

BALDWINSVILLE CENTRAL SCHOOL DISTRICT

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Mr. Matthew McDonald
Acting Superintendent of Schools

JAMES RODEMS
Ass't. Superintendent for Management Services

Corrective Action Plan For Baldwinsville CSD in response to the June 30, 2016 External Audit

Prior Year Deficiencies Pending Corrective Action: Listed in order as per the Management letter from Raymond F. Wager CPA, PC. Management responses are in *italics*.

Billing –

We noted that the billing and collection process for private school student tuition is prepared by the same individual.

We recommend the District continue to review this process in an effort to improve controls over billing and collection.

There are not very many of these bills. Beginning in 2016-17 the Claims Auditor will look at these bills prior to mailing.

Confirming Orders –

We noted six instances where a selected purchase order appeared to have been created after the vendor invoice had been received.

We recommend the District review these items and insure that confirming orders should only be used for those purchases considered emergency in nature.

In 2016-17 we have hired a new Claims Auditor and part of her focus will be to tighten up the purchasing process. We should be using purchase orders where possible.

Segregation of Duties –

Our examination revealed that the Treasurer is also the System Administrator for the accounting software.

In order to enhance segregation of duties over computer controls we recommend that someone independent of accounting duties be appointed the System Administrator.

The Assistant Superintendent for Management Services will approve changes in access and will forward this approval to the Treasurer

Claims Auditor –

The current Claims Auditor procedures do not include verifying that required approval was obtained for change orders.

We recommend the claims auditor procedures include compliance with change order approvals.

The Claims Auditor will verify the change order approval process has been followed.

Current Year Deficiencies in Internal Control:

Payroll –

We noted the following during the course of our payroll examination:

1. Thirteen instances where a selected employee's withholding form was unavailable for examination.

Our Payroll Staff fell behind in their filing. They have since caught up and will be admonished to perform this function more regularly.

2. Four instances where a selected employee's withholding form did not appear to agree with the withholdings on the payroll system.

Our Payroll Staff fell behind in their filing. They have since caught up and will be admonished to perform this function more regularly.

3. Three instances where a selected payroll register did not appear to have been certified.

In the transition period to a new Claims Auditor several payrolls were not certified. We will work to see these are certified in the future.

Accounting System Access Rights –

It appears the payroll clerk has access within the accounting system to post disbursements and adjust employee pay rates.

We recommend employee access rights to the accounting system be subject to an independent review on a periodic basis to ensure they are appropriate.

The Claims Auditor as well as the Assistant Superintendent will periodically examine employee access rights.

Other Item:

The following item is not considered to be deficiency in internal control, however, we consider it another item which we would like to communicate to you as follows:

School Lunch Fund –

As indicated in the financial statements, the school lunch fund had an operating loss of \$87,766 at June 30, 2016. Additionally, the fund was not charged its share of workers' compensation expenditures which would have increased the operating loss. Therefore, we recommend the Administration continue to monitor school lunch operations to improve the overall financial stability of the program.

We have hired an outside consultant who will be in District in December 2016 to perform an analysis of our food service operation.



James J. Rodems
Assistant Superintendent for Management Services
October 3, 2016
