
INTEROFFICE MEMORANDUM

TO: MATTHEW SICKLES, SUPERINTENDENT
FROM: TRACY MARSHALL, BUSINESS ADMINISTRATOR
SUBJECT: 2016-17 MANAGEMENT LETTER CORRECTIVE ACTION PLAN
DATE: OCTOBER 16, 2017
CC: AUDIT COMMITTEE, BOARD OF EDUCATION

During the examination of the district's internal controls for fiscal year ending June 30, 2017, the external auditors noted the following deficiencies:

Prior Year Deficiencies Pending Corrective Action:

Audit Trail Reports-

During the course of our examination we noted that the payroll change reports and vendor change reports are not being initialed and dated once they have been reviewed.

We recommend the Administration review this item and consider implementing procedures which would require an independent reviewer to initial and date payroll change reports as well as vendor change reports upon completion of the review.

District Response:

The District will work with the Central Business Office to create a system for the Business Administrator to review all vendor and payroll change reports prior to payments being made.

Payroll-

During our examination of payroll records, we noted that the substitute teacher sign in sheet is not reviewed and approved by the building principal. In addition, we noted a cook manager and cleaning supervisor's time sheets were not approved by anyone other than the employee.

We recommend the substitute teacher sign-in log to be reviewed and approved by the building administrator. In addition, supervisor's timesheets should be reviewed and approved by their supervisor.

District Response:

The District will implement a process for the substitute teacher sign in sheet to be reviewed and approved by the building administrator. In addition, timesheets will not be processed by payroll unless they are signed by their supervisor.

Current Year Deficiencies in Internal Control:

Reserve Adjustments

The District completed a detailed calculation relating to their employee benefit accrued liability reserve and annually adjusts the balance to equal the calculation.

New York State has recently approved new legislation requiring reserve funding to be approved by a resolution of the Board of Education. We recommend that any adjustments to reserve accounts be approved by the Board of Education.

District Response:

All reserve adjustments and funding will be approved by the Board of Education.