



## RAISE THE BAR. COMMIT TO EXCELLENCE.

WILLIAM F. HOGAN, DEPUTY SUPERINTENDENT OF BUSINESS AND FINANCE

### District Responses to 2018-19 Risk Assessment February 1, 2019

#### **Payroll**

*Recommendation: Access to limit pay rate changes to one individual in the department.*

Response: This is not feasible due to the magnitude of changes/adjustments that occur each payroll. The Director of Business Operations does review and signoff on the audit/change report that is run with each payroll. The report is being generated, and initialed. In the absence of the Director of Business Operations, the Deputy Superintendent of Business and Finance can perform this task.

*Recommendation: School based substitutes should document who they sub for and be matched with teacher's attendance sheet to ensure that teacher's use of personal, sick, and conference days are recorded appropriately.*

Response: The Business Office revised the substitute service sheets to require the buildings to record who the substitute is replacing. Due to the high volume of positions needing substitutes daily that cannot be filled the number of substitutes paid daily is less than the teacher absences. Teachers enter their absences directly into the Absence Management System which triggers a call for a substitute, this also results in the teacher absence being recorded. In the event the teacher does not report their absence the building designee records it for them and also attempts to assign a substitute. Substitute assignments and management of absences is an HR function and not handled in the Business Office.

*Recommendation: Employees should be signing a roster annually in order to receive their pay checks.*

Response: The District has consistently required employees to provide identification and sign a roster to validate employee payroll checks once annually in every building. There has never been a discovery of a fictitious employee check. It is a very labor intensive task. Unfortunately, the payroll department was under staffed due to staff vacancies in 2017-18. One staff member was on paid administrative leave for the year with an undetermined return date. Having to fill positions via the City Civil Service system can take months. As a result, it was a tremendous challenge just to get the payrolls out on time every two weeks throughout the year. This staff shortage prohibited the Business Office from doing anything beyond the absolute essential tasks of getting the payroll checks out correctly and on time. The building-level audits will continue as soon as the payroll function is fully staffed.

#### **Cash Disbursements**

*Recommendation: The Purchasing Agent should continue to monitor purchases made without a purchase order and ensure the purchasing department is kept apprised of situations when purchase orders were not used and did not meet the criteria of an urgent or unexpected purchase.*

Response: As recommended, the Purchasing Agent is continuing to monitor purchases made without a purchase order and to communicate with individuals who are purchasing without a purchase order for situations that did not meet the criteria of an urgent or unexpected purchase.

Recommendation: *There should be a policy relating to how claim forms are assigned an invoice number in nVision, so they are input the same way every time. That way when the Purchasing Agent types in that assigned invoice number, nVision would notify you if this invoice has been paid already.*

Response: The Purchasing Office has been instructed and advised on how to assign invoice numbers to claims for payments when no invoice number exists. These situations commonly occur for game fees of sports officials (assigned by the suburban council), and employee's claims for reimbursement for travel between buildings. A coding scheme such as "2/16/17 V basketball" or "travel 5/1/17 to 5/31/17", etc. could be assigned to a specific claim (invoice). While we currently do some form of this, the key is consistency. This way, if an individual submitted a second claim for the same game or travel reimbursement, the computer system would know that it's a duplicate invoice. In response to the audit, the Business Office did consider the idea of printing pre-numbered claim forms. However, given that the claim forms are received by the Purchasing Department from various individuals from within and outside the organization (that change constantly), the administrative time and costs associated with disbursing and providing customer service in this area seems to outweigh the benefit. The Business Office will continue to be open to discuss and possibly find a practical solution to further improve in this area. In the most recent conversations with the auditors, it seems that by the Business Office issuing an instructional memorandum to the buildings, this finding would be satisfied.

## **Extra classroom Activity Funds (ECAAF)**

### Recommendations:

1. *For invoices related to the purchase of goods, packing slips should be reviewed and compared to goods received and signed off on. The packing slips should be maintained with the invoices and other documents retained with the copies of the checks and compared to the invoices to ensure payment is made only for items actually received.*
2. *Each club should annually budget receipts and disbursements and a copy filed with each the chief faculty advisor, central treasurer, faculty advisor, and student.*

Response: For informational purposes, it should be stated that extra classroom funds represent non-taxpayer dollars and are maintained by students with the oversight of an advisor (usually a teacher). The students collect money for certain purposes and then make requests to spend the funds to the Business Office. The Business Office acts as a custodian of the funds. There are approximately 50 different funds (sets of accounting records) that are managed by over 100 individuals in the field, primarily teachers and students. As of 6/30/18 the balance in the accounts is \$212,266. Some examples of the clubs are: art, basketball, fashion, football, gay straight alliance, prisms, robotics, student government, bowling, wrestling, etc.

#1 Packing slips are being received and reviewed, when a packing slip is not provided a handwritten document of the contents or a picture of the contents is provided by the Advisor.

#2 Receipts and disbursements are decided each year by the Clubs over the course of the year, the student participation may change annually and depending on their plans for receiving/expensing funds is how they proceed with the running the club that year. We will make the recommendation of an annual budget being completed to the Clubs.

### **General Ledger Access Levels**

Recommendation: *The District's IT Department should be the only user with administrative rights. All other users should be given rights only to those modules (and the specific functions within those modules) that are required to perform their job duties and override privileges should be restricted to only appropriate business office staff. If this recommendation would not be effective other controls should be implemented to monitor employees who have administrative rights that would negate appropriate segregation of duties that are not consistent with general ledger access.*

Response: The District's IT professional is currently responsible for setting up/removing/making changes to any accounts; however this is done under the direction of the Business Office. Due to the limitation of the IT department's involvement with the nVision software and their limited knowledge of the voluminous industry-specific rights; a Director-level staff member of the Business Office has maintained administrative rights for the purpose of advising the IT professional with administrative rights of changes to be made at a very detailed level. The District went through a major software upgrade in October of 2017, profile groups were set up by BOCES to streamline an individual's access by placing them in a specified profile group. The IT Department and Business Office will work together to further streamline the groups by job function allowing the Business Office to eventually not need administrative rights. Once this process is completed the Business Office can be removed from making changes in the system.

### **Claims Auditor Function**

Recommendation: *The Claims Auditor should include a review of the Trust and Agency payroll items by agreeing the transactions to the payroll register totals.*

Response: The payroll is audited annually by the External Auditors.

### **Accounts Receivable Process**

Recommendation: *The District should consider using the accounts receivable module in nVision instead of using an excel spreadsheet to track accounts receivable. With the Accounts Receivable Module, you have access to run aging reports which better track accounts receivable.*

Response: The District converted to nVision in October 2017 and is utilizing this module for some of the Accounts Receivable items. However, due to the back-up documentation necessary to be provided to the billed parties we have not converted the health service and non-resident tuition billing.

### **Scholarships and Memorial Funds**

Recommendation: *Create a standard form for incoming scholarships or memorial fund donations that include when funds should be released and what criteria should be met.*

Response: The District Office is working with the Audit/Finance Committee to develop a recommendation for Board approval. A new policy will be put in place specific to scholarships. Additionally a standard form for incoming scholarships will be developed for internal purposes and shared with appropriate staff.

*Recommendation: For scholarship and memorial funds that do not have any support for the designations, we recommend that there is a procedure in place to set criteria on the funds that met the most likely designations set at the time of the award and keep this documentation going forward.*

Response: The District will review this and implement a process.