

Scarsdale Union Free School District

Risk Assessment Update Report

June 21, 2022



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, 2021.

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, 2022

SCARSDALE UNION FREE SCHOOL DISTRICT

Introduction

June 21, 2022

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)

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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 during our fieldwork, which was conducted during the months of February and March 2022. 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 21, 2021	District-wide
Agreed-Upon Procedures	June 21, 2021	Collection of receipts related to food service, credit cards and travel and conferences

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, 2022

*(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	L	
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		(1) M	
Payroll, HR and Employee Benefits					
Payments to Employees	06/02/14		M		M
Allocation of Expenditures	06/02/14		M		M
Annual Salary Rollover & Mid-Year Increase	06/09/16	L		(1) M	
Payroll Withholdings			M		M
General Employee Administration	06/02/14		M		M
Hiring/Termination of Employees	06/02/14		M		M
Employee Attendance			M		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.

(1) The change from low to moderate risk is based on the passage of time since detailed testing was performed.

**SCARSDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Table (Continued)**

June 21, 2022

*(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	L	
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		(1)	M
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	06/21/22		M		M
Network Security	06/21/22		M		M
Financial Application Security	06/21/22		M		M
Other Application Security	06/21/22		M		M
Disaster Recovery	06/21/22		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.

(1) The change from low to moderate risk is based on the passage of time since detailed testing was performed.

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KEY CHANGES FROM THE PRIOR YEAR'S RISK ASSESSMENT RELATED TO POLICIES, PROCEDURES AND/OR CONTROLS (as of our fieldwork conducted during February and March 2022)

Governance and Planning

- There were Board member changes since the prior year including the Board President and upcoming employee changes at the District that include the Superintendent, Director of Instructional Technology and Innovation and Director of Information Technology and Chief Information Officer.
- Based on our interviews, the District has continued to maintain proper internal controls and oversight including the review and approvals of transactions related to financial activities throughout the pandemic.
- The District continues to be active with reviewing the Board policies by series and updating other necessary policies as needed (e.g., *Board Policy #0105 - Equity, Inclusivity, and Diversity in Education*)

Accounting and Reporting

- The District has revised the accounting of the funds in compliance with the new Governmental Accounting Standards Board (GASB) Statement No. 84 related to Fiduciary Activities. The objective of the GASB 84 Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.
- The District has prepared for the New York State and Local Retirement System (NYSLRS) system requirements to set up additional payroll account codes to facilitate this new reporting.

Revenue and Cash Management

- The Business Office has enhanced the procedures related to the payroll tax submissions by including the Payroll Clerk as part of the review of these activities in addition to the Bookkeeper, who was previously performing this review solely.
- 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.

Grants and Special Education

- There has been an increase in the need for providing services for students related to social behavior and mental health, thus, the proposed budget for the 2022-23 year includes additional certified staff in the Special Education Department.

Payroll, Human Resources (HR) and Employee Benefits

- There was a continued increase in activity related to new hires and separations of staff, as well as substitutions of employees, due to the pandemic.
- The Human Resources Department has completed the set-up of position controls within the SMARTS system to include all full-time employees.

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

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Purchasing and Related Expenditures

- The Business Office has designed a new vendor form to expand on the required information that is needed when setting up new vendors, particularly providers of software products in compliance with Ed Law §2-d.

Facilities and Capital Projects

- The District has continued with projects related to the voter-approved \$64.9 million bond to finance the renovation and infrastructure improvements at all of the District schools. The remaining work is scheduled to be completed by the end of calendar year 2022.
- The Facilities Department manages the swipe-cards that are provided to staff for access to the buildings. The Director of Facilities is evaluating the access levels (i.e., times and types of access) in conjunction with the upgrade of the swipe-card system to improve the lock out and lock down processes.

Capital Assets

- The District has updated Board Policy #6640 – *Fixed Assets Accounting* related to classifying capital assets by increasing the minimum threshold value of an individual asset from \$500 to \$5,000.

Student Transportation

- The District purchased new vehicles for the Transportation Department based on the vehicle replacement plan that included 3 new buses and a car during the 2021-22 year.
- The Transportation Department continued with established protocols and processes in compliance with the CDC and state guidelines.

Food Service

- The food service program has seen a significant decrease in revenues and a sizable reduction in operations during the pandemic from March, 2020 into the 2021-22 year. There has been an increase in participation in the food service program that should improve the financial results during this 2021-22 year.

Information Technology (IT)

- Refer to the internal auditor’s *Independent Accountant’s Report on Applying Agreed-Upon Procedures* dated June 21, 2022 related to IT for information about key changes and results of this detailed review.

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).

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- 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 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

We found that the District was 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.

Risk Assessment Update – 2022 (This item is now closed)

We note that the District has implemented the recommendations above to strengthen controls related to the handling of receipts at the schools.

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 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

We found that the District was 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.

Risk Assessment Update – 2022 (This item is now closed)

We note that the District has developed consistent and standard practices related to the financial activities involving the PTA at the elementary schools.

PAYROLL, HUMAN RESOURCES (HR) AND EMPLOYEE BENEFITS

Payroll Audits

Risk Assessment Update – 2022

We found that the District had been performing payroll audits annually that required employees to present their ID and sign a sheet to collect their direct deposit stubs or paychecks. However, we noted that the District has ceased performing these payroll audits.

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

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1. *We recommend that the District consider establishing procedures to require administrators to periodically review a listing of all employees in their respective school building or department to ensure that all employees are entitled to receive direct deposit stubs or paychecks in lieu of the past practice of performing annual payroll audits.*

Payroll Processing – Payments to Teachers for Special Projects

Risk Assessment Update – 2022

We found that there are opportunities for improvement related to processing payroll for teachers being paid for time worked on special projects, since the procedures use hard copy forms to be manually prepared by the staff and approved by the Assistant Superintendent for Curriculum, Instruction, and Assessment instead of using a digitized process via electronic forms.

2. *We recommend that the District consider enhancing operational efficiencies by setting up a digitized process utilizing electronic forms to process payroll for teachers being paid for time worked on special projects.*

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.

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Risk Assessment Update Report (Continued)**

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- 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

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.

Risk Assessment Update – 2021

We found that the District planned 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.

Risk Assessment Update – 2022

- 3. *We understand that the District plans to complete this recommendation prior to the 2022-23 year.*

PURCHASING AND RELATED EXPENDITURES – TRAVEL AND CONFERENCES

Travel and Conferences System – Inactivate User Accounts Timely

Agreed-Upon Procedures Report – 2021

We recommended that the District develop procedures to ensure that the user accounts in the *Frontline Professional Growth* system are inactivated in a timely manner when an employee separates from the District.

Risk Assessment Update – 2022 (This item has moved to another report)

We performed a detailed review of information technology at the District during the 2021-22 year and this item was covered during that engagement. Refer to the Agreed-Upon Procedures Report dated June 21, 2022 for more details regarding this item.

Travel and Conferences System – Annual Reconciliation of User Accounts

Agreed-Upon Procedures Report – 2021

We recommended that the District strengthen procedures related to the user accounts in the *Frontline Professional Growth* system (as well as other systems) by performing an annual reconciliation of all users to the SMARTS list of active staff.

**SCARSDALE UNION FREE SCHOOL DISTRICT
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Risk Assessment Update – 2022 (This item has moved to another report)

We performed a detailed review of information technology at the District during the 2021-22 year and this item was covered during that engagement. Refer to the Agreed-Upon Procedures Report dated June 21, 2022 for more details regarding this item.

Travel and Conferences Reimbursements – Proper Documentation

Agreed-Upon Procedures Report – 2021

We recommended that the District develop procedures related to travel and conference reimbursements to ensure that the proper documentation has been uploaded into the SMARTS financial system to appropriately support these transactions.

Risk Assessment Update – 2022 (This item is now closed)

We note that the District has developed procedures related to travel and conference reimbursements to ensure that the proper documentation is uploaded into SMARTS to support the transactions.

PURCHASING AND RELATED EXPENDITURES – CREDIT CARDS

Credit Card Limits

Agreed-Upon Procedures Report – 2021

We recommended that the District assess the credit limits of all 3 credit cards to ensure that the *Board Policy #6840 - Credit Card Use* limit aligns with the actual credit card limits by revising the Board policy and/or changing the credit card limits with the respective bank.

Risk Assessment Update – 2022 (This item is now closed)

We found that the District has assessed the credit limits of the 3 credit cards and established a credit card line that does not exceed \$2,500 for any employee in compliance with Board Policy #6840 - Credit Card Use.

Credit Cards – Annual Report to the Board

Agreed-Upon Procedures Report – 2021

We recommended that the District establish procedures to have the Superintendent report annually to the Board the job titles that hold a District credit card as part of the Annual Reorganization Meeting in compliance with *Board Policy #6840 - Credit Card Use*.

Risk Assessment Update – 2022

4. *We understand that the District plans to implement this recommendation as part of the Annual Reorganization Meeting during July 2022.*

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

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Credit Cards – Proper Documentation

Agreed-Upon Procedures Report – 2021

We recommended that the District develop procedures to ensure that the proper documentation is maintained with the voucher packet to support all purchases made using the District's credit cards. In addition, these procedures should include an explanation stating the reason or purpose of each purchase using a credit card.

Risk Assessment Update – 2022 (This item is now closed)

We note that the District has developed procedures to ensure that the proper documentation is maintained with the voucher packet and includes an explanation stating the reason or purpose of each purchase using a credit card.

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

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

Risk Assessment Update – 2022

5. *We understand that the implementation of this recommendation was delayed due to the pandemic and the District plans to complete this recommendation during the 2022-23 year.*

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

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

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Risk Assessment Update – 2022

6. *We understand that the implementation of this recommendation was delayed due to the continued pandemic and the District plans to complete this recommendation during the 2022-23 year.*

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.

Risk Assessment Update – 2021

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

Risk Assessment Update – 2022

7. *We understand that the implementation of this recommendation was delayed due to the pandemic and the District plans to complete this recommendation during the 2022-23 year.*

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

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

Risk Assessment Update – 2022

8. *We understand that the implementation of this recommendation was delayed to due to the pandemic and the District plans to complete this recommendation during the 2022-23 year.*

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FOOD SERVICE – COLLECTION OF RECEIPTS

Written, Formal Procedures

Agreed-Upon Procedures Report – 2021

We recommended that the District develop written, formal procedures to document the key processes that are performed by the staff regarding the collection of receipts related to food service. This would establish consistent and standard processes in the District and facilitate the transition when employees retire, transfer, separate or take a leave of absence from the District.

Risk Assessment Update – 2022 (This item is now closed)

We note the District has developed written, formal procedures to document the key processes that are performed by the staff regarding the collection of receipts related to food service.

Financial Operations

Agreed-Upon Procedures Report – 2021

We recommended that the District continue with efforts to address the operating losses and perform an analysis of the food service program to determine ways to improve the financial results of the operations with the goal of being sustainable following the current negative impacts of the pandemic.

Risk Assessment Update – 2022 (This item is now closed)

We found the District has continued with efforts to address the operating losses and perform an analysis of the food service program to determine ways to improve the financial results of the operations.

Bank Bag Collections – Standard Log

Agreed-Upon Procedures Report – 2021

We recommended that the District establish procedures to use a standard log at all cafeterias for the District Courier to initial along with the date and time whenever a bank bag is collected from a food services employee.

Risk Assessment Update – 2022 (This item is now closed)

We note that the District has established procedures to use a standard log at all cafeterias for the District Courier to initial, along with the date and time, whenever a bank bag is collected.

Food Service Receipts – Timely Deposits into Bank

Agreed-Upon Procedures Report – 2021

We recommended that the District develop procedures to improve the timeliness of the food service receipts being deposited into the bank.

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Risk Assessment Update – 2022 (This item is now closed)

We found that the District has developed procedures to improve the timeliness of the food service receipts being deposited into the bank.

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.

Risk Assessment Update – 2021

We found that there was a delay with addressing this recommendation due to the pandemic, which significantly limited the student activities during the past year.

Risk Assessment Update – 2022

9. *We understand that the District plans to complete this recommendation during the 2022-23 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

We found that there was a delay with addressing this recommendation due to the pandemic, which significantly limited the student activities during the past year.

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

June 21, 2022

Risk Assessment Update – 2022 (This item is now closed)

We note that the District has established procedures to ensure that there is proper supervision of students at fundraising events involving the collection and monitoring of funds.

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

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.

Risk Assessment Update – 2022 (This item is now closed)

We note that the District has strengthened controls related to receipts at the HS, particularly cash, at the club level as recommended due to the high level of inherent risk with the collection of funds.

