

Scarsdale Union Free School District

Risk Assessment Update Report

June 16, 2020



VINCENT D. CULLEN, CPA
(1950 - 2013)

JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMAN, CPA
CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

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, 2019.

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.

T:\Office\50,000's\57460\Financial\2020\RA Update Report 20.docx

1650 ROUTE 112, PORT JEFFERSON STATION, NEW YORK 11776-3060

PHONE: 631-473-3400 FAX: 631-473-4863 WWW.CDLLP.NET

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 16, 2020

SCARSDALE UNION FREE SCHOOL DISTRICT

Introduction

June 16, 2020

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. 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 initial control risk assessment associated with individual processes and sub-functions.

We have organized this report into the following two 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.

SCARSDALE UNION FREE SCHOOL DISTRICT

Introduction (Continued)

June 16, 2020

The second section of the risk assessment update report that consists of any changes from the prior year risk assessment related to key policies, procedures and/or controls of the functions we reviewed. Also included in this section are any new recommendations and the status of any prior year recommendations (note that this text is in *italics*), for areas of potential improvement in the District’s internal controls or operations. The status of prior year recommendations from the following report was addressed in this year’s risk assessment:

<i>Report Type</i>	<i>Issue Date</i>	<i>Area(s)</i>
Risk Assessment	June 4, 2019	District-wide
Agreed-Upon Procedures	June 3, 2019	Extraclassroom Activities

The changes and recommendations have been 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 District personnel. However, any enhancement of controls should be done after a careful cost-benefit analysis.

Corrective Action Plan

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

The District should submit the CAP along with the respective Internal Audit Report via the NYSED Portal.

SCARSDALE UNION FREE SCHOOL DISTRICT

Risk Assessment Table

June 16, 2020

*(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	06/15/20	L	M		
Cash Management	07/15/10	L	M		
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	L	L		
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	L	L		
Employee Attendance		M	M		
Employee Benefit Administration		M	M		
Time Clock System	04/18/12	L	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.

*** Area was also reviewed and included in the AUP Report dated May 14, 2008.

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Table (Continued)
 June 16, 2020

(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 ***	06/07/18	M	L	
Payments Outside PO System		L	L	
Purchasing Process ***	06/07/18	M	M	
Allocation of Expenditures ***	06/07/18	L	L	
Payment Processing ***	06/07/18	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	
Use of Facilities	06/15/20	M	M	
Capital Assets				
Acquisition: Information Technology Assets	05/21/15	L	L	
Acquisition and Disposal		M	M	
Inventory		M	M	
School Environment				
Safety and Security		M	M	
Student Transportation				
Fleet Maintenance	06/08/17	M	L	
Personnel Compliance	06/08/17	L	L	
Facilities Maintenance and Security	06/08/17	L	L	
Food Service				
Federal and State Reimbursement		N/A	N/A	
Sales Cycle and System	04/18/12	L	M	
Inventory and Purchases	04/18/12	L	M	
Eligibility Verification	04/18/12	L	M	
Collection of Receipts		M	M	✓
Extracurricular Activities				
General	06/03/19	M	M	
Cash and Cash Receipts	06/03/19	M	M	
Expenditures and Purchasing	06/03/19	M	L	
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 AUP report for that area.

*** Area was also reviewed and included in the AUP Report dated June 14, 2009.

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
June 16, 2020

KEY CHANGES FROM THE PRIOR YEAR'S RISK ASSESSMENT RELATED TO POLICIES, PROCEDURES AND/OR CONTROLS

Governance and Planning

- There have been staff changes in key roles including the Payroll Clerk, Bookkeeper, Personnel Clerk, Secretary to School Administrator and Extraclassroom Activities High School (HS) Central Treasurer.
- The District has been active with their ongoing review of the Board policies with the completion of the 3000 series this fiscal year and the plan is to complete the remaining 2000 and 4000 series by the 2021-22 year.

Revenue and Cash Management

- The District is expanding the use of the web-based program, MySchoolBucks, to facilitate the handling of payments from parents related to various student activities including food service, exam fees and music events. This has reduced the receipts (i.e., cash and checks) being handled at the schools and departments.

Facilities and Capital Projects

- The District has continued with projects related to the voter-approved \$64.9 million bond to finance the renovation and expansion of the Greenacres Elementary School and infrastructure improvements at all of the District schools.

Food Services

- There was an increase in the activities of the Food Service Program due to lunches being provided at the elementary schools that started during the 2018-19 school year. The results for the year ended June 30, 2019 noted that the District used \$442,399 of the fund balance to cover the losses for that year, which was mainly due to the planned purchases of equipment and other materials needed at the elementary schools. The fiscal projection for the food service program is to operate with a surplus for this 2019-20 school year.

Payroll

- The District had a vacancy in the Payroll Clerk position during the summer of 2019 and the Purchasing Agent and District Treasurer assisted with completing the payroll cycles until the new Payroll Clerk was hired. We understand that the Business Office implemented procedures to assign an employee who was independent of handling payroll during this transition period to ensure the accuracy of the payroll amounts.
- The Business Office has improved the record keeping and reporting of the Teacher Retirement System and Employee Retirement System data to the NYSED by utilizing electronic files and Excel spreadsheets to facilitate this monthly and annual process.

Human Resources (HR)

- The District has completed the initiative to set up all of the aides within the position control functionality of the SMARTS financial system.
- The HR Department has established consistency and standardization related to standard language in the job descriptions of the web-based program (Applitrack) to facilitate the hiring process.

Benefits

- The District has begun obtaining health insurance contributions from retirees starting in the 2019-20 year based on the bargaining unit contracts. We found that the billing and collections related to these retiree payments is handled by the health insurance administrator (UMR) with oversight by the HR Department.

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

June 16, 2020

Information Technology

- The 1 to 1 initiative related to iPads continued with the District providing these devices to each 6th grade student for the 2019-20 year and all students in the 7th grade are now in their second year with their devices. We understand that the District recommends the purchase of insurance to the parents/guardians and invested in screen protectors, resulting in a reduction in the amount of breakage related to these devices.
- The District utilizes mobile device management (MDM) programs, including Find My iPad, to facilitate the tracking and monitoring of the iPads.
- The District continues to enhance programs and protocols related to cybersecurity and data protection. This includes the use of a web-based program to provide staff with digital citizenship training and workshops.
- The District has replaced existing firewall software with more sophisticated robust programs and developed formal procedures to review the firewall logs periodically, which includes outgoing email traffic.

Student Safety and Security

- The District set up standard safety and security protocols that includes a visitor management system (Raptor) at all schools and the installation of vestibules at all elementary schools.
- The number of surveillance cameras throughout the District continues to increase at internal and external locations at the school buildings.

RECOMMENDATIONS

PAYROLL, PERSONNEL AND RELATED BENEFITS

Medicare Reimbursements

Risk Assessment Update – 2020

We note that the District processes Medicare reimbursements for the retirees on a quarterly basis resulting in a significant amount of administrative work, including performing 4 reconciliations annually and processing these payments every quarter. There is an extensive amount of work to track, monitor and reconcile these activities each quarter.

- 1. We recommend that the District consider reducing the frequency of processing the Medicare reimbursements paid to retirees to a semi-annual or possibly an annual basis. This would significantly reduce the administrative work that currently exists with processing quarterly reimbursements.*

Health Insurance – Payroll Deduction Register and Records

Risk Assessment Update – 2016

We recommended that the 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 16, 2020

Risk Assessment Update – 2017

We were informed that the HR Manager reconciled the District records to the health insurance invoice during the summer of 2016, but another reconciliation had not been planned until the summer of 2017. We recommended 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 during the year. We also recommended that these reconciliations be documented and filed in the HR Department.

Risk Assessment Update – 2018

We noted that the District had changed the health insurance provider and planned to implement this recommendation based on the invoices to be received from the new provider.

Risk Assessment Update – 2019

We found that the HR Department prepared a reconciliation of the enrollee listing from the third party administrator of the health insurance plan (UMR) to the payroll deduction register. We were informed that there were 8 exceptions noted with 6 instances due to changes in coverage types (i.e., single to family or family to single) and 2 instances due to employees who received health insurance coverage, but there were no payroll withholdings for these participants. We noted that the District had correctly processed these adjustments via refunds or collections through payroll deductions dating back to July 2018. We understood that subsequent to our fieldwork, the District had determined the procedures and frequency (twice annually) of performing this reconciliation. We planned to follow up on this item during the 2020 risk assessment due to the 8 exceptions noted and to review the newly established reconciliation process.

Risk Assessment Update – 2020 (This item is now closed)

We note that the District has performed a reconciliation of the payroll deduction register and the payroll records to the health insurance provider invoice during January 2020. Further review noted that there were 4 exceptions:

- 1 employee with family coverage, but the payroll withholding amount was based on single coverage.*
- 2 employees with payroll withholdings although they waived coverage.*
- 1 employee with single coverage; however, there was no payroll withholdings for this participant.*

We found that the District had correctly processed these adjustments via refunds or collections through payroll deductions and established procedures to perform this reconciliation twice annually.

PURCHASING AND RELATED EXPENDITURES

Purchasing Handbook

Agreed-Upon Procedures – 2018

We recommended that the District develop a purchasing handbook that covers the requirements related to purchasing activities. This would facilitate the creation of standard practice to be followed by the requisitioners. This would also establish consistency to be followed by the employees regarding the purchasing processes. We understood that the District planned to have the handbook in place during the 2018–19 year. Some of the key items that should be addressed in the handbook include:

- a) Reference to the Board policies and regulations related to purchasing.

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

June 16, 2020

- b) Required documentation to be scanned and submitted to the Purchasing Agent. Define the specific records to be provided by the requisitioners that would ensure compliance with the District's purchasing policy, regulations and protocols.
- c) Define the processes related to bids, quotes and contracts. The requisitioners should scan the pricing information related to the items purchased, when feasible, and should record the bid number on the purchase order (PO).
- d) Require the requisitioner to ensure that the items purchased are included in the bid.
- e) Require the requisitioner to scan all quotes that are obtained.
- f) Require the requisitioner to include notes and a letter from the vendor when the purchase relates to a sole source vendor. The letter should be scanned into the PO as supporting documentation.
- g) Require that all invoices for projects with time and material bids have third party invoices attached to substantiate any mark-up percentage detailed in the bid. In addition, this documentation should be attached to the invoice.
- h) Require the requisitioner to provide an explanation if there is a confirming PO. This documentation should be scanned into the PO.
- i) Procedures related to blanket POs to create efficiencies by using an estimated annual amount paid to a vendor to reduce the number of instances to increase a PO or create a new PO for the same vendor.
- j) Define the required information to be included when the requisitioner creates the PO. This may include adding notes into the SMARTS system and may not necessarily be included in the printed PO.
- k) Reimbursements to employees related to conferences, athletics, professional development, etc.

Risk Assessment Update – 2019

We noted that the District and the Purchasing Agent have made progress with establishing more consistency and standardization related to the purchasing activities. This included creating a spreadsheet to list the proper information related to quotes, including contract numbers and links to contracts within the spreadsheet. We understood that the Purchasing Agent and Purchasing Clerk were in the process of developing the purchasing handbook in coordination with defining the purchasing protocols.

Risk Assessment Update – 2020

2. *We note that the Purchasing Agent and Purchasing Clerk are finalizing the purchasing protocols and plan to develop the purchasing handbook during the 2020-21 year. There was a delay with this substantial initiative due to the staff changes in the Business Office that required a considerable amount of time from the Purchasing Agent.*

Purchases Requiring Quotes – Local Vendors

Agreed-Upon Procedures – 2018

We recommended that the District review the process related to purchases from a local vendor not on a bid or state contract when the amount exceeds the District's purchasing policy for amounts allowable without soliciting quotes.

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

June 16, 2020

Risk Assessment Update – 2019

We understood that the Purchasing Department had been meeting with various departments in the District to educate the requisitioners regarding requirements under the Board's purchasing policy. In addition, the Purchasing Agent had canvassed other districts to determine how they handle these circumstances.

Risk Assessment Update – 2020

3. *We found that the Purchasing Department completed the meetings with departments and canvassing other districts related to purchases from a local vendor as noted above. We understand that the Purchasing Agent plans to include this process within the purchasing handbook to be developed during the 2020-21 year.*

Vendor Invoices – Labor and Material Costs

Agreed-Upon Procedures – 2018

We recommended that the District develop procedures to ensure that all invoices from the vendors include a breakdown of costs between labor and material for a comparison of pricing on the invoice to bid pricing.

Risk Assessment Update – 2019

We noted that the District was in the process of having a revised vendor contract reviewed by their legal counsel. This included a proposed provision in the standard contract for services that would require bidders to provide quotes for all work resulting from annual contracts to be estimated using both labor and materials

Risk Assessment Update – 2020

4. *We understand that the District still needs to complete this review of the revised vendor contract, since the requirements of Education Law 2-d are being incorporated into this process to be completed by July 1, 2020.*

CAPITAL ASSETS

Capital Asset Database – Backup Procedures

Risk Assessment Update – 2020

We note that the District's capital asset database (RAMI [Real Asset Manager Inventory]) went down due to the server being corrupted and the backup files also crashed, resulting in the District engaging a third party to assist with the data recovery efforts. Further review noted that the backup process only occurs on a quarterly basis.

5. *We recommend that the District strengthen procedures related to RAMI by performing daily backup processes of the data that should be stored in a minimum of two locations to ensure that this data is recoverable in the event of any potential future corruptions or crashes of the RAMI server.*

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)
June 16, 2020

STUDENT TRANSPORTATION

Field Trips and Athletic Trips

Agreed-Upon Procedures – 2017

We recommended that the District improve the processes related to field trips and athletic trips as follows:

- a) Prepare a listing of the field trips that are paid for by the District and distribute to the schools and the Department.
- b) Define the approval requirements related to signing the Transportation Request Forms to grant permission for the field trip (e.g., principal, department head, etc.)
- c) Revise the Transportation Request Forms as necessary.

Risk Assessment Update – 2018 and 2019

We noted that the District still needed to address these items.

Risk Assessment Update – 2020 (This item is now closed)

We note that the District has improved the processes related to field trips and athletic trips by implementing the recommendations noted above.

FOOD SERVICE

Food Service Program Operations

Risk Assessment Update – 2019

We recommended that the District improve the food service program operations by developing formal procedures to monitor the negative account balances and establishing a Board policy to facilitate the handling of negative account balances.

Risk Assessment Update – 2020 (This item is now closed)

We found that the District has developed formal procedures to monitor the negative account balances in the food service operations by reviewing a monthly report and sending a standard letter to the parents and, if applicable, staff members when the negative balance is \$10 or higher. We understand that the Board will consider establishing a policy as part of their upcoming review of this series of policies.

EXTRACLASSROOM ACTIVITIES

Update Board Policy #5252 – Student Activities Fund Management

Agreed-Upon Procedures Report – 2019

We recommended that the District update *Board Policy #5252 – Student Activities Fund Management* to include the responsibilities of the Central Treasurer and the club advisors as well as documenting the District's practice of closing out a club after 2 years of no activity and transferring the funds to Student Government, unless otherwise directed by the club advisor and the student treasurer.

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

June 16, 2020

Risk Assessment Update – 2020

6. *We understand that the District is in the process of reviewing all of the Board policies and will consider this recommendation during the upcoming review of the 5000 series of policies.*

Independent Review Of Receipts To Ensure Completeness

Agreed-Upon Procedures Report – 2019

We recommended that the District develop procedures to have an employee review the receipts prepared by the Central Treasurer to ensure that all sequential numbers are accounted for.

Risk Assessment Update – 2020 (This item is now closed)

We found that the District has developed procedures to have an independent employee review the receipts prepared by the Central Treasurer to ensure completeness of all sequentially numbered receipts.

Co-Advisor Reimbursements

Agreed-Upon Procedures Report – 2019

We recommended that the District develop procedures to require the co-advisor or other advisor prepare and sign-off on the standard payment request form when there is a reimbursement to be paid to an advisor.

Risk Assessment Update – 2020 (This item is now closed)

We note that the District has developed procedures to require the co-advisor or other advisor prepare and sign-off on the standard payment request form when there is a reimbursement to be paid to an advisor.

Independent Review Of Checks To Ensure Completeness

Agreed-Upon Procedures Report – 2019

We recommended that the District develop procedures to have an employee review the checks prepared by the Central Treasurer to ensure that all sequential numbers are accounted for, including the voided checks.

Risk Assessment Update – 2020 (This item is now closed)

We found that the District has developed procedures to have an independent employee review the checks prepared by the Central Treasurer to ensure completeness of all sequentially numbered checks.

Fundraising Events – Online Calendar and Compare Deposits To Calendar (HS)

Agreed-Upon Procedures Report – 2019

We recommended that the District developed procedures to require all fundraising events be recorded on the online calendar and to have the HS Central Treasurer compare the deposits to the calendar to ensure that all funds have been submitted.

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

June 16, 2020

Risk Assessment Update – 2020 (This item is now closed)

We note that the District has developed procedures to require all fundraising events be recorded on the online calendar and to have the HS Central Treasurer compare the deposits to the calendar to ensure that all funds have been submitted.

Fundraising Events – Proper Supervision Of Students and Improve Handling Of Receipts (HS)

Agreed-Upon Procedures Report – 2019

We recommended that the District establish procedures to ensure that there is proper supervision of students at fundraising events involving the collection and monitoring of funds, particularly when cash is collected. The receipts should be stored in a safe at the school district after the fundraising event in a timely manner. Additionally, all deposits would be counted by the club advisor and the club treasurer together and both should sign-off on the Deposit Form, prior to submitting the deposit to the HS Central Treasurer on a timely basis.

Risk Assessment Update – 2020

7. *We understand that the HS has begun to address this item and plans to implement the recommendation for the 2020-21 school year.*

Require Clubs To Maintain Financial Ledgers (HS)

Agreed-Upon Procedures Report – 2019

We recommended that the District establish procedures to require each club to maintain a financial ledger and confirm in writing that ledger with the HS Central Treasurer's records at least once during the year and at the end of the year.

Risk Assessment Update – 2020 (This item is now closed)

We found that the District has established procedures to require each club to maintain a financial ledger and confirm in writing that their ledger agrees with the HS Central Treasurer's records during the middle and at the end of the school year.

Strengthen Controls Related To Receipts (HS)

Agreed-Upon Procedures Report – 2019

We recommended that the District strengthen controls related to receipts at the HS, particularly cash, at the club level since the collection of funds has a high level of inherent risk. We recommended that the deposit forms be completely filled out with the details of the deposit and any supporting documents would be attached to the deposit form (i.e. class lists, listing of tickets sold, etc.) and be reviewed and compared to the deposit form by the Central Treasurer to ensure that the deposit is complete. When appropriate, a profit and loss statement would be prepared to document the financial results of the event.

Risk Assessment Update – 2020

8. *We understand that the HS has begun to address this item and plans to implement the recommendation for the 2020-21 school year.*

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

June 16, 2020

All Fundraisers Handled Through Extraclassroom Activities (MS)

Agreed-Upon Procedures Report – 2019

We recommended that the District establish procedures at the MS to require all fundraisers be handled through the extraclassroom activities and eliminate any fundraising events being managed by teachers on their own. We recommended that all fundraisers go through the Student Organization Club for proper oversight and protocols that includes using the MS Central Treasurer. We understood that the Principal planned to implement this recommendation after we discussed this concern during our fieldwork.

Risk Assessment Update – 2020 (This item is now closed)

We note that the District has established procedures at the MS to require that all fundraisers be handled through the Student Organization Club of the extraclassroom activities and eliminated any fundraising events being managed by teachers on their own. This has resulted in proper oversight and protocols that includes using the MS Central Treasurer to handle all MS fundraisers.

Quarterly Statements – Include On Board Agenda (MS)

Agreed-Upon Procedures Report – 2019

We recommended that the District develop procedures at the MS to prepare and submit quarterly statements to the District Clerk in the Administration Office for inclusion on the Board agenda, similar to the current process for the HS. This would ensure that the District is in compliance with CR §172.3(b) that requires the Board to receive a quarterly Extraclassroom Activity Fund Report rendered by the central treasurers at the HS and MS.

Risk Assessment Update – 2020 (This item is now closed)

We found that the District has developed procedures at the MS to prepare and submit quarterly statements to the District Clerk for inclusion on the Board agenda in compliance with CR §172.3(b).

