

**To:** Audit Committee  
**Date:** September 16, 2024  
**Re:** Wheatland-Chili Central School District

## **Corrective Action Plan – 2023-24 262001**

District Response to External Auditors' Internal Control Related Matters issued by Raymond F. Wager, CPA, P.C.:

### Prior Year Deficiency Pending Corrective Action:

#### Disbursements-

While examining disbursements, we identified eight instances where purchase orders were dated after orders had already been placed with the vendor. In addition, we noted one instance where there was neither a purchase order supporting the purchase made nor a receiving or approving signature included with the invoice approving it for payment.

#### **1. Audit Recommendation:**

We recommend that whenever possible, purchase orders should be approved prior to orders being placed with vendors. In addition, all invoices should have an indication it is ok to pay from an appropriate individual prior to being processed.

#### **2. Implementation Plan of Action(s):**

The District Purchasing Agent will continue to train the requisitioners, that purchase orders are needed prior to ordering any goods or services for the district.

#### **3. Implementation Date:**

The implementation will occur for the duration of the 2023-24 school year.

#### **4. Person Responsible for Implementation:**

The District Purchasing Agent and Department Supervisors.

### Current Year Deficiencies in Internal Control:

## Procurement Policy-

As part of our examination over the District's procurement procedures we noted one instance in which a purchases did not have the required number of quotes as required by the District policy. In addition, we noted two instances in which purchases in excess of the bidding requirements did not appear to be competitively bid and/or the district did not clearly document the piggybacking requirements.

### **1. Audit Recommendation:**

We recommend the District make every effort to comply with District policy and with Sections 103 and 104(b) of the General Municipal Law regarding procurement. In addition, when purchases are made using the piggybacking or best value exceptions, a process should be in place to document that determination prior to the purchase being made.

### **2. Implementation Plan of Action(s):**

The District Purchasing Agent makes every effort to ensure that purchase orders meet the standards of the district. Quotes and Contracts are obtained according to the district purchasing policies. The one instance where quotes were not obtained was a special circumstance in which the Principal, School Business Official and Purchasing Agent were in agreement to use the vendor who had supplied the remainder of the equipment for the gymnasium walls. Regarding the one piggybacking instance listed, our purchasing policy does allow for piggybacking. Recently new regulations have come out to ensure when the district "piggybacks" off a contract, the district do further investigation to ensure those initial contracts were awarded according to NYS "Piggybacking" Law. An additional form will now need to be completed in order to use the "piggybacking" policy. The Business Office will ensure this document is completed going forward. The second instance was an isolated instance with the playground drainage. The contractor was already currently working on the playground project and was procured by the district through state contract/co-operative bidding process, therefore additional proposals weren't requested.

### **3. Implementation Date:**

The implementation will occur for the duration of the 2024-25 school year.

### **4. Person Responsible for Implementation:**

The District Purchasing Agent

## Other Items:

The following item is not considered to be a deficiency in internal control; however, we consider them other items which we would like to communicate to you as follows:

Federal Programs-

As a result of recent federal program changes, the District documents various Federal Program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirements.

**1. Audit Recommendation:**

We recommend the Business Office work with the Program Coordinators to enhance their correct procedures into a procedure manual that is consistent with the federal compliance requirements for their respective program.

**2. Implementation Plan of Action(s):**

Currently NYSASBO has developed a formal compliance manual documenting best practice in Federal Program procedures. It was recommended by our External Auditor that we use this for guidance as it has now become available. The Business Office, alongside the Program Coordinator, will use this document as guidance to develop written procedures for our Federal Programs.

**3. Implementation Date:**

The implementation has begun to occur in the 2023-24 school year and will continue to be developed in the 2024-25 school year.

**4. Person responsible for Implementation:**

The District Treasurer, School Business Official and Program Coordinators are responsible for this implementation.

Prior Year Recommendation:

We are pleased to report that the following prior year recommendation has been implemented to our satisfaction.

1. We noted a purchase order was in place for those transactions tested.