documents, the numbers used in the 2020-2021 school year cannot be fully justified. A few examples of backup information that can be used to justify a budget change that is being considered includes: using the budget status report in the monthly Treasurers Report, notifications from NYS regarding state and federal aid distribution changes, and copies of bargaining unit agreements showing wage increases.	The District has implemented this procedure and will ensure significant budget changes are accompanied with supporting documentation so as to minimize any questions related to a change.	Assistant Superintendent for Business		Immediate implementation.
7	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	The District does not currently have a budget procedure manual for department heads.	Having a budget procedure manual will help Department Heads develop their annual budget. These written guidelines and procedures will not only help current department heads but will also provide structure and a base for subsequent budget preparation.	The District is in the process of developing a formal budget procedure manual. The Assistant Superintendent for Business, along with various members of the Business office, already provided guidance to all Building Leaders via the "Principal Playbook" which outline best practices for budgeting. We will continue to refine documentation as we develop the 22/23 budget.	Assistant Superintendent for Business		Immediate implementation.
8	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	The District has not utilized all revenue sources to offset expenses within the budget.	The District should look at all potential revenue sources available to help offset expenses from year to year. Some unused options available to the District include STAC billing, billing districts who have had students placed in private schools District and billing school districts during the current school year who have students enrolled in the District and have received health and welfare services during the year.	The District understands the importance of maximizing potential revenue sources so as to assist in offsetting expenditures year after year. The primary challenge the District faces is the lack of staffing needed to address this effort. As a result, the District has contracted with an Accounting firm to assist with this effort while we work to recruit and retain qualified staff.	Assistant Superintendent for Business		Immediate implementation.
9	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	The District does not use specific software for development and utilization of its annual budget.	The District should look to add a financial software package that has a component that is strictly focused on budget development and utilization. Programs like Budget Dashboard and nVision have a budget module that will assist the District with budget development and would make the process more automated and accurate. The District should also conduct annual training sessions for department heads on how to use the software. This would allow department heads to use the financial software and to review and track their respected budget codes effectively, and actively.	The District is working towards implementing Finance Manager/nVision for the 2022-2023 school year. The Assistant Superintendent for Business is working with Director of Information Technology, Services, & Cyber Security to provide training to department leads to implement the software.	Assistant Superintendent for Business and Director of Information Technology, Services, & Cyber Security.		Immediate implementation.

10	Internal	Intensive Review of Budget Process for June 30, 2021	Budgeting Process	The District does not have a formal communication plan to inform the Board when there are changes to state aid during the current school year.	No response	No response	No response	No response	No response
11	External	Response to Auditor's Mgt Letter	Budget & Fund Balance Monitoring	The District did not properly monitor the general fund budget, which resulted in appropriation codes being over-expended.		East Ramapo Central School District has backfilled critical positions needed in order to implement sound accounting practices. Internal staff, in coordination with the Assistant Superintendent for Business, shall have the responsibility of monitoring the budget. Line item budget codes shall be monitored to ensure that all Buildings/ Departments remain within budgetary limits.	Assistant Superintendent for Business, Accounting staff	21/22 fiscal year	Implemented
12	External	Response to Auditor's Mgt Letter	Deficit Fund Balances	We noted that the District ended the fiscal year with a deficit unassigned fund balance in the general fund of (\$25,485,148). The total fund balance in the general fund as of June 30, 2021 was a deficit balance of (\$21,969,468) which was a decrease from the prior year fund balance by \$38,288,837.	We recommend the District establish and enforce controls to monitor the voter approved budget more closely throughout the year. I	Controls have been established to freeze all new hires and to halt the purchases of unbudgeted supplies and materials. Federal Funded employees are being coded to the proper Federal Fund budgetary account to ensure sound budgeting practices.	Assistant Superintendent for Business, Assistant Business Official, Accountant, Independent Auditors	21/22 fiscal year	Implemented
13	External	Response to Auditor's Mgt Letter	A/P Cut-offs	we noted multiple significant and material instances of improper cut-off transactions between the current and the following fiscal years in the capital projects fund accounting records.	We recommend the District develop a process and implement procedures to review transactions and supporting documentation during the year-end closing process to determine the period of applicability and accurately record year-end payables.	All capital expenditures shall be recorded in the year of expenditure. All expenditures shall be properly recorded in the appropriate account and in the appropriate period. All supporting documentation shall be maintained.	Assistant Superintendent for Business, Assistant Business Official, Accountant, Independent Auditors	21/22 fiscal year	Implemented
14	External	Response to Auditor's Mgt Letter	Encumbrances	We noted that the District did not actively monitor encumbrances in the general fund and capital projects fund. During our testing of encumbrances in the general fund and capital projects fund, we identified significant and material audit adjustments due to improper classification and cut-off of encumbrances.	We recommend the District establish and improve their procedures to review encumbrances more frequently to ensure all amounts encumbered are for valid, accurate, and intended for future appropriations. Encumbrances that are not intended for future appropriations should be liquidated in the District's accounting system during their year-end closing process.	All encumbrances shall be actively monitored to ensure proper accountability. The internal accounting staff shall review the General Fund, Capital Fund, School Lunch Fund, Federal Fund to ensure that the future appropriations should be liquidated in the Districts accounting system during the year end closing process.	Assistant Superintendent for Business, Assistant Business Official, Accountant, Independent Auditors	21/22 fiscal year	Implemented
15	External	Response to Auditor's Mgt Letter	Journal Entries	The District was unable to locate supporting documentation for three out of the ten journal entries selected: One out of the six journal entries tested did not contain any supporting documentation indicating the reason for the journal entry. Six out of six journal entries tested did not have any indication of approval by an appropriate administrator other than the preparer.	We recommend the District retain proper supporting documentation such as initiator of journal entry, reason for journal entry, accounts that were debited and credited, invoices or receipts that substantiate the amount of the journal entry, and visual documentation for secondary review and approval	All supporting documentation shall be maintained for each Journal Entry. The District shall retain supporting documentation such as initiator of journal entry, reason for journal entry, accounts that were debited and credited. Invoices or receipts that substantiate the amount of the journal entry. This will improve the District recordkeeping and help ensure that all financial statement journals entries are reviewed and approved by the appropriate official.	Assistant Superintendent for Business, Assistant Business Official, Accountant, Independent Auditors	21/22 fiscal year	Implemented
16	External	Response to Auditor's Mgt Letter	Cash Receipts	we noted four out of seventeen cash receipts tested in the general fund had insufficient supporting documentation indicating the source or reason for the receipt.	We recommend the District establish procedures that require all receipts to retain documentation that supports the amount received, date received, reason why received, and recorded accounts.	All supporting documentation shall be maintained for each cash receipt. The district shall establish procedures that require all receipts be retained with supporting documentation.	Assistant Superintendent for Business, Assistant Business Official, Principal Account Clerk	21/22 fiscal year	Implemented
17	External	Response to Auditor's Mgt Letter	A/R	we noted the District did not record receivables for tuition billings to other Districts for services provided during the current fiscal year	We recommend the District establish procedures to ensure receivables (either estimated amounts or actual amounts) are recorded for all out of district billings for tuition and health services provided by the District	The District has increased capacity within the Business office whose focus will be to maximize revenue. All revenue sources such as non-resident tuition, health & welfare services, foster care, and chapter placement billings are maximized.	Assistant Superintendent for Business, Assistant Business Official, Accountant, Senior Clerk Typist	21/22 fiscal year	Implemented
18	External	Response to Auditor's Mgt Letter	Capital Assets	We noted that construction in progress was not properly being monitored to determine completed and depreciable capital projects. We also noted that final cost reports were not timely filed with New York State Education Department ("NYSED") for capital projects started between two and ten years ago.	We recommend the District maintain a capital project schedule that lists all capital project expenditures from the start of the project and to compare that schedule to a lifetime project expenditures to date report from the accounting information system. We also recommend the District establish procedures to ensure final cost reports are submitted to NYSED timely.	The Director of Facilities, in coordination with the District Architect and Assistant Superintendent for Business, will maintain a capital project schedule that lists all capital project expenditures. The District will establish procedures to ensure final cost reports are submitted timely to NYSED's facilities planning unit.	Assistant Superintendent for Business, Director of Facilities, Accountant, District Architect	21/22 fiscal year	Implemented

19	External	Response to Auditor's Mgt Letter	Capital Projects Fund	We noted a deficit fund balance of \$95,783 in various capital projects in the capital projects fund at June 30, 2021. This deficit related primarily to older projects from several years ago. This deficit arose because there were expenditures incurred in prior years that exceeded available financing on the project. As there are no other outside financing sources available for this project, the remaining deficit could only be eliminated with monies authorized from an adopted general fund budget.	We recommend a provision be made in future general fund budgets to provide the necessary transfer of resources that would eliminate any remaining deficit on these projects.	The overages will be charged to the general fund and the capital funds shall not have a deficit fund balance moving forward.	Assistant Superintendent for Business, Accountant, District Treasurer, Senior Clerk Typist	21/22 fiscal year	Implemented
20	External	Response to Auditor's Mgt Letter	Cash Mgt & Bank Recs	We noted on two of the District's general fund bank accounts the monthly bank reconciliations were carrying old miscellaneous reconciling items for which the District was unable to substantiate	We recommend that the District review the monthly bank reconciliations and their underlying accounting records to identify the causes for these reconciling items, and adjust the accounting records accordingly. On a go forward basis, the District should implement procedures to ensure that all monthly bank reconciliations are reviewed and approved by an appropriate member of management, and ensure that all reconciling items are warranted, accurate, and supported by appropriate documentation.	The District has implemented procedures to ensure monthly bank reconciliations are reviewed and accurately reported.	Assistant Superintendent for Business, District Treasurer	21/22 fiscal year	Implemented
21	External	Response to Auditor's Mgt Letter	O/S Checks	We noted outstanding checks in the payroll account that were greater than one year old.	We recommend the District review the bank reconciliations monthly and write off and reclass checks that have been outstanding for more than one year to a liability account, and establish procedures that would allow the District to monitor this account year over year. After every effort has been exhausted, we recommend that the funds either be sent to the New York State Office of Unclaimed Funds, or written off entirely (if not payroll checks), while also seeking the advice of legal counsel regarding the disposition of these funds.	The District has implemented procedures to review bank reconciliations monthly to write off and reclass checks that have been outstanding for more than one year.	Assistant Superintendent for Business, Assistant Business Official, Accountant, District Treasurer	21/22 fiscal year	Implemented
22	External	Response to Auditor's Mgt Letter	Collateral	We noted the District was not monitoring third-party collateral.	We recommend the District establish procedures to monitor and document third-party collateral on a monthly basis for each bank institution used by the District. Collateral schedules prepared by the District should be reviewed by an appropriate official and should be presented monthly in the Treasurer's Report.	The District has established procedures to monitor and document third-party collateral on a monthly basis for each bank institution used by the District. A new District Treasurer has been appointed to execute this responsibility	Assistant Superintendent for Business, District Treasurer	21/22 fiscal year	Implemented
23	External	Response to Auditor's Mgt Letter	Cash receipts Log	we noted the cash receipts log was not reconciled to cash receipts reported on the District's accounting software or bank balances.	We recommend that an employee that is independent from the recording and depositing of receipts, compare the cash receipts log to the accounting software, for completeness and accuracy. In addition, we recommend that the District update their cash receipt log to include sequential cash receipt numbers that mirror the accounting software.	The District has implemented procedures to reconcile cash receipts reported in WinCap to the cash receipts log. The employee recording the cash receipts in the log is independent of the employee who records the cash receipts in the accounting system	Assistant Superintendent for Business, Principal Clerk Typist, Principal Account Clerk	21/22 fiscal year	Implemented
24	External	Response to Auditor's Mgt Letter	School Lunch Fund / Deficit Fund Balance	we noted the school lunch fund has an unassigned deficit fund balance of \$102,603.	We recommend the District budget and transfer funds from the general fund to the school lunch fund in future budgets, and strive to maintain a self-sustaining school lunch program.	The overages will be charged to the general fund and the school lunch funds shall not have a deficit fund balance moving forward	Assistant Superintendent for Business, Assistant Business Official, Accountant, District Treasurer	21/22 fiscal year	Implemented
25	External	Response to Auditor's Mgt Letter	Scholarship & Donation Monitoring	we noted the District had overspent two of their scholarship accounts, which resulted in a negative scholarship balance for these two accounts. These funds will need to be replenished by the general fund or by the initial donor(s).	We recommend the District review scholarship activity monthly and view available funds before awards are paid out to prevent scholarships from being overspent.	The District Treasurer shall monitor the scholarship funds so as to prevent negative balances in the future.	Assistant Superintendent for Business, District Treasurer	21/22 fiscal year	Implemented
26	External	Response to Auditor's Mgt Letter	Extraclassroom Activity Funds / General Controls	we noted each of the District's schools follows a different set of procedures and utilizes different forms for documentation for extraclassroom receipts and disbursements.	We recommend the District establish one set of uniform procedures throughout each of the District's buildings.			21/22 fiscal year	Implemented

27	External	Response to Auditor's Mgt Letter	Capital Asets / Aditions	we noted each of the District's schools follows a different set of procedures and utilizes different forms for documentation for extraclassroom receipts and disbursements.	We recommend the District establish one set of uniform procedures throughout each of the District's buildings. For cash receipt collections, we recommend the District have one type of treasurer's receipt. This form should clearly indicate the club, the amount received, purpose, source of funds (along with support to substantiate the source of funds received), and designated spots for student and faculty signatures. Along with the treasurer's receipt, documentation such as the deposit slip and bank authorization slip should be included. Any fundraising or ticket sale receipts should include a list of students who purchased tickets and payment method. For cash disbursements, we recommend the District have one disbursement form that clearly indicates the club, amount, purpose, date, and designated spots for student, faculty, and central treasurer's signature. A copy of the invoice should be attached with this form. Once paid, the central treasurer should mark the invoice indicating that this invoice has been paid. Payments should not be authorized unless all three signatures are present on the form.	Training has begun with the building principals and building treasurers. The District has coordinated ongoing training and oversight with the building treasurers to ensure uniformity with the extraclassroom activity funds.	Assistant Superintendent for Business, Accountant, District Treasurer		Not Implemented
28	External	Response to Auditor's Mgt Letter	Capital Projects Fund / Project Deficit	we noted a deficit of \$95,783 in various district improvements in the capital projects fund at June 30, 2020. This deficit related primarily to older projects from several years ago. This deficit arose because there were expenditures incurred in prior years that exceeded available financing on the project. As there are no other outside financing sources available for this project, the remaining deficit could only be eliminated with the continued receipt of monies authorized from an adopted general fund budget.	We recommended a provision be made in future general fund budgets to provide the necessary transfer of resources that would eliminate any remaining deficit.	The overages will be charged to the general fund and the capital funds shall not have a deficit fund balance moving forward.	Assistant Superintendent for Business, Accountant, District Treasurer, Senior Clerk Typist		Not Implemented
29	External	Response to Auditor's Mgt Letter	Cash Mgt / O/S Checks	we noted outstanding checks in the payroll account that were greater than one year old.	We recommended management determine and document the reason for outstanding payroll checks. We also recommended the District reclass old and outstanding payroll checks to a liability account, and establish procedures that would allow the District to monitor checks by year. After every effort had been exhausted, we recommended the business office seek legal advice as to the proper disposition of these funds.	The District has implemented procedures to review bank reconciliations monthly to write off and reclass checks that have been outstanding for more than one year	Assistant Superintendent for Business, Assistant Business Official, Accountant, District Treasurer		Not Implemented
30	External	Response to Auditor's Mgt Letter	Fund Balance Mgt / Unassigned Fund Balance	we noted that under Section 1318 of NYS Real Property Tax Law limits unassigned fund balance not to exceed 4% of the subsequent year's budget. We noted the District's unassigned fund balance at June 30, 2020 exceeded the legal limit and represented 5.53% of the 2020-2021 budget.	We recommended the District monitor its financial activity and fund balance throughout the year, and consider establishing any applicable reserve funds in the future, in order to maintain an unassigned fund balance in the general fund of 4.00% or below.			21/22 fiscal year	Implemented
31	External	Response to Auditor's Mgt Letter	Extraclassroom Activity Funds / Cash receipts	12 out of 40 cash receipts selected for testing were missing supporting documentation such copies of checks, or a listing of payers to substantiate the source of funds. 15 out of 40 cash receipts tested were missing one or more required authorization signatures. 5 out of 40 cash receipts tested were missing deposit slips.	We recommended that supporting documentation be maintained for all receipts, as well as the deposit slip, and that all required signatures be obtained.	Training has begun with the building principals and building treasurers. The District has coordinated ongoing training and oversight with the building treasurers to ensure uniformity with the extraclassroom activity funds	Assistant Superintendent for Business, Accountant, District Treasurer	21/22 fiscal year	Partially Implemented
32	External	Response to Auditor's Mgt Letter	Cash Disbursements	10 out of 40 cash disbursements selected for testing did not have a payment order form. 23 out of 40 cash disbursements selected for testing were missing one or more required authorization signatures.	We recommended that properly approved payment order forms be maintained for all cash disbursements.	Training has begun with the building principals and building treasurers. The District has coordinated ongoing training and oversight with the building treasurers to ensure uniformity with the extraclassroom activity funds	Assistant Superintendent for Business, Accountant, District Treasurer	21/22 fiscal year	Partially Implemented
33	OSC	OSC Budget review	Budget Monitoring	Are the significant revenue and expenditure projections in the District's proposed 2021-22 budget reasonable	Closely monitor revenues and expenditures and make budget modifications as necessary in a timely manner to ensure a balanced budget				
34	OSC	OSC Budget review	Budget Monitoring	One-time revenues, particularly large amounts generated from one-time aid, should not be used to finance day-to day operations or recurring expenditure; an District officials should consider the potential financial impact in the event that any of the CBAs are settled in 2021-22 in excess of the budgeted amounts.	Continue providing timely financial information to the Fiscal Monitor and work with him to develop structurally balanced budgets that include realistic revenue estimates and appropriations based on historical trends or other known factors, such as recent settlement of contracts.				