

TO: Board of Education

FROM: Katy Buzzetti, Assistant Superintendent for Business

DATE: September 17, 2020

RE: Corrective Action Plan – Financial Statements

Below is the Corrective Action Plan for the Audited Financial Statements for the year ending June 30, 2020.

Prior Year Deficiency Pending Corrective Action:

During our examination of the District's payroll procedures we noted eleven instances in twenty-five tested in which the salary notices maintained by the District did not have the electronic acknowledgement by the District employee. We recommend the District enhance their procedures and implement a follow up process to ensure the acknowledgements are obtained for salary notices.

The Director of Human Resource will email all staff with specific directions showing details of how to acknowledge salary notices using the Wincap Web program. The directions will be included in an email that has other important information pertinent to school staff to encourage staff members to read all the information improve the compliance rate. After the salary notice deadline, The Director of Human Resources will obtain a list of employees who have failed to electronically acknowledge their salary notices after being directed to do so and send periodic reminders to who have not followed through. If an employee has not responded after the second reminder, the Director of Human Resources will notify the Association representing the delinquent employee in an effort to urge compliance. Additionally, the Director of Human Resources will communicate with supervisors of those who have not acknowledged their salary report so that they can give reminders and extra prompts at staff meetings and through building communications.

Other Items for Consideration:

- THE AICPA Center for Audit Quality recently issued a cyber security risk management document discussing cyber threats that face both public and private entities. The District's IT personnel routinely assesses cyber risk as part of their normal operating procedures. We recommend the District continue to document their cyber risk assessment process in writing which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.

The Director of Technology will be charged with creating the process in developing the above. Periodic updates will be provided to district administration and appropriate stakeholders as this documentation is being developed.

- As a result of recent federal program changes the District documents various Federal Program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirements. We recommend the Business Office work with the Program Coordinators to enhance their current procedures into a procedure manual that is consistent with the federal compliance requirements for their respective programs.

The Assistant Superintendent for Business is in the process of working with the Program Coordinators and GST BOCES Grant Services to develop a procedure manual that documents the District's procedures that follow federal program requirements.

- During this next fiscal year the District will be required to implement GASB Statement No. 84 which will modify the financial reporting for the Agency Funds. This will require a review of the various accounts currently reported in the Agency Funds along with the extraclassroom activity policy and procedures in order to determine where to report the District's extraclassroom activity funds, scholarships, and other Agency activity.

The Assistant Superintendent for Business will be working with the School Business Executive to determine where to report the District's extraclassroom activity funds, scholarships, and other Agency activity in compliance with GASB No. 84 for the 2020-21 fiscal year.

Thank you.

C: Dr. Thomas J. Douglas, Superintendent of Schools
Thomas Zuber, CPA, Partner of Raymond F. Wager, CPA, P.C.
Linda Klievoneit, District Treasurer
Julie Kephart, Internal Auditor
Ann Pirozzolo, School Business Executive