NYACK PUBLIC SCHOOLS
NYACK, NEW YORK

TO: Susan Yom, Superintendent of Schools

FROM: Dr. Grace Chan, Assistant Superintendent for Finance & Operations

DATE: August 14, 2023

SUBJECT: Internal Audit Services – Extraclassroom Activity Funds Corrective Action Plan

The following resolution requires Board of Education action:

BE IT RESOLVED: That the Board of Education accepts the Corrective Action Plan as submitted for the Internal Audit Report-Extraclassroom Activity Funds.

Comments and Recommendations – During our review of the District's policy related to Extraclassroom Activity Funds, we found the policy needs to be more specific relative to the required procedures of the Extraclassroom Activity funds.

We recommend the district review the existing policy to include the procedure requirements of the Extraclassroom Activity Funds as described in "The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds" pamphlet provided by the New York State Education Department.

Corrective Action Plan – The School Business Official and District Treasurer will work with the District Clerk to acquire NYSSBA Policy Updates relative to Extraclassroom Activity Funds. Updates and/or revisions will be made to such policies as deemed necessary and will be brought before the Board of Education for a First Reading on or before December 22, 2023 and additional readings as needed prior to approval of the revised policies. Policy revisions will be completed and approved by the end of fiscal year 2023-24 or by June 30, 2024.

Comments and Recommendations – Middle School
During our review of the clubs, we noted that the clubs are not keeping minutes for the club meetings. We recommend that for each club meeting there is attendance taken and that there are minutes taken for each meeting.

During our review, we found that not all clubs are keeping their own books and records and keeping track of their balances. We recommend that each club student officers keep their own books and records and regularly reconcile them to the extraclassroom activity treasurer's books and records.

Corrective Action Plan – The School Business Official and District Treasurer will work with the Middle School Building Principal and the Extraclassroom Activity Treasurer to develop internal policies procedures to support to ensure that clubs are keeping minutes as required and keeping their own books and records. In addition, the School Business Official and the District Treasurer will work with the Internal Auditor to schedule a date for training on proper accounting procedures.

Comments and Recommendations – High School
During our review we found that not all clubs are keeping their own books and records and keeping track of their balances.

We recommend that each club student officers keep their own books and records and regularly reconcile them to the extraclassroom activity treasurer's books and records.

During our review of the summary Extraclassroom schedule we found there to be clubs listed that did not have activity during the year ended 6/30/22 or during the current fiscal year.

We recommend the district review these clubs to determine if they should be considered inactive clubs.

During our review of fundraising activities to ensure profit and loss statements are being filled out for each individual fundraiser we found that there were receipts for fundraising that did not have profit and loss statement attached.

We recommend profit and loss statement is prepared and attached to all cash receipts for fundraising activities.

Corrective Action Plan – The School Business Official and District Treasurer will work with the High School Building Principal and the Extraclassroom Activity Treasurer to develop internal policies procedures to support to ensure that clubs are keeping their own books and records. In addition, the HS Building Principal and the HS Extraclassroom Treasurer will review the list of clubs to determine if any clubs should be made inactive. The Extraclassroom Treasurer will work with the Club Activity Treasurers to make sure that profit and loss statements are submitted for all fundraising receipts. In addition, the Extraclassroom Treasurer will not submit deposit receipts to the Business office unless the proper backup documentation is attached including a tally sheet and flyers or promotional materials detailing prices of items sold.

Nugent & Haeussler, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

101 Bracken Road
Montgomery, New York 12549
Tel (845) 457-1100
Fax (845) 457-1160
e-mail: nh@nhcpas.com

Peter J. Bullis, CPA, FACFEI, DABFA
Christopher E. Melley, CPA
Gary C. Theodore, CPA
Julia R. Fraino, CPA
William T. Trainor, CPA
Mark M. Levy, CPA, CFP
Thomas R. Busse, Jr., CPA
Brent T. Napoleon, CPA
Jennifer L. Capicchioni, CPA
Patrick M. Bullis, CPA
Justin B. Wood, CPA
Richard P. Capicchioni, CPA

Norman M. Sassi, CPA
Walter J. Jung, CPA

Date: May 24, 2023

To: Audit Committee
Nyack Union Free School District

From: Nugent & Haeussler, P.C.

Re: Internal Audit Services – Extraclassroom Activity Funds

In accordance with the Annual Risk Based Internal Audit Plan, we have conducted our internal audit services with respect to the Extraclassroom Activity Funds of the Nyack Union Free School District.

CONCLUSION

The grading standards are Satisfactory, Acceptable and Unsatisfactory.

Satisfactory - Compliance with the Organization's established policies and procedures. Internal audit results indicate none or insignificant recommendations.

Acceptable – Minimal instances of non-compliance with the Organization's established policies and procedures. Internal audit procedures resulted in recommendations for improvements in internal controls, policies and/or procedures.

Unsatisfactory – Non-compliance with the Organization's established policies and procedures. Internal audit results indicate significant deficiencies relating to internal controls, policies and/or procedures.

The controls over the Extraclassroom activity funds are rated **Satisfactory**.

District management is to submit a response to this report to the Audit Committee with copies to interested management and the auditor by July 31, 2023.

MEMBERS: NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS • AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

OBJECTIVE/SCOPE

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

- Whether adequate policies, practices, internal controls and procedures exist regarding Extraclassroom Activity Funds for the High School and Middle School.
- Evaluating the effectiveness of the Extraclassroom Activity Funds controls and procedures with regards to district policies and procedures.
- Evaluating compliance with applicable laws and regulations.

The internal audit covered transactions from July 1, 2022 through March 31, 2023. The internal audit services were conducted on May 3rd and 4th, 2023.

PROCEDURES, FINDINGS & RECOMMENDATIONS

During our review of the district's policy related to the Extraclassroom Activity Funds we found the policy needs to be more specific relative to the required procedures of the Extraclassroom Activity Funds.

We recommend the district review the existing policy and update the policy to include the procedure requirements of the Extraclassroom Activity Funds as described in "The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds" pamphlet provided by the New York State Education Department.

Middle School

During our review of the clubs we noted that the clubs are not keeping minutes for the club meetings.

We recommend that for each club meeting there is attendance taken and that there are minutes taken for each meeting.

During our review we found that not all clubs are keeping their own books and records and keeping track of their balances.

We recommend that each club student officers keep their own books and records and regularly reconcile them to the extraclassroom activity treasurer's books and records.

High School

During our review we found that not all clubs are keeping their own books and records and keeping track of their balances.

We recommend that each club student officers keep their own books and records and regularly reconcile them to the extraclassroom activity treasurer's books and records.

During our review of the summary of the Extraclassroom summary schedule we found there to be clubs listed that did not have activity during the year ended June 30, 2022 or during the current fiscal year.

We recommend the district review these clubs to determine if they should be considered inactive clubs.

During our review of fundraising activities to ensure profit and loss statements are being filled out for each individual fundraiser we found that there were receipts for fundraising that did not have a profit and lost statement attached.

We recommend profit and lost statement is prepared and attached to all cash receipts for fundraising activities.

Other

In addition to the items listed above in the Procedures/Findings area of this letter we performed other procedures with respect to Extraclassroom Activity Funds and have no further recommendations.

We also reviewed the controls of Extraclassroom Activity Funds regarding cash disbursements for both the High School and the Middle School Extraclassroom Activity Funds to ensure proper controls are being followed over cash disbursements.

We also reviewed the controls of Extraclassroom Activity Funds regarding cash receipts for both the High School and the Middle School Extraclassroom Activity Funds to ensure proper controls are being followed over cash receipts.

We also reviewed various forms of the Extraclassroom Activity Funds and the monthly and quarterly reports for accuracy and to ensure they are in compliance with standards set forth by the New York State Education Department in "The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds."

We made inquiries of the Business Office Treasurer and the Extraclassroom Activity Fund Treasurer at the High School and Middle School to get an understanding of the controls at all levels.

We also reviewed the stipends paid to the faculty advisors for all clubs to ensure the proper amounts have been recorded and the stipends went through the proper approval process.

We reviewed how sales tax was collected and remitted and the use of the Extraclassroom Activity Funds sales tax identification number for purchases.

We also reviewed the board minutes for the High School clubs related to the Extraclassroom Activity Funds from July 1, 2022 through March 31, 2023.

We also reviewed the bank reconciliations performed and the preparation and review process that is followed for bank reconciliations.

We also reviewed the process for the establishment and approval of a new club in the Extraclassroom Activity Funds at the district.

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

Respectively Submitted,

Nugent & Haeussler, P.C.

NUGENT & HAEUSSLER, P.C.