



**Eastchester Union Free School District**

**Annual Risk Assessment Update  
Pertaining to the Internal Controls  
of District Operations**

**March 2024**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED UPON PROCEDURES**

The Board of Education  
Eastchester Union Free School District

We have performed the procedures enumerated below, which were agreed to by the Eastchester Union Free School District (the "District"), solely to assist the District. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have updated our March 2023 Risk Assessment by performing certain internal audit procedures pertaining to the time period starting April 1, 2023 through March 31, 2024. The updated Risk Assessment and related internal audit plan concentrates on the following key internal control areas:

- Governance and Planning
- Budget Development
- Accounting and Reporting
- Revenue and Cash Management
- Grants
- Payroll
- Human Resources
- Benefits
- Purchasing and Related Expenditures
- Facilities Maintenance
- Capital Projects
- Fixed Assets
- Food Service
- Extraclassroom Activity Fund
- Information Systems
- Cybersecurity
- Student Data Management
- Pupil Personnel Services
- Transportation
- Security and Safety
- Insurance / Risk Management

Our engagement is limited in scope and will be confined to our agreed-upon procedures. We will not be conducting an audit or review of the District's financial statements and therefore we will not express an opinion or any other form of assurance on them.

At the end of our engagement, we will present the results of applying the agreed-upon procedures in the form of our findings in a report. Our accountants' report should be used only for the intent of the original users of this report and will include a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. As such, using this report for anything other than the original intent of the agreed-upon procedures could mislead the readers. You must notify us immediately if the original users of the report change.

Very truly yours,

***Nawrocki Smith LLP***  
June 13, 2024



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**RISK ASSESSMENT OVERVIEW**

This Risk Assessment report provides a presentation of our view of the school district's risk pertaining to its financial operations. It gives the District's administration the information necessary to help optimize its overall performance. The report identifies, expresses, and prioritizes the key program risks so that the District's administration can focus on those areas most critical to its success. This analysis is used to define the District's risk profile. It will provide an overview of the risks facing the District's operations.

In accordance with the laws of New York, 2005, Chapter 263, all school districts and BOCES were required to establish an internal audit function no later than July 1, 2006 and be in operation no later than December 31, 2006. This function should include, at a minimum, development of a risk assessment of district operations, including but not limited to the following:

- A review of financial policies, procedures, and practices.
- An annual review and update of such risk assessment.
- Annual testing and evaluation of one or more areas of the District's internal controls.
- Preparation of reports that analyze significant risk assessment findings.
- Recommended changes for strengthening controls, reducing identified risk, and specifying time frames for implementing such recommendations.

Pursuant to Section 170.12 – Regulations of the Commissioner of Education – School District Financial Accountability, each school district must prepare a corrective action plan, approved by the Board of Education in response to findings to final reports issued by the internal auditor. This plan should include expected dates of implementation and should be filed with the New York State Education Department.

**INTERNAL AUDIT OBJECTIVES**

The objectives of our engagement are as follows:

- Develop an understanding of the critical business processes of the District within each functional area.
- Identify and qualify risks based on the understanding of the business processes and stated business rules.
- Identify stated controls that are currently in place to address those risks and ascertain if they are operating effectively.
- Recommend improvements in internal controls.

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**SCOPE AND METHODOLOGY**

The Board of Education has engaged Nawrocki Smith as the District's internal auditor. In compliance with New York State Laws, we have performed an annual update to the District risk assessment with respect to policies, procedures, and internal controls pertaining to District operations. The procedures applicable to the annual update of the District's risk assessment were performed during the period April 1, 2023 through March 31, 2024 and were carried out in order to determine an internal audit plan for the calendar year 2024 and thereafter. This risk assessment will be updated annually to reflect any changes in the current control environment and the existing internal audit plan.

Our risk assessment consisted of the following methodology:

- Perform interviews of administration and other appropriate personnel.
- Document procedures within key Functional Areas.
- Identify key controls and perform audit tests of those controls.
- Assess the effectiveness of the key controls.
- Identification and review of organization structure.
- Analysis of risks that are a threat to the achievement of objectives.
- Create a risk profile and internal audit plan.

In addition to the above procedures, we have also evaluated and considered the following within our overall risk assessment:

- District policies and procedures.
- Recent focus of State Comptroller Audits.
- Board of Education/Audit Committee Meetings.
- Materiality to Financial Statements.
- Changes in management or key personnel.
- Financial reports provided to the Board.
- External auditor management letters.
- District corrective action plans.
- Organizational chart and job descriptions.

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**INTERNAL AUDIT RISK ASSESSMENT UPDATE SUMMARY**

We have analyzed twenty-one (21) Business Process areas within the District and have developed an internal audit plan based on our assessment of each area. Each of the twenty-one (21) Business Processes contains multiple categories for which an extensive cycle analysis will be performed during the proposed time period noted within the risk rating and internal audit plan. The plan, as presented, will be revised each year based on the annual risk assessment update and events/requests that occur during the year which impact the priority of future internal audit services.

The results of our risk assessment update are summarized below and, in the tables presented on pages 5 through 7. We have utilized a “Low,” “Moderate,” and “High” control risk rating assessment scale of the organization.

<u>CURRENT YEAR RATINGS</u>			<u>CHANGE FROM PRIOR YEAR</u>		
<u>Rating</u>	<u>2023/2024</u>		<u>Category (*)</u>	<u>Count</u>	
High	-	0.00%	“High” to “Low”	-	0.00%
Moderate	19	20.65%	“High” to “Moderate”	-	0.00%
Low	73	79.35%	"Moderate" to “Low”	8	72.73%
<b>Total</b>	<b>92</b>	<b>100.00%</b>	“Low” to “Moderate”	3	27.27%
			“Moderate” to “High”	-	0.00%
			<b>Total</b>	<b>11</b>	<b>100.00%</b>

Our March 2024 risk assessment update contains ten (10) recommendations, as follows:

<u>Business Process</u>	<u>Recommendation(s)</u>
Accounting & Reporting	1
Revenue & Cash Management	1
Fixed Assets	2
Extraclassroom Activity Fund	6
<b>Total</b>	<b>10</b>

The status of the prior risk assessment recommendations is summarized below:

<u>Recommendations</u>	<u>Complete</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
	4	4	2	10

Based on the work performed and discussion with the District, we have summarized below the proposed internal audit plan for the fiscal year 2024/2025:

<u>2024/25 Cycle Review (Selection of One Area)</u>	<u>Other 2024/25 Planned Internal Audit Services:</u>
• Grants	• External Audit Corrective Action Plan Monitoring
• Capital Projects	• Annual Risk Assessment Update as of March 2025
• Special Education	• Extraclassroom Activity Fund Cycle Recommendations Follow-Up
	• Other Internal Audit Services at the Request of the District/BOE (e.g., cybersecurity audits, NIST Gap Analysis)

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**Risk Rating and Internal Audit Plan**

√ = Internal Audit Services Provided  
★ = Business Cycle Review Complete

X = Proposed Business Cycle Review  
T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK			YEAR OF SERVICE		
			Inherent	Control		Prior	24-25	Subsequent
				22-23	23-24			
1	Governance and Planning	1 Governance Environment	H	L	L			X
		2 Control Environment / Policies & Proc.	H	M	M			X
2	Budget Development	3 Budget Development	H	L	L			X
		4 Budget Monitoring & Reporting	H	L	L	√		X
3	Accounting & Reporting	5 Financial Accounting and Reporting	H	L	L	√		
		6 External/Internal/Claims Auditing	H	L	L	√		X
		7 Fund Balance Management	H	L	M			X
4	Revenue and Cash Management	8 Real Property Tax	M	L	L			X
		9 State Aid	H	L	L			X
		10 Out of District Tuition/Reimb. Exp.	M	L	L	√		X
		11 Use of Facilities	L	L	L			X
		12 Donations	M	L	L			X
		13 Vending Machines	H	L	L			X
		14 Cash Receipts	H	L	L	√		X
		15 Cash & Investment Management	H	L	L			X
		16 Petty Cash	L	M	M	√		X
		17 Bank Reconciliations	H	L	L	√		X
		18 Online Banking	H	L	M			X
19 Accounts Receivable	H	L	L	√		X		
5	Grants	20 General Processing	H	L	L		X	
		21 Grant Application	M	L	L		X	
		22 Allowable Costs & Expenditures	H	L	L		X	
		23 Monitoring	M	L	L	√	X	
		24 Reporting	H	L	L	√	X	
6	Payroll	25 Payroll Disbursements	H	L	L	★		
		26 Overtime Reporting	H	L	L	★		
		27 Payroll Accounting & Reporting	H	L	L	★		
		28 Payroll Tax Filings	H	M	L	★		
		29 Payroll Reconciliation	H	M	L	★		
7	Human Resources	30 Employment Requisition/Hiring	H	M	M	★		
		31 Personnel Evaluation	H	L	L	★		
		32 Termination	H	L	L	★		
		33 Employee Attendance	H	M	M	★		

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**Risk Rating and Internal Audit Plan (Continued)**

√ = Internal Audit Services Provided	X = Proposed Business Cycle Review
★ = Business Cycle Review Complete	T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK			YEAR OF SERVICE		
			Inherent	Control		Prior	24-25	Subsequent
				22-23	23-24			
8	Benefits	34 Eligibility	H	L	L	★		
		35 Benefit Calculations	H	L	L	★		
		36 Patient Protection & Affordable Care	H	M	L	★		
		37 Retiree Benefits	H	L	L	★		
		38 ERS/TRS	H	L	L	★		
9	Purchasing and Related Expenditures	39 PO System & Vendor Database	H	M	M	★		
		40 Purchasing Process	H	M	L	★		
		41 Payment Processing	H	L	L	★		
		42 Employee Reimbursements	H	L	L	★		
		43 Credit Cards	H	L	L	★		
10	Facilities Maintenance	44 Facilities Maintenance/Work Orders	H	L	L			X
		45 Staff Supervision	M	L	L			X
		46 Preventive Maintenance	M	M	M			X
		47 Coordination with Outside Vendors	M	L	L			X
11	Capital Projects	48 Construction Planning & Monitoring	H	L	L		X	
		49 Capital Project Funding & Payments	M	L	L		X	
		50 Recordkeeping & Reporting	M	L	L		X	
12	Fixed Assets	51 Inventory/ Capitalization Policy	H	L	L	★		
		52 Acquisition and Disposal	H	L	L	★		
		53 Inventory Process & Recordkeeping	H	M	M	★		
13	Food Service	54 Sales Cycle and System	M	L	L	√		X
		55 Inventory and Purchasing	M	L	L			X
		56 Free & Reduced Meals	M	L	L			X
		57 Federal and State Reimbursement	H	L	L			X
		58 Financial Reporting & Monitoring	H	L	L			X
14	Extraclassroom Activity Fund	59 General Controls	H	L	M	★		
		60 Revenue	H	M	M	★		
		61 Expenditures	M	M	M	★		
		62 Reporting	M	M	M	★		

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**Risk Rating and Internal Audit Plan (Continued)**

√ = Internal Audit Services Provided	X = Proposed Business Cycle Review
★ = Business Cycle Review Complete	T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK			YEAR OF SERVICE		
			Inherent	Control		Prior	24-25	Subsequent
				22-23	23-24			
15	Information System	63 Governance	H	M	L			X
		64 Inventory	H	L	L			X
		65 Network Security	H	M	M	√		X
		66 Application Security	H	M	L	√		X
		67 Physical Security	H	M	M			X
		68 Disaster Recovery	H	M	M			X
16	Cybersecurity	69 General Controls	H	M	M	★		X
		70 Information & Asset Security	H	M	M	★		X
		71 Vulnerability Assessment	H	M	M	★		X
		72 Incident Response & Recovery	H	M	M	★		X
17	Student Data Management	73 Registration & Enrolment	H	L	L	★		
		74 Student Attendance	H	L	L	★		
		75 Student Performance	H	L	L	★		
		76 Student Eligibility	H	M	L	★		
18	Pupil Personnel Services	77 Budgeting and Planning	H	L	L		X	
		78 STAC Reimbursement	H	L	L		X	
		79 Medicaid Reimbursement	H	L	L	√	X	
		80 RFP and Contracts	H	L	L		X	
19	Transportation	81 Fleet Inventory and Maintenance	H	L	L	★		
		82 Bus Routing and Planning	H	L	L	★		
		83 Labor and Supervision	H	L	L	★		
		84 Contract Management	H	L	L	★		
		85 Federal and State Reimbursement	H	L	L	★		
20	Safety & Security	86 Plan Development & Strategy	H	L	L			X
		87 Building Access & Security System	H	L	L	√		X
		88 Compliance and Incident Reporting	H	L	L			X
		89 Safety & Security Monitoring	H	L	L	√		X
21	Insurance / Risk Management	90 General	H	L	L			X
		91 Policy Management	H	L	L			X
		92 Claims Reporting	H	L	L			X

**Inherent Risk** - Inherent risk pertains to the overall school district industry. Inherent risk is the risk of a material misstatement that may occur assuming the absence of internal controls.

**Control Risk** - Control risk pertains specifically to the Eastchester Union Free School District. Control risk is the risk that a material misstatement will not be detected and corrected by Management’s internal controls on a timely basis.

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**RISK ASSESSMENT OBSERVATIONS AND RECOMMENDATIONS**

*Current Year Observations and Recommendations*

Accounting & Reporting

1. The Board of Education has not developed a formal fund balance reserve plan to indicate each reserve's purpose, funding method, use, monitoring, and funding goals.
  - *As a best practice, the District should prepare a comprehensive annual reserve plan that includes the reserve, the date established, a description, the balance, interest earned, withdrawals, total assets, an analysis of future needs, and recommendations for meeting those needs of the District. This will enhance the Board of Education's knowledge of the current status of the District's reserves and allow them to make more informed decisions regarding the needs of the District.*

Revenue & Cash Management

2. The District has not adopted a comprehensive online banking policy.
  - *The District should develop a comprehensive online banking policy to guide how to manage online banking activities. The online banking policy should include provisions for authorizing and accessing bank accounts, electronic transactions and wire transfers, password management, monitoring transactions, and contingency planning. This will assist the District in minimizing the risk of financial loss and maintaining the integrity of its financial information.*

Fixed Assets

3. The District does not conduct periodic physical observations of the fixed assets to ascertain their existence.
  - *The District should designate an employee to perform a periodic fixed asset inspection on a sample basis during the year to verify whether control procedures are followed and that fixed assets are properly safeguarded.*
4. The District does not have a formal procedure to monitor the movement of capital assets on an occurrence basis. The lack of oversight in the fixed asset movements is a risk as the Business Office may not be able to accurately document and monitor the movement of fixed assets, and the District's property ledger may not accurately reflect the District's assets at the building level.
  - *The District should develop a "Transfer Request Form" indicating the request for the movement of a fixed asset from building to building. The building level Administrator or Department Head who requests the movement should complete the standardized request form. The transfer request form should serve as a mode of communication to the Business Office to review and approve such requests. Once reviewed, the Business Office, or another designated employee, should update the inventory schedule to reflect the status of the asset's location.*

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Extracurricular Activity Fund
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5. Based upon our analysis of the extracurricular activity financial statements, we noted that certain clubs were financially inactive during the last two (2) fiscal years.
  - *The Board of Education should review the necessity of each Club and eliminate any unnecessary clubs. (Those for which there has been no financial and operational activity during the prior two (2) fiscal periods. Disposing/re-allocating of remaining funds from a Club that no longer operates should be done in a consistent manner and approved by the Board of Education for each occurrence.*
  
6. The District Treasurer and Club Advisors utilize forms to record the receipts and disbursement of funds. Although Club Advisors are generally aware of the required procedures and their attempts to utilize the standardized forms, there are opportunities for improvement in the overall process.
  - *The District should consider reviewing and updating, where needed, the District's extracurricular activity training and guidance pertaining to the process of student involvement and attendance in fundraising, deposits, disbursements, sales tax, and accounting procedures.*
  
7. We selected a random sample of High School Extracurricular Activity Clubs and Middle School Extracurricular Activity Clubs for the 2022/2023 fiscal year. We have examined the information for the selected Extracurricular Activity Clubs against our audit criteria and found a number of instances whereby the Extracurricular Activity Club files did not contain the required documentation.
  - *All Extracurricular Activity Clubs should maintain the following documents to enhance transparency, accountability, and compliance with District policies and the NYSED extracurricular activity guidelines:*
    - *Charters indicate the Club's name, advisors involved, students involved, stated purpose, and Principal approval.*
    - *Meeting minutes for all scheduled meeting dates.*
    - *Fundraising Forms.*
    - *Profit and Loss Statements.*
  
8. We selected a random sample of High School extracurricular activity fund cash receipts and Middle School extracurricular activity fund cash receipts during the period of March 2023 through November 2023 and tested them against our audit criteria. Based on the testing procedures performed on the remaining cash receipts, we made the following observations:
  - All cash receipts tested were traced and agreed to the deposit request forms, deposit slips, bank statements, and the Central Treasurer's activity ledger.
  - All deposit request forms tested contained the Student Treasurer, Club Advisor, and Central Treasurer signatures, indicating their respective involvement in the collection process.
  - There were instances noted that the cash receipts were not deposited within ten (10) days of receipt of funds.
  - *The Central Treasurers should prepare and maintain Treasurer's Receipts and deposit slips to document cash collected and delivered to the bank. In addition, deposits should be made within*

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*ten (10) days of receipt by Club Advisors to ensure the accuracy of bank balances and minimize the possibility of theft or misplacement of cash or checks.*

9. We selected a random sample of High School extraclassroom activity fund cash disbursements and Middle School extraclassroom activity fund cash disbursements during the period of March 2023 through October 2023 and tested them against our audit criteria. Based on the testing procedures performed, we made the following observations:

- All cash disbursements tested were traced and agreed to the check request forms, deposit slips, bank statements, and the Central Treasurer's activity ledger.
  - All check request forms tested contained the Student Treasurer, Club Advisor, Central Treasurer, and Principal's signatures, indicating their respective involvement in the purchasing process.
  - Certain ECAF cash disbursements tested did not include sales tax on the purchase amounts.
  - Certain instances whereby the check request forms were issued prior to the invoice date.
  - Certain instances whereby the Central Treasurer recorded expenses prior to the check request form dates.
  - Certain instances whereby the Central Treasurer did not record an expense within a timely manner.
- *Club Advisors should ensure that the vendors charge sales tax on taxable items when making purchases. Any invoices received that do not include sales tax should be returned to the vendor for adjustment, or sales tax should be added to the invoice by the District. All check request forms should be issued, and applicable transactions should be recorded subsequent to the receipt of the corresponding invoices. This will ensure that payments are always supported by valid documentation and accurately reflect the timing of the expense.*

10. We noted that the High School and Middle School Extraclassroom Activity Fund bank accounts have outstanding checks over six (6) months.

- *The Central Treasurers should continue to monitor outstanding checks and send correspondence to the vendors once a check has been outstanding for at least six (6) months. However, once a check has been outstanding for more than one (1) year, the check should be canceled, and funds should be returned to the applicable Club. The Central Treasurers should also maintain records regarding the canceled checks.*

Information Technology

*We have reviewed the policies, procedures, and internal controls pertaining to the District's information systems cycle. Due to the potential sensitive nature of this information, we have presented our observations and recommendations to the Management team.*

Cybersecurity

*We have reviewed the policies, procedures, and internal controls pertaining to the District's cybersecurity cycle. Due to the potential sensitive nature of this information, we have presented our observations and recommendations to the Management team.*

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***Status of Prior Year Recommendations***

We have performed follow-up internal audit services applicable to our previously issued risk assessment update report dated March 2023. The services we performed included observing and evaluating the implementation status of the District’s action plan in respect to our prior risk assessment recommendations. The March 2023 risk assessment update identified ten (10) recommendations within eight (8) distinct areas. The status of the prior risk assessment recommendation is summarized below:

<b>Business Process</b>	<b>Complete</b>	<b>In-Process</b>	<b>Not Started</b>	<b>Total</b>
Revenue and Cash Management	1	-	-	1
Payroll	1	-	-	1
Human Resources	-	1	1	2
Purchasing & Related Expenditures	1	-	-	1
Extraclassroom Activity Fund	-	1	1	2
Information Technology	-	1	-	1
Cybersecurity	-	1	-	1
Transportation	1	-	-	1
<b>Total</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>10</b>

**Revenue & Cash Management**

- The District should review its policies/procedures for petty cash and determine an appropriate dollar limit for expense reimbursements. The limit (e.g., \$25) should be set in accordance with applicable Education Law and New York Codes, Rules and Regulations. Once established, this limit should be communicated to all Petty Cash Custodians and the District’s Petty Cash Reimbursement Form should be updated. This will enhance the District’s internal controls over its petty cash funds and reduce the risk of purchases being made outside the normal purchasing cycle.

**Status as of March 2024: Complete**

**Payroll**

- The District should establish a review and reconciliation process of the payroll withholdings reported within the nVision application and EFTPS prior to submitting payments to the IRS. This will increase the District’s oversight controls over payroll withholding and ensure that discrepancies are detected promptly.

**Status as of March 2024: Complete**

**Human Resources**

- The District should consider developing an employee handbook with a detailed overview of District policies, key procedures, guidelines, and employee benefits. The employee handbook should set clear expectations for District employees while stating their legal obligations and defining employee rights. The employee handbook can assist in protecting the District against employee lawsuits and claims, such as wrongful termination, harassment, and discrimination.

**Status as of March 2024: Not Started**

- The District should consider utilizing the full capabilities of the employee attendance application (Timepiece) and implement procedures whereby all employees document their attendance, including

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their arrivals and departures, through the existing application. This will provide the Human Resource Department and the applicable Supervisors an effective control over the days and hours worked by their employees.

**Status as of March 2024: In-Process**

Purchasing & Related Expenditures

- We recommend the District implement positive pay fraud detection services for all bank accounts, including the cafeteria funds. This will assist the District in protecting its bank accounts against forged, altered, and counterfeit checks.

**Status as of March 2024: Complete**

Extraclassroom Activity Fund

- Accountability over cash receipts at the building level is enhanced when cash is recorded in a safe deposit log as soon as practicable from the date cash is received. The longer receipts go without being entered into the safe deposit log, the greater the risk an employee could misappropriate funds. The safe deposit log should be reconciled to the amount of cash on hand submitted to the Business Office. This will assist in uncovering discrepancies between actual cash collected and recorded amounts in a timely manner.

**Status as of March 2024: In-Process**

- According to the NYSED Extraclassroom Activity Fund guidelines, the District should appoint a Faculty Auditor to review all Extraclassroom Activity Fund transactions to ensure that all collections and disbursements are supported, approved, and processed accurately. The Faculty Auditor should be an individual distinct and separate from other appointed officers. The Faculty Advisor should reconcile monthly The Principal Account Clerk and Club Advisors' ledgers to ensure they are complete and accurate. This will enhance the District's oversight of internal controls over the Extraclassroom Activity Fund and ensure compliance with State Education Guidelines.

**Status as of March 2024: Not Started**

Transportation

- We recommend that the District utilize the narratives drafted during the transportation internal audit to prepare a departmental process sustainability manual regarding budgeting, contract management, accounts payable, bus routing, and student eligibility procedures. This will result in a sustainable process, an annual internal review of the processes, and will serve as a training document for the District. Subsequent to our review, the District is in the process of implementing this recommendation.

**Status as of March 2024: Complete**

Information Technology

- The District should develop a standard Acceptable Use Agreement for all vendors to sign before access to the network is granted. The agreement should address the vendor's responsibility, access to the

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system, district liability, system security, privacy, etc. This procedure may be incorporated into the vendor engagement process. We have reviewed the policies, procedures, and internal controls pertaining to the District's information technology cycle. Due to the potential sensitive nature of this information, we have discussed our observations and recommendations with the Management team.

**Status as of March 2024: In-Process**

Cybersecurity
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- We recommend the District consider having an independent party perform a NIST gap analysis (cybersecurity assessment) of the current state of the information security level of the District in accordance with the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), Center for Internet Security (CIS) 18 Critical Security Controls, New York State Education Law §2-D Regulation, Part 121 of the Commissioner's regulations, and best practices. We have reviewed the policies, procedures, and internal controls pertaining to the District's cybersecurity technology cycle. Due to the potential sensitive nature of this information, we have discussed our observations and recommendations with the Management team.

**Status as of March 2024: In-Process**

**EXHIBIT**

***Exhibit I***      History of Internal Audit Services



Eastchester Union Free School District  
History of Internal Audit Services

◇ = Risk Assessment Complete    ★ = Business Cycle Review Complete  
◆ = Special Request Services Provided

		Year of Service														
Business Process	Business Process Categories	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	
	<b>Risk Assessment</b>	Risk Assessment	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇	
1	<b>Governance and Planning</b>	Governance Environment														
		Control Environment / Policies & Proc.														
2	<b>Budget Development</b>	Budget Development														
		Budget Monitoring & Reporting		✓				✓	✓							
3	<b>Accounting &amp; Reporting</b>	Financial Accounting and Reporting									✓	✓				
		External/Internal/Claims Auditing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
		Fund Balance Management														
4	<b>Revenue and Cash Management</b>	Real Property Tax														
		State Aid														
		Out of District Tuition/Reimb. Exp.											✓			
		Use of Facilities														
		Donations														
		Vending Machines														
		Cash Receipts										✓	✓			✓
		Cash & Investment Management														
		Petty Cash					✓									
5	<b>Grants</b>	General Processing														
		Grant Application														
		Allowable Costs & Expenditures														
		Monitoring								✓						
		Reporting								✓				✓		
6	<b>Payroll</b>	Payroll Disbursements			✓			✓			★					
		Overtime Reporting									★					
		Payroll Accounting & Reporting									★			✓		
		Payroll Tax Filings									★					
		Payroll Reconciliation									★					
7	<b>Human Resources</b>	Employment Requisition/Hiring			✓				★							
		Personnel Evaluation							★							
		Termination								★						
		Employee Attendance				✓				★						
8	<b>Benefits</b>	Eligibility			✓					★						
		Benefit Calculations								★						
		Patient Protection & Affordable Care Act					✓			★						
		Retiree Benefits								★						
		ERS/TRS								★						
		Retirement payouts								★						



Eastchester Union Free School District  
History of Internal Audit Services

◇ = Risk Assessment Complete    ★ = Business Cycle Review Complete  
◆ = Special Request Services Provided

Business Process	Business Process Categories	Year of Service													
		10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
9 <b>Purchasing and Related Expenditures</b>	PO System & Vendor Database	★											★		
	Purchasing Process	★													
	Payment Processing	★													
	Employee Reimbursements	★									✓				
	Credit Cards	★													
	Vendor Database Analysis	★													
10 <b>Facilities Maintenance</b>	Facilities Maint. & Work Order Proc.														
	Custodial Overtime & Training														
	Preventive Maintenance														
	Coordination with Outside Vendors														
11 <b>Capital Projects</b>	Construction Planning & Monitoring														
	Capital Project Funding & Payments														
	Recordkeeping & Reporting														
12 <b>Fixed Assets</b>	Inventory/ Capitalization Policy		✓			★									
	Acquisition and Disposal		✓			★									
	Inventory Process & Recordkeeping		✓			★									
13 <b>Food Service</b>	Sales Cycle and System			✓				✓							
	Inventory and Purchasing														
	Free & Reduced Meals														
	Federal and State Reimbursement														
	Financial Reporting & Monitoring														
14 <b>Extracurricular Activity Fund</b>	General Controls			★											★
	Revenue			★											★
	Expenditures			★					✓	✓					★
	Reporting			★											★
	Stipends			★											★
15 <b>Information System</b>	Governance														
	Inventory														
	Network Security			✓											
	Application Security		✓					✓							
	Physical Security														
16 <b>Cybersecurity</b>	Disaster Recovery														
	General Controls											★			
	Information & Asset Security											★			
	Vulnerability Assessment											★			
17 <b>Student Data Management</b>	Incident Response & Recovery											★			
	Registration & Enrolment											★			
	Student Attendance											★			
	Student Performance											★			
	Student Eligibility										★				

