

Scarsdale Union Free School District

Risk Assessment Update Report

June 9, 2017

Risk Assessment Update Report

To the Board of Education and Audit Committee
Scarsdale Union Free School District
Scarsdale, New York

We have performed the annual risk assessment update of the Scarsdale Union Free School District (District) as required by Chapter 263 of the Laws of New York, 2005 and as per our agreement of July 1, 2016.

This engagement is in accordance with auditing standards generally accepted in the United States of America and the applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have also considered the guidelines promulgated by the New York State Education Department in connection with such risk assessments.

Specifically, we performed the following:

- Reviewed our understanding of the critical business processes of the District. These critical business processes included, but were not limited to:
 - Governance and planning
 - Accounting and reporting
 - Revenue and cash management
 - Payroll and related benefits
 - Purchasing and related expenditures
 - Facilities and equipment
 - Student services
 - Student related data
 - Information technology
- Identified the key risks based on our understanding of these business processes.
- Identified the stated controls that are currently in place to address those risks.

These procedures were accomplished through interviewing District management and accounting and other departmental personnel to determine the flow of accounting information and controls placed in operation. The scope of our engagement did not include testing the operating effectiveness of such controls.

Our procedures were not designed to express an opinion on the internal controls of the District, and we do not express such an opinion. Additionally, because of inherent limitations of any internal control, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of an evaluation of the accounting system and controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

We would like to express our appreciation for the cooperation and assistance that we received from the District's administration and other employees during our engagement, especially the Business Office personnel.

This report is intended solely for the use and information of the Board of Education and its Audit Committee and the management of the Scarsdale Union Free School District, and is not intended to be and should not be used by anyone other than these specified parties.

Cullen & Danowski, LLP

June 9, 2017

SCARSDALE UNION FREE SCHOOL DISTRICT

Introduction

June 9, 2017

Chapter 263 of the Laws of New York, 2005 requires most districts to create an internal audit function. The creation of this function requires districts to engage either a qualified audit firm or individual to make an initial risk assessment of the design of the district's internal controls; annually update this assessment; and, periodically test these controls for operational effectiveness and efficiency. This report addresses the second requirement, which is an annual risk assessment update.

Internal controls are the checks and balances over the various processes or functions that comprise the operations of a district. As previously mentioned, we have identified the following key processes to be considered in the risk assessment update (Note: each one of the key processes is comprised of sub-functions.)

- Governance and planning
- Accounting and reporting
- Revenue and cash management
- Payroll and related benefits
- Purchasing and related expenditures
- Facilities and equipment
- Student services
- Student related data
- Information technology

One key element in any internal control system is the concept of **segregation of duties**. This concept ensures that one person cannot execute a transaction without at least one other individual checking his or her work. Of course, where segregation of duties is not feasible, the district can employ compensating controls.

Nevertheless, there are some important concepts that should be understood when reviewing internal controls. These concepts are:

- An internal control system is designed to provide reasonable but not absolute assurance in safeguarding the assets of the district.
- The concept of reasonable assurance recognizes that the cost of the internal control should not exceed the benefits derived.
- There are inherent limitations that should be recognized in considering the potential effectiveness of any internal control system, e.g., errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. More importantly, it is **collusion** that poses the greatest threat to any internal control system. If two employees collude in order to circumvent the controls set up by the district, they could perpetrate a fraud.

The initial risk assessment required the internal auditor to obtain an understanding of both the inherent and control risks associated with the various functions within the District. The risk assessment update requires the internal auditor to identify the changes in procedures, policies, personnel, and systems that may have an impact on these risks and possibly alter the initial risk assessment's level of control risk.

Control risk measures the adequacy of internal controls designed to mitigate the inherent risk within the process. In this engagement, we have assessed the control risk based upon our interview process. The testing of the controls, which is performed during the detailed testwork, could support the lowering of the prior control risk assessment associated with individual processes and sub-functions.

SCARSDALE UNION FREE SCHOOL DISTRICT
Introduction (Continued)
June 9, 2017

We have organized this report into the following four sections:

The first section is a risk assessment table. In this table, we identify the processes or functions that we have reviewed. This table includes our assessment of the control risk associated with each process. There are two control risk columns to reflect the prior year risk assessment level and the current year risk assessment level based on the results of the risk assessment update as well as the detailed testwork performed for selected processes. **Since the testing of controls has not been done for all processes, it is important to note that this table should not be viewed as the final assessment of the District's control environment.** The Risk Assessment Table also includes our suggestions for processes to be tested during the coming year. However, the decision of which processes to review in detail is at the discretion of the Audit Committee.

The second section includes the current observations and recommendations based on new findings identified during this risk assessment update. These are categorized based upon the areas of our audit program similar to the prior risk assessment report and these findings have been considered in the assessment of the level of control risk.

The third section contains the current status of the observations and recommendations that are still open for areas of potential improvement in the District's internal controls or operations included in the following reports:

| <i>Report Type</i> | <i>Issue Date</i> | <i>Area(s)</i> |
|------------------------|-------------------|---|
| Risk Assessment | June 10, 2016 | District-wide |
| Agreed-Upon Procedures | June 9, 2016 | Human Resources and Payroll Departments |

These results have been considered in the assessment of the level of control risk.

The fourth section contains the observations and recommendations included in the prior risk assessment and/or agreed-upon procedures reports that are now considered closed. The fact that these items have been implemented or resolved was considered in the assessment of the level of control risk.

Some of the recommendations may require a reassignment of duties and/or an addition to Business Office personnel. However, any enhancement of controls should be done after a careful cost-benefit analysis.

Commissioner of Education Regulation §170.12(e)(4) requires that a corrective action plan, approved by the Board of Education, must be filed within 90 days of issuance with the New York State Education Department.

The District should send the Corrective Action Plan (CAP) along with the respective Internal Audit Report via mail or email to the addresses listed below. The report needs to accompany the CAP to allow the Office of Audit Services (OAS) to reconcile the District's CAP to the report to ensure all items have been addressed (i.e., CAP is not missing any recommendations).

Submission Information – Mail & Email
New York State Education Department (NYSED)
Office of Audit Services (OAS)
89 Washington Avenue
Room 524 EB
Albany, NY 12234
Fsanda133@mail.nysed.gov

Contact
Office of Audit Services
(518) 473-4516

SCARSDALE UNION FREE SCHOOL DISTRICT

Risk Assessment Table

June 9, 2017

*(L=Low, M=Moderate, H=High) **

| Business Process Area | **Date of Detail Testing | Control Risk | | | Proposed Detail Testing |
|--|-------------------------------------|---------------------|---------------------|---|--|
| | | Prior Year | Current Year | | |
| Governance and Planning | | | | | |
| Governance Environment | | L | | L | |
| Control Environment | | | M | | M |
| Strategic Planning | | | M | | M |
| Budget Development | | | M | | M |
| Budget Administration | | | M | | M |
| Accounting and Reporting | | | | | |
| Assessing Financial Condition | | L | | L | |
| Financial Accounting and Reporting | | | M | | M |
| Auditing | | L | | L | |
| Financial Oversight | | L | | L | |
| Fund Balance Management | | | M | | M |
| Revenue and Cash Management | | | | | |
| Real Property Tax | | L | | L | |
| State Aid | | | M | | M |
| Medicaid | | | M | | M |
| Out of District Tuition | | | M | | M |
| Use of Facilities | | L | | L | |
| Donations | | | M | | M |
| Collection & Posting of Receipts | 07/15/10 | L | | L | |
| Cash Management | 07/15/10 | L | | L | |
| Investment Management | | | M | | M |
| Petty Cash | | L | | L | |
| Bank Reconciliations | | | M | | M |
| Grants and Special Education | | | | | |
| General Processing/Monitoring | | | M | | M |
| Grant Application | | L | | L | |
| Allowable Costs | | | M | | M |
| Cash Management | | L | | L | |
| Reporting and Monitoring | | | M | | M |
| Compliance | | | M | | M |
| Special Education - Financial Activities | 05/21/15 | | M | | M |
| Payroll, HR and Related Benefits | | | | | |
| Payments to Employees *** | 06/02/14 | L | | L | |
| Allocation of Expenditures *** | 06/02/14 | L | | L | |
| General Employee Administration *** | 06/02/14 | L | | L | |
| Hiring/Termination of Employees *** | 06/02/14 | L | | L | |
| Annual Salary Rollover & Mid-Year Increase | 06/09/16 | | M | | M |
| Employee Attendance | | | M | | M |
| Employee Benefit Administration | | | M | | M |
| Time Clock System | 04/18/12 | L | | L | |

* The assessment of control risk is based on three levels of severity (low, moderate, high) related to the probability of a negative occurrence in the absence of controls designed to reduce the inherent risk within the respective process.

** Indicates the issuance date of an agreed-upon procedures report (AUP) for that area.

*** Area was also reviewed and included in the Agreed-Up On Procedures Report dated May 14, 2008.

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Table (Continued)
 June 9, 2017

(L=Low, M=Moderate, H=High) *

| Business Process Area | **Date of Detail Testing | Control Risk | | | | Proposed Detail Testing |
|--|-------------------------------------|---------------------|---|---------------------|---|--|
| | | Prior Year | | Current Year | | |
| Purchasing and Related Expenditures | | | | | | ✓ |
| PO System | 06/14/09 | L | | L | | |
| Payments Outside PO System | | | M | | M | |
| Purchasing Process | 06/14/09 | L | | L | | |
| Allocation of Expenditures | 06/14/09 | L | | L | | |
| Payment Processing | 06/14/09 | L | | L | | |
| Travel and Conferences | | | M | | M | |
| Credit Cards | | | M | | M | |
| Facilities | | | | | | |
| Facilities Maintenance | | | M | | M | |
| Construction Planning | | | M | | M | |
| Construction Monitoring | | | M | | M | |
| Construction Completion | | | M | | M | |
| Capital Assets | | | | | | |
| Acquisition: Information Technology Assets | 05/21/15 | | M | | M | |
| Acquisition and Disposal | | | M | | M | |
| Inventory | | | M | | M | |
| School Environment | | | | | | |
| Safety and Security | | | M | | M | |
| Student Transportation | | | | | | |
| Fleet Maintenance | 06/08/17 | | M | | M | |
| Risk Management | 06/08/17 | | M | | M | |
| Personnel Compliance | 06/08/17 | | M | | M | |
| Facilities Maintenance and Security | 06/08/17 | | M | | M | |
| Food Service | | | | | | |
| Federal and State Reimbursement | 04/18/12 | L | | L | | |
| Sales Cycle and System | 04/18/12 | L | | L | | |
| Inventory and Purchases | 04/18/12 | L | | L | | |
| Eligibility Verification | 04/18/12 | L | | L | | |
| Extracurricular Activity Fund | | | | | | |
| General | | | M | | M | |
| Cash and Cash Receipts | | | M | | M | |
| Expenditures and Purchasing | | | M | | M | |
| Inventories | | L | | L | | |
| Student Related Data | | | | | | |
| Tracking Student Attendance | | | M | | M | |
| Student Performance Data | | | M | | M | |
| Information Technology | | | | | | |
| Governance | | | M | | M | |
| Network Security | | | M | | M | |
| Financial Application Security | | | M | | M | |
| Other Application Security | | | M | | M | |
| Disaster Recovery | | | M | | M | |

* The assessment of control risk is based on three levels of severity (low, moderate, high) related to the probability of a negative occurrence in the absence of controls designed to reduce the inherent risk within the respective process.

** Indicates the issuance date of an agreed-upon procedures report (AUP) for that area.

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
June 9, 2017

CURRENT OBSERVATIONS AND RECOMMENDATIONS

FACILITIES

District Vehicles – Facilities Department

Risk Assessment Update – May 2017

We found that the District work vehicles used by the Facilities Department staff have the proper license plates that include “Scarsdale School District” on the plates. However, these vehicles do not have any logos or lettering noting that these assets are the property of the District.

We recommend that the District consider adding District logos, lettering and numbers to the Facilities Department work vehicles to identify them as official assets, and to reduce the risk of potential use of these vehicles for personal reasons.

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (OPEN ITEMS)

REVENUE AND CASH MANAGEMENT

Library Funds – Lost Book Fines

Risk Assessment Update – December 2014

We noted that the District had developed procedures to have the Middle School (MS) submit any lost book fines to the Business Office. We recommended that the District establish these procedures for the elementary schools.

Risk Assessment Update – May 2016

We understood that the District planned to investigate this matter with the elementary schools.

Risk Assessment Update – May 2017

We note that the District still needs to address this recommendation.

PAYROLL, PERSONNEL AND RELATED BENEFITS

Health Insurance – Payroll Deduction Register and Records

Risk Assessment Update – May 2016

We recommended that the Human Resources (HR) Department develop procedures to perform periodic reconciliations of the payroll deduction register and the payroll records to the health insurance provider invoice to ensure accuracy and completeness of the information, since we found that the District began to require bargaining units to contribute to the cost of health insurance beginning in the 2014-15 year.

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)
June 9, 2017

Risk Assessment Update – May 2017

We have been informed that the HR Manager reconciled the District records to the health insurance invoice during the summer of 2016, but another reconciliation is not planned until the summer of 2017. We recommend that the HR Department develop procedures to perform a reconciliation of the health insurance provider invoice to the District records and to the payroll deduction register at least twice per year. We also recommend that these reconciliations be documented and filed in the HR Department.

Substitute Rates and Leave Replacement Rates

Risk Assessment Update – May 2016

We recommended that the District follow the Board policy related to salary payments for per diem and retired substitute teachers and nurses or continue with the current practice, but revise the Board policy. We also recommended that the District consider paying leave replacements at 1/200th of salary class, only after the teacher that they are covering has come off payroll.

Risk Assessment Update – May 2017

We understand that the District is working towards hiring leave replacements at step 1 where possible and is moving away from hiring retirees as leave replacements. We again recommend that the District align the Board policy and current practice related to salary payments for per diem and retired substitute teachers and nurses, which states that the retired substitute should be paid at 1/200th of the salary class at the time of retirement only after working 21 or more days in the same assignment. We also recommend that the District consider paying leave replacements at 1/200th of salary class, only after the teacher that they are covering has come off payroll. Prior to that date, the leave replacement would be paid at the daily substitute rate.

CSI Time Clock Module – Payroll

Risk Assessment Update – 2012

We recommended that the District consider revising procedures with the other bargaining units that consist of hourly employees, particularly the aides and bus drivers, to require them to use the CSI Time Clock module to record their arrival and departure time each day, since the process to calculate the hours for these employees is very labor intensive and has potential for errors. The implementation of having all hourly employees follow the same procedures as the facilities employees, using the CSI Time Clock module and swipe cards, would result in additional significant operational efficiencies.

Risk Assessment Update – 2013

We understood that the Information Technology (IT) Department had mapped out the scenario for aides (wiring, locations). However, we were informed that the Personnel Department ceased moving forward with this initiative during the summer of 2013, even though the use of the CSI Time Clock module has proven to be very beneficial with the Facilities Department employees.

Risk Assessment Update – December 2014

We noted that the District was addressing the implementation of the CSI System's position controls and salary guides, and planned to address this item during the 2015-16 year. We again recommended that the District consider revising procedures with the other bargaining units that consist of hourly employees to require them to sign-in and sign-out each day, particularly the aides and bus drivers, since the process to calculate the hours

**SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)**

June 9, 2017

for these employees is very labor intensive and has potential for errors. The implementation of having all hourly employees follow the same procedures as the Facilities Department staff, using the CSI Time Clock module and swipe cards, would result in additional significant operational efficiencies.

Risk Assessment Update – May 2016

We understood that the District was planning to review this item.

Risk Assessment Update – May 2017

We found that the District has determined that the CSI Time Clock module needs to be replaced with a more robust software program, so the District is investigating other time management systems and has included this item in the 2017-18 budget. We note that the District has viewed a demo from a potential vendor (i.e., Frontline) and its VeriTime biometric time management system. We understand that the District still needs to evaluate and view demos of other systems before making a decision. After choosing a time management system, the District should establish a timeline for rolling out the new system to staff within the selected bargaining units.

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (CLOSED ITEMS)

GOVERNANCE AND PLANNING

Internal Audit Reports – Corrective Action Plan

Risk Assessment Update – May 2016

We recommended that the District establish procedures to ensure compliance with Commissioner of Education Regulation (CR) §170.12(e)(4) by preparing a Board-approved Corrective Action Plan (CAP) and filing within 90 days of issuance with the New York State Education Department (NYSED), since the District had not prepared a Corrective Action Plan (CAP) related to the internal audit reports issued in May 2015.

Risk Assessment Update – May 2017 (This item is now closed)

We note that the District has developed procedures to ensure compliance with CR §170.12(e)(4) by preparing a Board-approved CAP and filing within 90 days of issuance with the NYSED related to internal audit reports.

GRANTS AND SPECIAL EDUCATION

Contracts – Service Providers

Agreed-Upon Procedures – 2015

We recommended that the District continue efforts with defining the handling of contracts that included determining which types of services would require a contract, which may also be based on a threshold amount, and which contracts would require Board approval. The District would consider the details that would be Board approved including dates of service, rates for services, and an estimate for the total amount of services to be provided. We also recommended that the District consider establishing a Board policy related to contracts.

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)
June 9, 2017

Risk Assessment Update – May 2016

We noted that there was standardized contract language related to the services provided by hourly consultants; however, the District still needed to define the other types of services that would require a contract and to consider establishing a Board policy related to contracts to memorialize these decisions.

Risk Assessment Update – May 2017 (This item is now closed)

We found that the District revised Board Policy #6700 – Purchasing to require contracts over \$20,000 to be approved by the Board and authorizes the Superintendent or designee to approve contracts under this amount.

Develop Written, Formal Procedures

Agreed-Upon Procedures – 2015

We recommended that the District develop written, formal procedures related to the financial operations of the Special Education Department that would include reviewing and approving System to Track and Account for Children (STAC) forms and automated verification listings (AVL), preparing and managing the budget, monitoring significant account codes (BOCES, non-BOCES placements, related services, etc.), reconciling the related services to each student's Individualized Education Program (IEP), reviewing and approving invoices, and preparing contracts.

Risk Assessment Update – May 2016

We noted that the District had formal processes in place; however, the Special Education Department still needed to develop written, formal procedures related to financial operations.

Risk Assessment Update – May 2017 (This item is now closed)

We found that the District has started to develop written, formal procedures related to the financial operations of the Special Education Department.

PAYROLL, PERSONNEL AND RELATED BENEFITS

Annual Salary Rollover Process

Agreed-Upon Procedures – 2011

We recommended that the District improve procedures related to the annual salary rollover process due to the significance of this activity and the errors noted during our engagement including the development of written, formal procedures. The expanded use of the position controls and salary schedules in the CSI personnel system would facilitate the annual salary rollover process by enhancing operational efficiencies and reducing potential manual errors. We recommended that this process include performing a sample test of 5% of the employees, with a minimum of 5 staff from each bargaining unit, prior to processing the payroll related to the annual salary rollover.

Risk Assessment Update – 2013

We noted that the Staff Accountant had begun to document payroll procedures and maintained these procedures in a binder in the Payroll Department. However, the District had not assigned someone the task of reviewing a sample test of 5% of the employees with a minimum of 5 staff, from each bargaining unit prior to processing the payroll

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)

June 9, 2017

related to the annual salary rollover. We again recommended that this process be performed and formally documented.

Risk Assessment Update – December 2014

We noted that the Staff Accountant performed a review of the roll over process by recalculating employees' new salary; however, the review does not include checking the new rates to the applicable bargaining unit contract. We again recommended that the District assign someone the task of reviewing a sample test of 5% of the employees with a minimum of 5 staff, from each bargaining unit prior to processing the payroll related to the salary rollover.

Risk Assessment Update – May 2016

We noted that the District still needed to address this recommendation.

Risk Assessment Update – May 2017 (This item is now closed)

We understand that the District has procedures to recalculate and review all employees' salaries to the rates in the applicable bargaining unit contracts during the roll over process.

Confirm Validity of Retirees' Information Annually

Agreed-Upon Procedures – 2016

We recommended that the District develop procedures to require the HR Department to confirm the validity of the retirees' information each year. We recommended that the District develop procedures to send out letters to confirm retirees' eligibility beginning in December 2016. In addition, we recommended that the District consider issuing separate checks for the retiree and the spouse when the Medicare Part B reimbursement is for both individuals. By issuing separate checks, there would be a reduced risk of potentially overpaying the retiree for this reimbursement in the event that one of the individuals is deceased.

Risk Assessment Update – May 2017 (This item is now closed)

We note that the HR Manager prepared and sent out letters to confirm retirees' eligibility this past fall. The letters were tracked and the HR Department followed up with the retiree if the letter was not received. We understand that the District considered our recommendation to issue separate checks for the retiree and the spouse when the Medicare Part B reimbursement is for both individuals and decided against it due to the increase in the number of additional checks and the District has procedures to monitor the retirees' eligibility.

Teacher Aides – Reconcile the Approved Work Hours

Agreed-Upon Procedures – 2016

We recommended that the District establish procedures to require the HR Department and Payroll Department staff to work collaboratively to reconcile the hours that each teacher aide is approved to work and to ensure that all changes are approved. We understood that the District was evaluating the utilization of the CSI System's position controls for teacher aides or considering a more robust time clock system to use for aides and bus drivers, which included a biometric system to ensure that only the employee would be able to clock in and out.

**SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)**

June 9, 2017

Risk Assessment Update – May 2017 (This item is now closed)

We found the HR Department has created Google Docs spreadsheets to track hours by building for teacher aides and set up a field in SMARTS to track the number of hours worked by each teacher aide. This information is used to reconcile the hours that each teacher aide is approved to work and to ensure that all changes are approved.

Streamline Procedures – Staff Changes

Agreed-Upon Procedures – 2016

We recommended that the District investigate software products to create a systematic process to streamline the procedures related to new hires, separations and employee changes, which would route the various tasks associated with these changes to the appropriate department, including HR, Payroll and Data Services. The applicable department would be required to take action and systematically check off that the task was completed. In the meantime, we recommended that the HR Department use a new hire checklist and a separation checklist based on the requirements of the employees' position/bargaining until an automated system is implemented.

Risk Assessment Update – May 2017 (This item is now closed)

We found that the District has implemented new software (AppliTrack) to streamline procedures related to the hiring process. The AppliTrack program is used to post open positions, receive resumes and schedule interviews. After interviews are conducted, interview notes and references are recorded in AppliTrack. All new hires are sent applications and forms to be completed in AppliTrack that are electronically transferred as attachments into the financial system (SMARTS). A manual spreadsheet is used as a checklist to track the return of the forms. We also note that the District has set up the employee portal in SMARTS to allow staff to change certain data resulting in efficiencies related to these revisions.

Teacher Track Changes – Utilize Technology

Agreed-Upon Procedures – 2016

We recommended that the District assess the procedures related to handling teacher track changes to determine if there were opportunities for improvement including the utilization of systematic functionality to streamline the process, possibly through the use of MyLearningPlan.

Risk Assessment Update – May 2017 (This item is now closed)

We note that the District has implemented procedures to utilize MyLearningPlan to facilitate the handling of teachers' track changes. The teachers request a salary advancement through MyLearningPlan for review and approval by the Assistant Superintendent for Human Resources and Leadership Development. In addition, Board approval is required for all salary increases due to track changes. All completed conferences and courses are tracked and stored in MyLearningPlan for the respective teacher. The Scarsdale Teachers Institute is also working to bring over prior years information into My Learning Plan.

Revise Employee Change Forms (Pink Sheet)

Agreed-Upon Procedures – 2016

We recommended that the District revise the "pink" sheet, which the HR Department completes to notify the Payroll Department of employee changes, to include employee step and level when applicable, as well as, the Board approval date. We further recommended that the District investigate the possibility of eliminating the

**SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)**

June 9, 2017

“pink” sheet in the future to streamline the payroll change notification process. This would include using the Board agenda, given the appropriate information is provided, or using technology to electronically notify the Payroll Department of these changes in a timely manner.

Risk Assessment Update – May 2017 (This item is now closed)

We note that the HR and Payroll Departments have revised the “pink” sheet and the Payroll Department has begun to scan all “pink” sheets into the SMARTS System after making the employee changes. The “pink” sheet is also electronically attached to the respective employees’ payroll file for future review. In addition, we understand that the District is investigating the possibility of eliminating the “pink” sheet in the future to streamline the payroll change notification process.

CAPITAL ASSETS

Develop Board Policy

Agreed-Upon Procedures – 2015

We recommended that the District develop a Board policy that covers capital assets including the threshold amounts required for capitalization, depreciation purposes, tagging purposes and requirements for performing physical inventories.

Risk Assessment Update – May 2016

We understood that the District would review this item.

Risk Assessment Update – May 2017 (This item is now closed)

We found that the District has standard procedures and written, formal documentation that covers capital assets including the threshold amounts required for capitalization, depreciation purposes, tagging purposes and requirements for performing physical inventories.

Revise Board Policy #6900 – Disposal of District Property

Agreed-Upon Procedures – 2015

We recommended that the District consider revising Board Policy #6900 – *Disposal of District Property* to include language requiring the Board to approve disposals of property prior to disposing of the assets.

Risk Assessment Update – May 2016

We understood that the District would review this item.

Risk Assessment Update – May 2017 (This item is now closed)

We found that the District has considered this recommendation and decided to continue with the current procedures related to the disposal of assets, which are managed by the Assistant Superintendent for Business and reported to the Board as necessary.

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)
June 9, 2017

STUDENT TRANSPORTATION

Bus Yard

Risk Assessment Update – December 2014

We recommended that the District investigate options to establish a secure and protected environment for the storage of the bus fleet. We understood that there were discussions about using another location where the Village of Scarsdale maintains a “pipe yard”. We understood that the District had allocated additional funding for the 2015-16 year related to this matter.

Risk Assessment Update – May 2016

We noted that the District’s lease agreement with the Village of Scarsdale included the use of additional space, and the budget for the 2016-17 year contained funding to improve this space for storing the bus fleet. This included installing a fence around the area with a locking gate.

Risk Assessment Update – May 2017 (This item is now closed)

We found that the District has renewed the lease with the Village of Scarsdale to extend and include the “pipe yard”, as well as, the installation of a fence surrounding this area with a locking gate.

