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Date: February 3, 2020

To: Audit Committee
Nyack Union Free School District

From: Nugent & Haeussler, P.C.

Re: Internal Audit Services – Cash Receipts and Revenue
Reference #2020-1

In accordance with our proposal and the Annual Risk Based Internal Audit Plan, we have conducted our internal audit services with respect to the Cash Receipts and Revenue of the Nyack Union Free School District.

CONCLUSION

The grading standards are Satisfactory, Acceptable, and Unsatisfactory.

The controls over Cash Receipts and Revenue are rated *Satisfactory*.

District management is to submit a response to the Audit Committee with copies to interested management and the auditor by March 31, 2020.

OBJECTIVE/SCOPE

The purpose of the internal audit services is to assist the Audit Committee in making a determination with respect to:

- To ensure that policies and procedures provide for the safeguard of District resources.
- To ensure that policies and procedures provide for timely and accurate accounting of cash receipts and revenue and related transactions.
- To ensure that adequate cash receipts and revenue documentation is maintained.

- To ensure that District cash receipts and revenue policies are maintained, disseminated and adhered to.
- To ensure that cash receipt processing duties are properly segregated.

The internal audit covered sampled transactions from July 1, 2019 through December 31, 2019. The internal audit services were conducted on January 23rd and 24th 2020.

PROCEDURES & FINDINGS

During our review of Cash Receipts and Revenue we found all related processes to be sufficient and have no further recommendations. The following is a description of the internal audit procedures that were performed:

We reviewed the District's written policies and procedures with respect to cash receipts and revenue and used them as a reference throughout the internal audit process.

We made inquiries of District employees involved in the processes for cash receipts and revenue to get an understanding of the controls in that area.

We reviewed a sample of cash receipts from all funds from July 1, 2019 through December 31, 2019 to the corresponding treasurer's receipts, supporting documentation, deposit slips, bank receipts, and bank statements.

We reviewed all District depositories being used to the Reorganization meeting for the 2019/2020 school year to ensure that all were designated by the Board.

We reviewed the District's insurance policy to ensure that all employees that are required to be bonded were in fact bonded for the 19/20 school year.

We reviewed the Wincap permissions of the employees of the business office to ensure that only employees with a logical need had access to the cash receipt and accounts receivable areas.

We reviewed the process for setting the rates, approving, and recording transactions for the District's facility rentals.

We reviewed bank reconciliations to ensure the procedures described were being followed and that there was proper documentation of those procedures.

We reviewed the most recent Treasurer's report sent to the Board in order to ensure that it was performed timely and accurately.

We reviewed the process for requesting reimbursement and receiving funds in the Federal Aid Fund.

We reviewed the process for recording the revenue and receivables related to the Cafeteria Fund sales and claims for federal and state lunch and breakfast reimbursements.

We reviewed the processes for establishing rates, recording receivables, and collecting funds related to out of District and foster tuition.

We reviewed the process for recording revenue and receivables for federal and state aid.

We reviewed the process for billing, tracking receivables, and recording collections related to retiree health insurance.

We reviewed the District's customer list to ensure there were no inactive customers listed, duplicate customers, and researched any duplicate addresses.

We reviewed the procedures for and tested a sample of wire transfers performed at the District from one District account to another and from the District to a third party.

We reviewed the process for the collection and recording of Real Estate tax revenue.

We reviewed the accounts receivable listing at December 30, 2019 to ensure that it matched the trial balance and that the amounts listed were accurate.

This report is intended solely for the information and use of the Audit Committee, the Board of Education and management of the Nyack Union Free School District and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,



NUGENT & HAEUSSLER, P.C.