

Bedford Central School District

Corrective Action Plan for June 30, 2013

External Audit Comments

CURRENT YEAR COMMENTS

Audit Recommendation #1:

SCHOOL LUNCH FUND

Fund Balance

During our current year audit, we noted that the school lunch fund balance exceeded the three-month average expenditure level allowed by Federal Regulations 7CFR Part 210.14(b). This is the result of the District receiving a one-time legal settlement check in the amount of \$165,000. This unknown, unforeseen revenue resulted in the District exceeding the fund balance limit. We recommend the District utilize these funds during the 2013/2014 year.

Implementation Plan of Action #1:

The District had already developed a plan to replace cafeteria kitchen equipment including walk-in refrigerators, walk-in freezers, reach-in refrigerators, steam tables, stoves and other cooking and food-related equipment in school buildings where these items are reaching the end of their useful life. This was partially implemented in 2012-2013 and will continue into the 2013-2014 fiscal year.

Audit Recommendation #2:

PAYROLL/PERSONNEL

Attendance

During our current year audit, we noted that although the head account clerk for payroll reviews rollover days for employees before they are rolled over into the subsequent year, there is no formal documented review performed by another employee. We recommend that rollover days are reviewed and approved by a responsible official before they are rolled over into the subsequent year to strengthen controls.

Implementation Plan of Action #2:

Currently, the Assistant Superintendent for Business and Administrative Services reviews and authorizes the individual requests for carryover of days according to terms of the employee union contracts. However, there has been no final review of all the balances rolled over by payroll clerks before that action is officially taken. That process will now be implemented in fiscal year 2013-2014 and independently reviewed by the Assistant Superintendent for Human Resources.

Audit Recommendation #3:

EXTRACLASSROOM ACTIVITY FUND

Disbursement Approval

During our current year audit, we noted the extraclassroom treasurer stamps “paid” on the payment request rather than the invoice for the extraclassroom disbursements. We recommend the extraclassroom treasurer use a paid stamp on the invoice to help prevent duplicate payment and strengthen controls over disbursements in the extraclassroom activity fund.

Implementation Plan of Action #3:

The District agrees that the central activity fund treasurers should be stamping the invoices as paid. This lapse was due to the resignation of the middle school central treasurer in mid-year and the replacement with temporary help. The procedure has already been corrected and both high school and middle school central treasurers are now following the correct procedure.

Audit Recommendation #4:

Receipt Records

During our current year audit, we noted seven (7) out of ten (10) instances at the High School and eight (8) out of ten (10) instances at the middle school the club treasurer did not maintain adequate support for the cash receipts. While the type of currency, total amount of cash received, copies of checks and source of funds are noted on a deposit form, there is no record of whom the money was collected from or a profit and loss statement for fundraising activities. We recommend the District maintain support including class lists and/or a profit and loss statement for fund raising activities to strengthen controls over cash receipts in the extraclassroom activity fund.

Implementation Plan of Action #4:

It is clear not all clubs are following the procedures and information provided in *The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds Finance Pamphlet 2*. District staff has previously reviewed with club advisors and building administration on a number of occasions.

1. The Assistant Superintendent for Business and the School District Treasurer will meet with the principal, assistant principal/house director assigned to oversee extraclassroom activities, and the extraclassroom activity treasurer for both the high school and middle school by November 15, 2013 to review the activity pamphlet and the required duties of the clubs and club advisors.
2. By December 1, 2013 building administration will cross-train club advisors on the correct procedures club officers should utilize in receipting and accounting for club funds.
3. Central administration will instruct central activity treasurers to provide the types of forms and documentation they will require club officers to use in receipting money. Central activity treasurers will be instructed not to receipt any club funds without the proper documentation.

STATUS OF PRIOR YEAR RECOMMENDATIONS

Disbursement Approval

FINDING:

During our prior year audit, we noted the District stamps “paid” on the payment request rather than the invoice for the extraclassroom disbursements. We recommend the District use a paid stamp on the invoice to help prevent duplicate payment and strengthen controls over disbursements in the extraclassroom activity fund.

STATUS:

Not Implemented. During our current year audit, we noted that invoices were still not properly cancelled.

Response to Comment and Recommendation

As already indicated in recommendation #3 above, this procedure has been corrected. It was corrected during the past year but lapsed when temporary staff replaced the resigned central treasurer. The procedure is now being applied correctly.