

BALDWINSVILLE CENTRAL SCHOOL DISTRICT

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Corrective Action Plan in Response to External Auditor Comments for Year Ending June 30, 2014

Prior Year Deficiencies Pending Corrective Action

- 1) *"Billing: We noted that billing for field trips, building use and foster student tuition are done by the same person. We recommend that the district continue to review the above items to improve the billing and collection process."*

District response: Field Trip: data comes to the business office from the transportation department. The business office secretary builds and mails the invoice. Billable field trips are primarily for OCM BOCES in District programs and summer programs at Lysander town recreation. Building Usage: information comes to the business office secretary from the facilities department. She produces and mails the building usage invoice. Fewer than 10 invoices a year are produced for building usage. Foster Student Tuition: the District purchasing agent does the paperwork and the business office secretary mails out the tuition invoice. The Claims Auditor sees all the above invoices (both copies) prior to mailing. For 2014-15 the District will mark the invoices indicating that payment should be made attention Timothy Lynch, Treasurer. He will check the log and will deposit the checks.

- 2) *"Vendor Change Reports: Our examination revealed that vendor change reports are not currently being printed and reviewed. We recommend the district vendor change reports be printed and reviewed on a routine basis by an individual independent of the process."*

District Response: Beginning in the Fall of 2014 the District has assigned our Claims Auditor to begin testing vendor change reports and comparing the vendor information in our accounting system with the W-9's (a federal vendor tax form) we have on file for the vendors.

- 3) *"Computer Controls: During the course of our audit, we noted that the District does not have a written disaster recovery plan. We recommend the District develop and implement a disaster recovery plan to safe guard electronic information."*

District Response: The question for the District: can we get operations up and running from another location and how long would this take? The District does not host much of our data on our campuses. OCMBOCES at the Central New York Regional Information Center (CNYRIC) houses much of the District data. This includes accounting information as well as student information. This data is backed up to the Erie 1 RIC in Western New York. Our transportation software and bus routing information is on a web based system purchased through our vendor Tyler Technologies in Albany NY.

We can look at this issue through a couple of examples. In the case of a fire at the District Office our office staff could switch to a computer lab at Durgee Junior High School on the same campus as the District Office. This would take less than 24 hours for us to have access to our accounting system from another location. Depending upon the damage to the paper records in the DO building it might take us some time to rebuild records for those transactions that were in process at the time of the fire. We have had experience in building temporary office space for school offices which has occurred during building renovations. We would take over a District owned space or lease space somewhere within the District to temporarily house the District Offices. We would be working with our insurance company to make all of this happen. If there is a disastrous fire at CNYRIC it would take them 48 hours to get the District connected to the Erie 1 RIC. The District will incorporate these scenarios into its disaster planning.

- 4) *“Other Items: School Lunch Fund: As indicated in the financial statements, the school lunch fund had an operating loss of \$103,990 at June 30, 2014. 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.”*

District response: We have chosen to leave the federal school lunch program at Baker HS in an effort to stem the losses. The new federal nutritional regulations have led to this District wide loss for June 30, 2014. If we can return the HS operations to profitability then we may withdraw our other secondary school buildings. The District will continue to monitor food service operations closely in the 2014-15 fiscal year.

- 5) *“Documentation of Procedures: Our examination revealed the Business Office has made significant progress in preparing a manual of written procedures for District Office personnel. However, the manual does not currently include updated day to day purchasing procedures. For the accounts payable function. We recommend the Administration review this item and document the procedures required for the accounts payable function during this next fiscal year.”*

District Response: The District has identified weekly , monthly, year end and beginning of the year cycles for accounts payable process. During the 2014-15 fiscal year the District will work to document these activities in a more detailed fashion.