

Scarsdale Union Free School District

Risk Assessment Update Report

June 21, 2021



VINCENT D. CULLEN, CPA
(1950 - 2013)

JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMANN, 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, 2020.

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.
- 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 21, 2021

SCARSDALE UNION FREE SCHOOL DISTRICT

Introduction

June 21, 2021

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 21, 2021

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 16, 2020	District-wide
Agreed-Upon Procedures	June 15, 2020	Cash Receipts Activities (excluding school lunch and extraclassroom activity fund) and the Use of Facilities

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 21, 2021

*(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		M		M
Cash Management	07/15/10		M		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			M
Allocation of Expenditures	06/02/14	L			M
General Employee Administration	06/02/14	L			M
Hiring/Termination of Employees	06/02/14	L			M
Annual Salary Rollover & Mid-Year Increase	06/09/16	L		L	
Employee Attendance			M		
Employee Benefit Administration			M		M
Time Clock System	04/18/12		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.

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Table (Continued)
 June 21, 2021

*(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	L		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	06/21/21		M		M
Credit Cards	06/21/21		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	L		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		M		M
Inventory and Purchases	04/18/12		M		M
Eligibility Verification	04/18/12		M		M
Collection of Receipts	06/21/21		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	L		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.

SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
June 21, 2021

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

Governance and Planning

- The District was required to close school buildings from mid-March 2020 through June 30, 2020 in compliance with the New York State's executive order related to the COVID-19 pandemic. Based on our interviews, we found that any revisions to the procedures regarding financial activities still maintained proper internal controls and oversight including the review and approvals of transactions.
- The District had an administrator promoted to Assistant Superintendent for Special Education and Student Services from Director and there were several employee changes since the prior year, including the Director of Facilities, Assistant Director of Facilities, Accounts Payable Clerk and IT support staff.
- The District provided Business Office and other staff with laptops to provide the staff with remote access to the SMARTS financial system and/or other programs during the COVID-19 pandemic.
- The District has been active with their ongoing review of the Board policies with the 2000 series under current review to be followed by the remaining 4000 series.

Accounting and Reporting

- The Business Office established procedures and budget codes to facilitate the recording, accounting and reporting of expenditures related to the COVID-19 pandemic.
- The District has set up digital forms and electronic approvals related to budget transfers and new vendors, which replaces the previous hard copy forms and manual approvals.

Revenue and Cash Management

- There has been an increase in the use of the web-based program, MySchoolBucks, to facilitate the handling of payments from students by including collections related to AP, ACT and SAT exam fees.
- The District continued expanding the use of the web-based program, MySchoolBucks, to facilitate the handling of payments from parents related to various student activities. This has further reduced the receipts (i.e., cash and checks) being handled at the schools and departments.

Payroll, Human Resources (HR) and Benefits

- There was an increase in activity related to unemployment claims due to the pandemic.
- As per collective bargaining agreements, the District started collecting health insurance contributions from retirees that began with the teachers who retired after June 30, 2019 and therefore started contributing in the 2019-20 year. The clerical, confidential and middle management group, who retired after June 30, 2019, started contributing in the 2020-21 year.
- There has been an increase in employee changes including a higher number of separations (i.e., retirements and resignations) and additional staff (i.e., teachers, aides and cleaners) due to the pandemic.
- The District has outsourced the billing and collection process related to Medicare Part-B reimbursements to a third party, Comton, starting in March 2021 (refer to the recommendation in the closed section below).

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

June 21, 2021

Facilities and Capital Projects

- The District established formal processes related to accessing the buildings during the school closures in the 2019-20 year that include tight monitoring with restricted and limited access by employees.
- The Facilities Department developed protocols and detailed checklists related to the cleaning procedures in compliance with the CDC and state guidelines.
- The District has completed the expansion of the Greenacres Elementary School and continued with other projects related to the voter-approved \$64.9 million bond to finance the renovation and infrastructure improvements at all of the District schools.

Student Safety and Security

- The District has established numerous safety protocols in response to the pandemic including procedures that require all staff and students to complete a COVID questionnaire prior to entering the buildings, creation of proper distancing in classrooms, installation of shields, options for full-time virtual learning and dedicated rooms to serve as isolated spaces for individuals with potential COVID symptoms.

Student Transportation

- The Transportation Department developed protocols and processes in compliance with the CDC and state guidelines.

Food Service

- The food service program has seen a significant decrease in revenues due to the closing of school buildings in 2019-20 and a sizable reduction in operations to date during the 2020-21 year. The continued increase in the number of students returning for in-school instruction should increase sales in the food service program.

Information Technology

- The District continued the 1 to 1 initiative related to iPads, purchased additional devices and utilized existing devices to provide to the necessary students as part of the remote learning initiative when the school buildings were closed during 2019-20 due to the COVID-19 pandemic.
- The District has enhanced their cyber security protocols related to remote access by faculty and students as part of the e-learning plan.
- The District has established procedures in compliance with Education Law Section 2-D to require vendors to sign a Privacy Agreement if there is any personally identifiable information involved in their services.
- There were communications including emails to staff related to safe internet use that included awareness of phishing, scams and spamming messages.
- 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.

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

June 21, 2021

RECOMMENDATIONS

REVENUE AND CASH MANAGEMENT

Cash Receipts – Strengthen Controls

Agreed-Upon Procedures – 2020

We recommended that the District strengthen controls related to receipts at the schools, particularly cash, since the collection of funds has a high level of inherent risk, which includes developing procedures to:

- a) Ensure that the employees (mainly teachers who collect funds for field trips) maintain the appropriate records to support the amount of funds and assign staff the responsibility to review the documentation (which could be done on a sample basis).
- b) Properly retain the records obtained by employees, mainly teachers, involved with collections for field trips, drama events, etc. We recommend that all of these key records (student lists, pricing worksheets, payment documents, parent approval forms, etc.) be retained by the employees, organized by event and submitted to the main office of the respective school building at the end of the school year. We suggest that the District determine the specific records to be retained and the retention period (e.g., one subsequent school year).
- c) Ensure that all schools are maintaining and using a pre-numbered receipt book to track all cash that is collected and submitted to the Business Office.
- d) Require the employees to submit the receipts to the school's Main Office in a timely manner, rather than holding the funds for an extended period of time before submitting the receipts.

Risk Assessment Update – 2021

1. *We found that the District is in the process of addressing this recommendation that has been delayed due to the pandemic, which significantly limited the cash receipts activity during the past year.*

Cash Receipts – Expand Information in the Emails

Agreed-Upon Procedures – 2020

We recommended that the District expand the information in the emails sent by the Business Office to the employees, who submitted receipts for deposit, to include the budget account codes that the deposit was posted into the SMARTS system. This would allow the employees to verify this information as well as the amount of the receipts and the date of the deposit for timeliness.

Risk Assessment Update – 2021 (This item is now closed)

We note that the District has expanded the information in the emails sent by the Business Office to the employees to include the budget account codes that the deposit was posted into the SMARTS system.

Cash Receipts – Develop Consistent and Standard Practices

Agreed-Upon Procedures – 2020

We recommended that the District consider the feasibility of developing consistent and standard practices related to the financial activities involving the Parent-Teacher Association (PTA) at the elementary schools. This

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

June 21, 2021

would include establishing the same procedures for handling any receipts when applicable and processing vendor payments (i.e., District or PTA).

Risk Assessment Update – 2021

2. *We found that the District is in the process of working with the PTA at the elementary schools related to financial activities that has been delayed due to the pandemic, which limited the amount of activity during the past year.*

Cash Receipts – MySchoolBucks: Detailed Reports

Agreed-Upon Procedures – 2020

We recommended that the District investigate setting up the web-based program MySchoolBucks to allow detailed reports of each event to be generated by appropriate employees, so they could efficiently manage their collection activities.

Risk Assessment Update – 2021 (This item is now closed)

We note that the District has set up the web-based program MySchoolBucks to allow detailed reports of each event to be generated by appropriate employees, so they can efficiently manage their respective collection activities.

Cash Receipts – Handling Athletics Activities

Agreed-Upon Procedures – 2020

We recommended that the District assess the handling of athletics receipts and disbursements when there is a significant amount of funds involved in the event. This should include the sizable reimbursements to coaches related to airfare and hotel charges, since the District's practice is to handle the expenditures related to field trips through the Business Office to obtain the benefits realized through the Purchasing Department. In addition, there is a risk that an event may be potentially cancelled after a coach has paid for airline tickets and/or hotel charges resulting in challenges with refunds.

Risk Assessment Update – 2021 (This item is now closed)

We found that the Business Office worked with the Athletics Department to assess the handling of receipts and disbursements. We understand that the District plans to use a travel agency and the Purchasing Department for future activities involving airfare and hotels when events start again.

PAYROLL, PERSONNEL AND RELATED BENEFITS

Medicare Reimbursements

Risk Assessment Update – 2020

We recommended 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.

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

June 21, 2021

Risk Assessment Update – 2021 (This item is now closed)

We note that the District has outsourced the billing and collection process related to Medicare Part-B reimbursements to a third party, Comton, starting in March 2021 as noted in the key changes section above.

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.
- 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.

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

June 21, 2021

Risk Assessment Update – 2020

We noted that the Purchasing Agent and Purchasing Clerk were finalizing the purchasing protocols and planned 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 to assist with those staff changes.

Risk Assessment Update – 2021

3. *We found that the District is planning to release a first draft of the handbook at the start of the 2021-22 year. There has been a delay in this initiative due to the pandemic.*

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.

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

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 understood that the Purchasing Agent planned to include this process within the purchasing handbook to be developed during the 2020-21 year.

Risk Assessment Update – 2021 (This item is now closed)

We note that the Purchasing Agent has included this process within the purchasing handbook to be released at the start of the 2021-22 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

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

June 21, 2021

Risk Assessment Update – 2020

We understood that the District still needed to complete this review of the revised vendor contract, since the requirements of Education Law 2-d were being incorporated into this process that was to be completed by July 1, 2020.

Risk Assessment Update – 2021 (This item is now closed)

We found that the District has created a new vendor contract that requires the vendors to include a breakdown of costs between labor and material. This will facilitate a comparison of pricing on the invoice to bid pricing.

FACILITIES

Use of Facilities – Facilities Rental Fees Schedule

Agreed-Upon Procedures – 2020

We recommended that the District review the Facilities Rental Fees schedule to determine if the District should revise any of the fees or charges, since some of the costs associated with the use of facilities most likely increased from the 2013 year, which we understood was the last time this fee schedule was updated.

Risk Assessment Update – 2021

4. *We note that the District had ceased the use of facilities activity at the start of the pandemic last year and plans to address this recommendation prior to commencing with the facilities usage by third parties again.*

Use of Facilities – Approval Process of School Principals

Agreed-Upon Procedures – 2020

We recommended that the District consider establishing consistent practices regarding the approval process of the use of facilities events at the schools that required the respective school principal to be the approver of such events, thus eliminating the scenarios where the requestor was also the approver at some school buildings.

Risk Assessment Update – 2021

5. *We found that the District had ceased the use of facilities activity at the start of the pandemic last year and plans to address this recommendation prior to commencing with the facilities usage by third parties again.*

Use of Facilities – Standard Deposit Form

Agreed-Upon Procedures – 2020

We recommended that the District develop procedures to require the Facilities Department Clerk to prepare and submit the standard Deposit Form along with the receipts to the Business Office for deposit into the bank and to record the transaction in the SMARTS financial system. This would establish consistency and standardization regarding this process, since other employees were required to use the Deposit Form to accompany the submission of their receipts.

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

June 21, 2021

Risk Assessment Update – 2021

6. *We note that the District had ceased the use of facilities activity at the start of the pandemic last year and plans to address this recommendation prior to commencing with the facilities usage by third parties again.*

Use of Facilities – Billing the Scarsdale Recreation Department

Agreed-Upon Procedures – 2020

We recommended that the District consider billing the Scarsdale Recreation Department for all usage of the gymnasiums in accordance with the Facilities Rental Fees schedule or establishing a Board-approved formal billing arrangement with the Scarsdale Recreation Department that includes whether or not to charge for the use of the gymnasiums during the week.

Risk Assessment Update – 2021

7. *We found that the District had ceased the use of facilities activity at the start of the pandemic last year and plans to address this recommendation prior to commencing with the facilities usage by third parties again.*

CAPITAL ASSETS

Capital Asset Database – Backup Procedures

Risk Assessment Update – 2020

We recommended 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.

Risk Assessment Update – 2021 (This item is now closed)

We note that the District has strengthened procedures related to RAMI that includes storing this SQL database on the District-wide SQL Server. This server is backed-up daily to the District's backup storage and to the cloud storage. In addition, the RAMI SQL database file is backed-up locally to the server via the SQL Server backup utility.

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.

Risk Assessment Update – 2020

We understood that the District was in the process of reviewing all of the Board policies and would consider this recommendation during the upcoming review of this series of policies.

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

June 21, 2021

Risk Assessment Update – 2021

8. *We found that the District is in the process of addressing this recommendation that has been delayed due to the pandemic, which significantly limited the student activities during the past year.*

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 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

We understood that the HS had begun to address this item and planned to implement this recommendation for the 2020-21 school year.

Risk Assessment Update – 2021

9. *We found that the District is in the process of addressing this recommendation that has been delayed due to the pandemic, which significantly limited the student activities during the past 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

We understood that the HS had begun to address this item and planned to implement this recommendation for the 2020-21 school year.

Risk Assessment Update – 2021

10. *We found that the District is in the process of addressing this recommendation, this has been delayed due to the pandemic, which significantly limited the student activities during the past year.*

