

**Scarsdale Union Free School District**  
**Risk Assessment Update Report**  
August 28, 2023



## 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, 2022.

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*  
August 28, 2023

## SCARSDALE UNION FREE SCHOOL DISTRICT

### Introduction

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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.

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**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 January and February 2023. 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:

<b><i>Report Type</i></b>	<b><i>Issue Date</i></b>	<b><i>Area(s)</i></b>
Risk Assessment	June 21, 2022	District-wide
Agreed-Upon Procedures	June 21, 2022	Information Technology

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**

August 28, 2023

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

<b>Business Process</b> Area	<b>**Date of Detail Testing</b>	<b>Control Risk</b>			<b>Proposed Detail Testing</b>
		<b>Prior Year</b>	<b>Current Year</b>		
<b>Governance and Planning</b>					
Governance Environment		L		L	
Control Environment			M		M
Strategic Planning			M		M
Budget Development			M		M
Budget Administration			M		M
<b>Accounting and Reporting</b>					
Assessing Financial Condition		L		L	
Financial Accounting and Reporting			M		M
Auditing		L		L	
Financial Oversight		L		L	
Fund Balance Management			M		M
<b>Revenue and Cash Management</b>					
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		L	
Cash Management	07/15/10		M		M
Investment Management			M		M
Petty Cash		L		L	
Bank Reconciliations			M		M
<b>Grants and Special Education</b>					
General Processing/Monitoring			M		M
Grant Application		L		L	
Allowable Costs			M		M
Cash Management		L		L	
Reporting and Monitoring			M		M
Compliance			M		M
Special Education - Financial Activities	05/21/15		M		M
<b>Payroll, HR and Employee Benefits</b>					
Payments to Employees	08/28/23		M		M
Allocation of Expenditures	08/28/23		M		M
Annual Salary Rollover & Mid-Year Increase	08/28/23		M		M
Payroll Withholdings	08/28/23		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)**

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

Business Process Area	**Date of Detail Testing	Control Risk			Proposed Detail Testing
		Prior Year	Current Year		
<b>Purchasing and Related Expenditures</b>					
PO System	06/07/18	L		L	
Payments Outside PO System		L		L	
Purchasing Process	06/07/18		M	L	
Allocation of Expenditures	06/07/18	L		L	
Payment Processing	06/07/18	L		L	
Travel and Conferences	06/21/21	L		L	
Credit Cards	06/21/21		M		M
<b>Facilities</b>					
Facilities Maintenance			M		M
Construction Planning			M		M
Construction Monitoring			M		M
Construction Completion			M		M
Use of Facilities	06/15/20		M		M
<b>Capital Assets</b>					
Acquisition: Information Technology Assets	05/21/15		M		M
Acquisition and Disposal			M		M
Inventory			M		M
<b>School Environment</b>					
Safety and Security			M		M
<b>Student Transportation</b>					
Fleet Maintenance	06/08/17	L		(1) M	
Personnel Compliance	06/08/17	L		(1) M	
Facilities Maintenance and Security	06/08/17	L		(1) M	
<b>Food Service</b>					
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
<b>Extracurricular Activities</b>					
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	
<b>Student Related Data</b>					
Tracking Student Attendance			M		M
Student Performance Data			M		M
<b>Information Technology</b>					
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	L	

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

\*\* Indicates the issuance date of an 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 2023)**

**Governance and Planning**

- There were Board member changes since the prior year and employee changes at the District that include the Superintendent; Interim Assistant Superintendent for Human Resources and Leadership Development; Director of Information Technology, Chief Information Officer and Data Protection Officer; K-12 Coordinator of Digital Learning and Literacy; y and Innovation; Data Services Manager; and District Treasurer.

**Accounting and Reporting**

- The General Fund operated at a deficit of (\$526,826) for the year ended June 30, 2022, which decreased the total General Fund's fund balance from \$25,536,424 to \$25,009,598. This was the result of the total financing uses of \$618,723 exceeding the excess of revenues over expenditures of \$91,897 mainly due to an operating transfer out of the General Fund to the Food Service Fund of \$175,000 and Capital Projects Fund of \$679,458.
- The Business Office has revised the accounting and financial reporting for leases in compliance with the new Governmental Accounting Standards Board (GASB) Statement No. 87. The GASB Statement No. 87 requires recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees.
- The Office of the New York State Comptroller issued a report dated December 2022 based on their review of overtime during the audit period July 1, 2020 through January 31, 2022. The District was active with addressing the recommendations noted in the report to enhance procedures related to overtime.

**Revenue and Cash Management**

- The main bank account was Peoples Bank and has changed to M&T Bank as the result of an acquisition.
- The District has further expanded the use of the web-based program (MySchoolBucks) to facilitate the cash receipts process related to school-based activities.

**Grants and Special Education**

- There has been a continued increase in the need for providing services for students related to social behavior and mental health, thus, the Special Education Department has increased their budget to include these additional services as per the students' Individualized Education Program (IEP).

**Payroll, Human Resources (HR) and Employee Benefits**

- Refer to the Cullen & Danowski's internal auditor's *Internal Audit Report on Detailed Testing* dated August 28, 2023 for information about key changes and results of the detailed review of the payroll area.

**Purchasing and Related Expenditures**

- The Business Office has develop a purchasing handbook that covers the requirements related to purchasing activities to facilitate the creation of standard practices to be followed by the requisitioners. Refer to this item in the following Recommendations section below for more information.

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**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 2023.

**Student Environment**

- There have been enhancements to the access control system, related to the doors in the buildings, to improve the lockout and lockdown processes. This includes integrating the access control system, announcement intercom program, connection to law enforcement and swipe card systems to work simultaneously.
- There have been additional surveillance cameras installed at exterior and interior locations at school buildings throughout the District.

**Student Transportation**

- The District is transitioning the transportation software program from a server-based system to the new cloud-based version of Transfinder to utilize the enhanced features of this system, which includes interfaces with peripheral programs such as the District's student management system.

**Food Service**

- The fund balance in the Food Service Fund increased by \$155,453 for the year ended June 30, 2022, which changed the total fund balance from \$123,649 to \$279,102. This was mainly due to the General Fund transfer of \$175,000 to the Food Service Fund during the 2021-22 year, since the District was uncertain about the potential financial results of the program for that year given the operational losses in the previous 2 years.
- The District needs to issue a bid for a food service provider during the spring of 2023 with an effective starting date of July 1, 2023.

**Information Technology (IT)**

- The District has been active with addressing the recommendations from Cullen & Danowski's internal auditor's *Independent Accountant's Report on Applying Agreed-Upon Procedures* dated June 21, 2022 related to information technology. Refer to the *Risk Assessment Update – 2022-23* sections below for more details.

**RECOMMENDATIONS**

**REVENUE AND CASH MANAGEMENT**

**Cash Receipts – Athletics Department**

*Risk Assessment Update – 2023*

*We found that the cash receipts process related to the collection of funds at athletic events during the evenings and weekends could be strengthened. We note that these funds are kept offsite by designated individuals until the receipts are deposited in the safe within the Athletics Department.*



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1. *We recommend that the District strengthen the cash receipts process related to funds collected at athletic events during the evenings and weekends by developing procedures to require that a designated administrator assist with having these receipts safeguarded in the safe with the schools' main office right after the event. This would reduce the potential loss or theft of these funds while being held by a person from the event until the receipts are deposited a day or several days later in the safe.*

**PAYROLL, HUMAN RESOURCES (HR) AND EMPLOYEE BENEFITS**

**Payroll Audits**

Risk Assessment Update – 2022

We recommended 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.

Risk Assessment Update – 2023 (This item has moved to another report)

*We performed a detailed review of payroll at the District during the 2022-23 year and this item was covered during that engagement. Refer to the Detailed Testing Report dated August 28, 2023 for more details regarding this item.*

**Payroll Processing – Payments to Teachers for Special Projects**

Risk Assessment Update – 2022

We recommended 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.

Risk Assessment Update – 2023 (This item has moved to another report)

*We performed a detailed review of payroll at the District during the 2022-23 year and this item was covered during that engagement. Refer to the Detailed Testing Report dated August 28, 2023 for more details regarding this item.*

**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.

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**Risk Assessment Update Report (Continued)**

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- 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.
- 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

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

We understood that the District planned to complete this recommendation prior to the 2022-23 year.

Risk Assessment Update – 2023 (This item is now closed)

*We note that the District has completed the Purchasing Handbook. We understand that the Purchasing Agent plans to send the handbook to all staff at the end of this 2022-23 year and to be followed starting in the 2023-24 year.*

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**PURCHASING AND RELATED EXPENDITURES – CREDIT CARDS**

**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

We understood that the District planned to implement this recommendation as part of the Annual Reorganization Meeting during July 2022.

*Risk Assessment Update – 2023 (This item is now closed)*

*We found 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.*

**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

We understood that the implementation of this recommendation was delayed due to the continued pandemic and the District planned to complete this recommendation during the 2022-23 year.

*Risk Assessment Update – 2023*

2. *We note that the District has begun to address this item with plans for implementation during the 2023-24 year.*

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**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.

Risk Assessment Update – 2022

We understood that the implementation of this recommendation was delayed due to the continued pandemic and the District planned to complete this recommendation during the 2022-23 year.

Risk Assessment Update – 2023

3. *We note that the District has begun to address this item with plans for implementation during the 2023-24 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

We understood that the implementation of this recommendation was delayed due to the continued pandemic and the District planned to complete this recommendation during the 2022-23 year.

Risk Assessment Update – 2023

4. *We note that the District has begun to address this item with plans for implementation during the 2023-24 year.*

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**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

We understood that the implementation of this recommendation was delayed due to the continued pandemic and the District planned to complete this recommendation during the 2022-23 year.

Risk Assessment Update – 2023

5. *We note that the District has begun to address this item with plans for implementation during the 2023-24 year.*

**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

We understood that the District planned to complete this recommendation during the 2022-23 year.

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Risk Assessment Update – 2023

6. *We found that the District is in the process of updating Board Policy #5252 – Student Activities Fund Management as recommended and plans to adopt the revised policy prior to starting the 2023-24 year.*

**INFORMATION TECHNOLOGY**

**System User Accounts – Strengthen Procedures**

Agreed-Upon Procedures – 2022

We recommended that the District strengthen procedures related to the user accounts by investigating the results of the reconciliations of the user accounts, particularly the accounts that are unassigned to a specific employee, for all of the programs, which includes District Network, SMARTS, Infinite Campus and Frontline systems.

Risk Assessment Update – 2023

7. *We note that the District has begun to address this item with the Information Technology (IT) team working with the Human Resources Department to complete the implementation prior to the 2023-24 year.*

**System User Accounts – Review Lists At Least Annually**

Agreed-Upon Procedures – 2022

We recommended that the District establish procedures to ensure compliance with reviewing the District's system user account lists at least annually, to validate that the status of the user accounts are appropriate, is completed timely. The IT Department reviewed the Frontline Professional Growth user accounts during our fieldwork and inactivated some accounts for employees who were retired and the HR Department found that there were user accounts related to the District Network that should have been inactivated.

Risk Assessment Update – 2023

8. *We note that the District plans to begin the formal procedure to ensure compliance with reviewing the systems' user account lists at least annually starting in June 2023.*

**IT Storage Closets – Improve Controls and Conditions**

Agreed-Upon Procedures – 2022

We recommended that the District improve controls and conditions related to the IT Storage Closets as follows:

- a) Perform a cost/benefit analysis of installing back-up power supply generators, flood monitoring systems (e.g., "leak" rope), improved temperature control system that is properly designed for regulating temperatures and a heat detecting fire suppression system within the areas.
- b) Restrict the use of these areas to IT equipment and not allow the storage of non-IT supplies and cleaning apparatus to prevent the risk of potential damage to the IT equipment in these closets.

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- c) Conduct formal periodic inspections of these areas to ascertain potential physical security weaknesses or issues that may exist.

*Risk Assessment Update – 2023 (The item (a) above is open and items (b) and (c) are closed)*

- 9. We note that the IT team is working with the Facilities Department to implement recommendation (a) above by May 2023. In addition, we found that the District has addressed recommendations (b) and (c) above as follows:
  - b) Removed all non-IT items from the IT storage closets, recorded the IT items stored in each closet, and restricted the use of these areas that includes signage stating access is only for authorized network staff.
  - c) Completed the formal inspections of all IT storage closets and created an inspection checklist for the periodic inspections that must be performed at least quarterly.

**IT Assets and Inventory – Record Accurately and Completely in Database**

Agreed-Upon Procedures – 2022

We recommended that the District establish procedures to ensure that the IT assets and inventory items are recorded accurately and all fields are populated for each item entered into the One to One Plus asset/inventory database.

*Risk Assessment Update – 2023 (This item is now closed)*

*We note that the District has established procedures to require that the designated staff enter the IT assets and inventory items into the One to One Plus database accurately and populate all required fields. We also note that the District has set up growth oriented training and workshops for staff to ensure compliance with these procedures.*

**IT Assets and Inventory- Properly Added to Database**

Agreed-Upon Procedures – 2022

We recommended that the District develop procedures to ensure that all IT assets and inventory items that are required to be tagged and tracked are properly added to the One to One Plus asset/inventory database.

*Risk Assessment Update – 2023 (This item is now closed)*

*We note that the District had developed procedures to ensure that all required IT assets and inventory items are properly added to the One to One Plus asset/inventory database.*