

January 24, 2019

Board of Education
City School District of Albany
1 Academy Park

We have completed the testing of the selected transaction cycle of the City School District of Albany and are enclosing the attached report. The purpose of this engagement was to assist you in implementing the regulations imposed by the 2005 School Financial Oversight and Accountability legislation which requires annual testing and evaluation of one or more significant transaction areas.

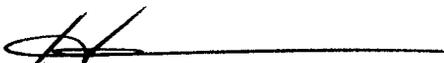
The attached report discloses the detailed procedures performed, the results of those procedures, and any resulting recommendations. The area of facility usage was selected for testing.

The purpose of our engagement was to assist the Board and management in achieving its responsibility to monitor financial reporting risk. It is ultimately the Board's responsibility to determine a response to our findings. However, our report does include suggestions of ways to respond to any findings.

The attached report is intended solely for the information and use of the Board of Education and management of the City School District of Albany and should not be used for any other purpose.

We appreciate the opportunity to perform the Internal Audit Function for the District and look forward to continuing to serve the District. We should be viewed as a resource for the Board; please feel free to contact us at any time.

Sincerely,



Heather R. Lewis, CPA
Director

City School District of Albany
Schedule of Findings
June 30, 2018

Facility Usage

Procedure: Obtained an understanding of the Facility Usage process. Also, obtained the general ledger (GL) detail for account A.2410 "Rental of Real Property, Individuals" for the fiscal year ended June 30, 2018. From the GL detail we selected one transaction from each organization (9). We also obtained any remaining organization's folders the Facility Use Coordinator had that were for the exempt organizations (11). These 20 organization folders were sampled to test the following:

- Confirm that the intended use of the facility fell under one of the permitted uses as outlined in the Public Use of School Facilities Board Policy ("the Board Policy").
- Agreed the fees paid per organization for use of the facilities is calculated appropriately based on applications. For those who didn't pay, confirmed the organization was an exempt organization as outlined in the Board Policy.
- Tested that the fee for the use of the facility was collected 10 days prior to the requested usage date of the facility per the Board Policy.
- Tested for support showing adequate insurance coverage as outlined in the Board Policy was maintained and active during the facility use period.
- Tested that the organization completed either the "Building or Pool Rental Application," or the "Artificial Turf Field Rental Application" and filed within 30 days of the usage date.

Findings/Results:

- There is no schedule maintained that shows who is using what facility at what time. Therefore, we were unable to confirm that all organizations using the District's facilities were available to be selected for testing.
- Lack of segregation of duties as the Facility Use Coordinator has the ability to schedule, invoice and collect payments. Additionally, there is no documented review of any of the Facility Use Coordinator's work such as reviewing all forms were collected, the fee was calculated correctly, and the payments are being received in a timely manner.
- The Facility Use Coordinator is not documenting that they are using a checklist to ensure that the appropriate forms are being kept for all organizations using their facilities.
- Based on our test work, there is no assurance that the Board Policy is being followed.

Recommendations:

- The Board Policy should be revised to reflect the procedures in place at the District.
- The District should utilize a Facility Use Schedule to track which organizations are using the District's Facilities. This schedule should be reviewed at defined intervals, this review should include sampling that the District is maintain current forms for organizations using the facilities, the rate that the organization is paying is consistent with the Board Policy, and the organization is current on payments to the District.
- The District should review its procedures currently in place and identify ways to segregate the duties over Facility Usage. The Facility Usage Coordinator could collect the forms from the organizations and document on their checklist they have received all necessary information in their Board Policy then pass the information onto the Business Office. The Business Office could then review the information collected by the Facility Use Coordinator, generate the invoices, and monitor the collections of payments made for facility use.