

Bedford Central School District

Corrective Action Plan for June 30, 2014

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) by \$426,309. We understand the District has implemented a long term plan to utilize these funds to replace obsolete equipment and purchase new equipment to lower fund balance to the three-month average expenditure level.

Implementation Plan of Action #1:

The District has already received approval of a two-year plan, from the Child Nutrition Division of the New York State Education Department, to reduce the school food service fund balance to required levels. This plan includes the replacement of obsolete equipment and the purchase of new equipment for program enhancements, improved student access and flow. For 2014-2015 the Board of Education has approved eliminating the \$0.25 cost of breakfast and lunch for students eligible for reduced priced meals. In addition, to encourage more students to participate in the breakfast program, the District is offering free breakfast to all students one day per week in 2014-2015.

Audit Recommendation #2:

EXTRACLASSROOM ACTIVITY FUND

Cash Receipts

During our current year audit, we noted six out of ten cash receipts tested at the High School and six out of ten cash receipts tested at the Middle School where 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 #2:

Before the end of October District central administration from the business office will meet with the High School and Middle School Central Treasurers and assistant principals/house directors assigned to oversee extraclassroom activities, to ensure full understanding of the audit comment and discuss ways to better instruct club treasurers on proper documentation of cash receipts for

various functions. Central Treasurers and assistant principals/house directors will meet with every club advisor and club treasurer during November to review adequate procedures and appropriate forms for proper documentation. Central Treasurers will be instructed not to execute any checks from club funds until appropriate receipted documentation is provided for funds deposited to that club.

STATUS OF PRIOR YEAR RECOMMENDATIONS

SCHOOL LUNCH FUND

Fund Balance

FINDING: During our prior 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). we recommended implementing additional measures to lower the fund balance for the 2013-2014 school year.

STATUS: **In Progress.** During our current audit, we noted the district submitted a two year plan to the NYSED which was approved. The District plans on replacing obsolete equipment and purchasing new equipment to lower the school lunch fund balance to the three-month average expenditure level.

Corrective

Action: See Implementation Plan #1 above.

EXTRACLASSROOM ACTIVITY FUND

Receipt Records:

FINDING: During our prior year audit, we noted seven out of ten instances at the High School and eight out of ten instances at the Middle School where 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.

STATUS: **Partially Implemented.** During our current year audit, we noted that the treasurers in the High School and Middle school still did not maintain adequate support for cash receipts. However a profit and loss statement for fundraising activities has been implemented.

Corrective

Action: See Implementation Plan #2 above.