

August 1, 2019

Sherri Fisher
South Colonie Central Schools
102 Loralee Drive
Albany, New York 12205

RE: District Response to Internal Audit Risk Assessment

Dear Ms. Fisher:

The firm Michael Wolff Advisory Services performed a Risk Assessment as part of our Internal Audit for 2017-2018 school year. As part of the audit process, they issued a report, dated January 15, 2018. This report was presented to our Board of Education's Audit-Finance Committee on June 28, 2018. The focus area for the 2017-2018 internal audit was Uniform Guidance and Grant Administration.

The 2017-2018 Risk Assessment did not result in any findings. However, the following comments and recommendations were made.

Risk Assessment Comment:

Based upon the discussion with the Claims Auditor, the Claims Auditor doesn't have a procedure to perform "individual tests" to periodically test invoices for completeness and accuracy. For example, obtaining an original contract to ensure the prices on the invoice agree to the contract and all of the work prescribed in the contract is complete. Additionally, the claims auditor does not identify "confirming purchase orders" or report them to the Board.

The Assistant Superintendent for Business does perform a review of the contracts before being presented to the Claims Auditor, and is aware of confirming purchase orders as the Purchasing Agent; however, the Claims Auditor should be performing individual verifications and checking for confirming PO's.

Recommendation: Additional training may be needed for the current Claims Auditor to ensure he is fully aware of the procedures that are required to effectively and thoroughly review the district's claims.

Response:

The District is aware of this issue and is implementing a new procedure to report confirming purchase orders to the Board of Education. Additional training will be provided to the Claims Auditor.

Risk Assessment Comment(Extra-classroom Funds):

During discussions with the three Central Treasurer's there seemed to be some confusion and inconsistencies with the calculations of sales tax for some of the fundraisers held by the clubs.

Response:

The District will work to develop guidelines to ensure clubs are following the proper method for determining sales tax.

Risk Assessment Comment(Extra-classroom Funds):

The review of procedures performed by the Central Treasurers indicates that they are performing procedures that are generally the responsibilities of the advisor. Responsibilities of the advisor should include assembling the deposit tickets, recording transaction into ledgers and preparing profit in loss statements with the students. The Central Treasurer should be the point person and intermediary between the clubs and the bank and their interaction with the students should be limited by design.

Response:

The District provides all staff involved with Extra-Classroom funds a handbook as a training tool each school year. Additional training may be necessary.

Sincerely yours,

SOUTH COLONIE CENTRAL SCHOOLS



Anjelieeque Martinez
Business Office Manager/
District Treasurer

APPROVED BY
BOARD OF EDUCATION

8-6-2019



PRESIDENT, BOARD OF EDUCATION