VIII. **Business Affairs**

B. Operations

7. Approval of Corrective Action Plan

RESOLVED, on the recommendation of the Superintendent of Schools, the Board of Education approves the Corrective Action Plan as developed in response to the March 6, 2024 Detailed Testing – Purchasing report issued by the District's external auditors, which will be implemented during the 2024 – 2025 school year.

GLEN COVE CITY SCHOOL DISTRICT

Recommendations from the Internal Audit Report On Detailed Testing dated March 6, 2024 to assist the District with the Corrective Action Plan (CAP):

PURCHASING AND DISBURSEMENTS

Recommendations:

We recommend that the District consider implementing the following to further improve internal controls and operational efficiencies related to purchasing and disbursement activities:

1. Revise the language in *Board Policy #6700 – Purchasing*, or create a new Board policy to include language regarding the procurement of goods or services using federal grant funds as required per the Uniform Grant Guidance (2 CFR Part 200).

   District Corrective Action Plan
   The District's Policy Committee will review the revised language in Board Policy #6700 and implement the revised policy before June 30, 2024. This policy was approved and will be implemented on July 1, 2024.

2. Revise *Board Policy Exhibit #6700-E* to align such policy exhibit with the preferred practice as follows:
   a) Obtaining 2 catalog or price sheets for purchase contracts from $500 - $1,000 instead of under $1,000
   b) Obtaining 2 written quotes instead of 2 verbal quotes for purchase contracts from $1,000 - $5,000 and public works contracts from $2.001 - $15,000

   District Corrective Action Plan
   The District's Policy Committee will review Board Policy #6700-E and revise the policy to meet the practice of the district's purchasing. The revised policy was approved and will be implemented on July 1, 2024.

3. Investigate revising the vendor copy of the PO to include language regarding the District's policy of not making payments on invoices that include backordered items that the District has not yet received.

   District Corrective Action Plan
   The Assistant Superintendent for Business has included this language on the vendor copy of the purchase order. This recommendation has been implemented on April 1, 2024.

4. Establish District-wide standard procedures related to the retention period and types of records regarding the purchasing related documents. Some documents may need to be retained for longer periods as deemed necessary (e.g., warranty records, long-term agreements, etc.).

   District Corrective Action Plan
   The Assistant Superintendent for Business will meet with all department heads to make sure they keep files on any equipment they purchase which include a copy of the purchase order, warranty information, original invoice and any other information that is deemed to be necessary to that particular purchase. These meeting will occur during the 2024-2025 school year and the procedure will be implemented September 3, 2024.

5. Improve the purchasing process by continuing with efforts to create POs in advance of receiving goods or services, thus preventing instances of confirming POs where goods or services are received prior to preparing the purchase requisition. The procedures should ensure that the District properly encumbers funds before entering into a commitment with an outside vendor, so approved POs are obtained prior to receipt of goods or services.

   District Corrective Action Plan

   The Assistant Superintendent for Business is the Purchasing Agent for the district. When a confirming purchase order occurs, a form is sent to the person responsible asking for an explanation as to why a purchase was made before a purchase order was in place. This form is attached to the purchase order packet so the district's claims auditor sees that the Assistant Superintendent for Business has addressed this. The district will continue with this practice and work with the claims auditor to minimize confirming purchase orders. This practice has been implemented October 1, 2013 and continues to be used.

6. Continue with efforts to ensure payments to vendors are processed timely. We recommend that when there is a variance of more than 60 days between the invoice date and processing the payment, there should be a notation explaining the reason for the delay in the PO documentation.

   District Corrective Action Plan

   Delay in payments can occur for a number of reasons. The Assistant Superintendent for Business will implement a process to ensure that an explanation as to the delay in payments is explained. This will be helpful to the claims auditor since this is an area on the report, she furnishes to the BOE. This process will be discussed with the Accounts Payable clerk and implemented September 1, 2024.

7. Establish procedures to ensure disbursements to vendors are properly supported and the supporting documentation is maintained as required.

   District Corrective Action Plan

   The Assistant Superintendent for Business will work with the accounts payable account clerk to ensure that proper documentation is attached to the payment of goods and services. This process will be implemented July 1, 2024.

8. Continue with efforts to ensure that the receiving of items is properly documented by having the receiver sign-off on the receiving copy of the PO or invoice when the items are received.

   District Corrective Action Plan

   The Assistant Superintendent for Business will work with the accounts payable clerk to make sure the receiving copy of the purchase order is signed and included with the invoice before payment is made. This process was implemented April 10, 2024.

9. Continue with efforts to ensure the data (e.g., invoice numbers, etc.) entered into the nVision system aligns with the data listed on the documentation to support disbursements made to vendors. The correct invoice number being entered into nVision is important to prevent the District from potentially making a duplicate payment.

   District Corrective Action Plan

   The Assistant Superintendent for Business will meet with the individuals responsible for entering invoices into NVision for payments and set up a process to make sure invoice numbers are always entered into the system and when there is no invoice number a date or some type of identifier is used so as to prevent duplicate payments. This process will be implemented April 10, 2024..