



THOMAS P. DiNAPOLI
COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY
Tel: (518) 474-4037 Fax: (518) 486-6479

July 2023

Dr. Clarence G. Ellis, Superintendent
Members of the Board of Education
East Ramapo Central School District
105 South Madison Avenue
Spring Valley, NY 10977

Report Number: 2019M-171-F

Dear Superintendent Ellis and Members of the Board of Education:

One of the Office of the State Comptroller's primary objectives is to identify areas where school district officials can improve their operations and provide guidance and services that will assist them in making those improvements. The Office also works to develop and promote short-term and long-term strategies to enable and encourage school district officials to reduce costs, improve service delivery and to account for and protect their school district's assets. In accordance with these objectives, we conducted an audit of the East Ramapo Central School District (District) to assess textbooks loaned to nonpublic school students. As a result of our audit, we issued a report, dated August 2020, identifying certain conditions and opportunities for the school district management's review and consideration. In response to the audit, officials filed a Corrective Action Plan (CAP) with our office on August 3, 2020. The CAP identified the actions officials took or planned to take to implement the audit recommendations.

To further our policy of providing assistance to school districts, we revisited the District in May/June 2022 to review progress in implementing our recommendations. Our follow-up review was limited to interviews with District personnel and inspection of certain documents related to the issues identified in our report. Although the District's CAP indicated the District took corrective action or planned to take corrective action on or before July 2020, we found that of the six audit recommendations, one recommendation was implemented, two recommendations were partially implemented and three recommendations were not implemented.

Recommendation 1 – Textbooks Loaning Procedures

Implement procedures to ensure that only eligible nonpublic school students are provided with textbooks.

Status of Corrective Action: Not Implemented

Observations/Findings: The District has an eligibility process for nonpublic school students that is used to determine if nonpublic school students are provided with District transportation and textbooks. In July 2023, we issued an audit follow-up letter (2019M-107-F) on District provided transportation to nonpublic school students. That follow-up looked at the District’s eligibility process and its eligibility determinations for the transportation of nonpublic school students. We found District officials did not always obtain required documentation to establish nonpublic school student eligibility. Specifically, we requested and reviewed the school student records for 46 nonpublic school students and found that 34 students (74 percent) did not have all of the required documents to establish eligibility for transportation.

Since the same process is used for making determinations for textbooks, we reviewed records for 30 of the 34 students¹ and determined that 10 students (33 percent) were provided textbooks that may not have been eligible. Although District officials were aware that Transportation Department records were unreliable, they still used the records to determine which students were eligible to receive textbooks. While procedures have improved minimally in the Transportation Department, ineligible students were still identified for the 2021-22 fiscal year. Therefore, the recommendation was not implemented.

Recommendation 2 – Textbooks Inventory Control System

Develop inventory control systems that account for all District owned textbooks, including those loaned to nonpublic school students. Systems should identify each textbook owned and where they are located.

Status of Corrective Action: Fully Implemented

Observations/Findings: District officials developed an inventory control system to account for all District-owned textbooks that identifies each textbook and where it is located. We reviewed inventory reports and determined the system identifies the textbook, title, identification number, school year, subject, grade and the schools where they are located. To determine the accuracy of the system, we used our professional judgment to select a sample of three nonpublic schools and then randomly selected one textbook title for each of those schools. We visited each school and accounted for the loaned textbooks. Despite establishing an adequate system to account for all District-owned textbooks, the District did not fully utilize the system to accurately account for all textbooks (see recommendations 3, 4 and 5 below for further details).

Recommendation 3 – Annual Textbook Inventory Records

Maintain and refer to annual textbook inventory records prior to filling textbook orders or ordering new textbooks.

Status of Corrective Action: Partially Implemented

¹ These nonpublic students represented the students that lacked eligibility documentation in the Transportation Department. Four of the 34 students that lacked eligibility documentation during our follow-up on the Nonpublic School Transportation audit were for the 2022-23 fiscal year. Therefore, these students were excluded from our review of textbooks loaned to nonpublic school students.

Observations/Findings: Although District officials did not perform annual physical inventories during the last two school years, District officials developed and implemented a system to account for all textbooks loaned to each nonpublic school, which was used to update District textbook inventory records. Specifically, District officials provided all nonpublic schools a five-year inventory spreadsheet that included a listing of all textbooks loaned to nonpublic school students. The nonpublic schools reviewed and updated this spreadsheet and returned it to the District. The District then used this spreadsheet to determine what nonpublic schools were eligible to order new textbooks. Additionally, at the time of our review, District officials stated they were planning to schedule some nonpublic school visits (during the summer of 2022) to perform an actual physical inventory of the textbooks.

We selected three nonpublic schools to determine if they maintained inventory records as required by the District and found that all three schools had no inventory records other than the report provided by the District. Although District officials developed an inventory system, they have not performed a physical inventory and records have yet to be updated on an annual basis. Therefore, District officials cannot ensure that inventory records are accurate and up to date prior to filling textbook orders or ordering new textbooks.

Recommendation 4 – Perpetual Textbooks Inventory

Require a perpetual and comprehensive inventory record of textbooks loaned to nonpublic school students that includes the number of textbooks purchased, returned and disposed of.

Status of Corrective Action: Not Implemented

Observations/Findings: The District’s CAP stated the process has been ongoing since October 2019, but would provide lists to nonpublic schools in June or July 2020. However, we found that while the District has an electronic database that contains an inventory record of the number of students and textbooks loaned to each nonpublic school, the inventory record still does not include the number of textbooks returned or disposed of.

To determine the accuracy of the inventory record, we used our professional judgment to select three nonpublic schools based on the largest enrollment and then randomly selected one textbook title to locate at each of the three nonpublic schools. We then compared the District’s inventory records to the number of textbooks found onsite at the three nonpublic schools and found that the three nonpublic schools had more of these textbooks than the District’s inventory records indicated (Figure 1).

Figure 1: Comparison of Textbooks Loaned to and Located at Nonpublic Schools

| School | Textbook | Textbooks Loaned | Textbooks Located | Difference |
|--------|---------------------------------|------------------|-------------------|------------|
| 1 | Math Connects Course 3 2012 | 100 | 106 | 6 |
| 2 | Social Studies New York Edition | 30 | 42 | 12 |
| 3 | Gold Literature 8 | 23 | 32 | 9 |

School 1 officials indicated that they received a couple of freebooks from the vendor while School 2 officials indicated the 12 extra books were from other school districts served by the school. School 3 officials told us that they purchased additional books from a third party since they were no longer available from the publisher, and they anticipated larger classes and wanted to continue to use the same books in the future.

The inventory report only shows the total current number of textbooks loaned to each school as there is a separate process of returning unneeded, outdated and damaged textbooks to the District. According to the Executive Director of Funded Programs (Director), returned books in good condition are accounted and coded for in a separate list and then stored at the District's warehouse for use by any school that might need them.

Recommendation 5 – District-wide Annual Textbooks Inventory

Require a District-wide annual inventory including those textbooks on loan to nonpublic school students or stored at nonpublic schools.

Status of Corrective Action: Not Implemented

Observations/Findings: The District's CAP stated the process has been ongoing since October 2019. However, the District has not yet completed an annual physical inventory. Officials explained the District is in the process of starting to complete their first physical inventory of textbooks loaned to nonpublic schools. The Director told us that they had planned to conduct a physical inventory last year, but it was delayed due to a staffing issue and COVID-19 safety guidelines. According to the Director, they planned to review the inventory listing provided by each nonpublic school and conduct a physical inventory count of a sample of nonpublic schools over the summer of 2022. While District officials developed and implemented a system to account for all textbooks loaned to each nonpublic school, they have not yet completed their own District-wide annual inventory.

Recommendation 6 – Return of Textbooks

Ensure nonpublic school administrators return unneeded, outdated and damaged textbooks to the District for proper handling.

Status of Corrective Action: Partially Implemented

Observations/Findings: We reviewed a sample of forms completed by three nonpublic schools for the return of unneeded, outdated, and damaged textbooks and determined all the forms were completed as per the District's procedures. However, we determined one school completed the forms for return but did not return the textbooks to the District as required. According to the textbook loan information packet sent to nonpublic schools in May 2022, nonpublic schools were required to complete book return forms for unneeded textbooks and the District would contact the school to schedule a pickup. However, the Director told us that they stopped pickups due to staffing issues and the nonpublic school was unaware of the change.

During our review, we discussed the basis for our recommendations and the operational considerations relating to these issues. We encourage District officials to continue their efforts to fully implement our recommended improvements.

Thank you for the courtesies and cooperation extended to our auditors during this review. If you have any further questions, please contact Dara Disko-McCagg, Chief Examiner of our Newburgh Regional Office at (845) 567-0858.

Sincerely,

Randy L. Partridge
Assistant Comptroller