

2020-2021 Annual Risk Assessment with District Response

Purpose of Report: Identification of potential risks to attaining the district’s objectives and providing the Board a basis for managing risks.

I. GOVERNANCE AND PLANNING

A. Governance and Control Environment-Overall Assessment-Significant Impact-Low Likelihood. Although we found the district has strengthened awareness and procedures in governance aspects, the recommendations listed below would allow the district to continue to strengthen its governance. All critical areas should require documented procedures should be reviewed and updated annually.

Risk Condition Identified	Auditor Assessment	District Response
<p>The Finance/Audit Committee is responsible for fiscal oversight. Not all internal audit reports are provided to this committee.</p>	<p>The Finance/Audit Committee is an advisory subcommittee of the Board of Directors. Policy D.15 appears to be the Audit Charter for OCSD. Current situation meets the requirements of Education Law 2116-c. School district board members and management are responsible for overseeing internal controls throughout the year. All reported exceptions should be tracked until cleared or periodically analyzed to find the most effective mitigation solution. The Finance/Audit Committee should receive reports from all review sources including the Complaint Officer, Extra-classroom audit and Chartwells audit.</p>	<p>Audit exceptions and recommendations will be a standing monthly item for discussion at the Finance/Audit Committee. Business Office was not aware of audit reports not shared with the Committee. Full Board has reviewed Student Activity Audit a number of times with district response. Complaints are shared with full board by Superintendent either in regular or executive session, as they may not be financial in nature. District has requested Chartwells Audit. They were unaware of what the auditor was referring to so they have in turn requested a copy of a prior audit. Business office will share audit from NYSED Child Nutrition Unit.</p>
<p>Technology Plan has not been updated during the Pandemic. Technology Plan was updated 2018-21 for the next 3 years. Updates are provided to NYS and BOE annually.</p>	<p>Technology innovations/issues are in constant flux. Given the speed of technological advancements and risk exposures, OCSD’s Technology Plan should be a living document and updated annually. The changes in circumstances (that is Virtual Learning and more online meetings) have increased the level of risk. Schools are at an increasing risk of ransomware attacks and additional focus should be considered in the following areas:</p> <ul style="list-style-type: none"> • Develop and test a formal disaster recovery plan. • Evaluate all existing user accounts, periodically review for necessity and appropriateness. • Monitor computer use to ensure compliance with the Acceptable Use Policy (AUP) and regulations. • Ensure all IT users sign an acknowledgement form indicating that they are aware of and will comply with the District’s AUP. 	<p>IT Department has confirmed the accuracy of this finding/recommendation.</p>

<p>Business office staff is not required to take a vacation during which time another staff member performs the duties of the staff member on vacation.</p>	<p>The majority of frauds require the perpetrator to be in constant control of the asset/records without substitution or backup of the perpetrator during their vacation or sick time. Although challenging in a small staff environment, cross training when feasible is being considered. New personnel are hired with that in mind for the district's critical operations.</p>	<p>Finding is correct. District needs to decide who would be best to cross train on payroll related duties. Accounts Receivable module has been purchased in our accounting software in order to track health insurance. Health insurance benefit and cash receipt duties have been distributed to others in the office so we are slowly making progress toward separating duties from the Treasurer/Payroll, Benefits Clerk.</p>
<p>Policies do not indicate they are compliant with review and approval requirements. Approved policy and/or changes are not clearly indicated in the policy documents. Older versions appear within the policy document database.</p>	<p>Certain policies require periodic review and update that should be indicated on the policy when complete. We did note where policies were presented to the Board for approval, but the date is not noted in online documents. Also, the Purchasing and Investment policies were presented and approved; however, the Purchasing Policy is made up of two documents that should be approved; B34 Purchasing and B39 Uniform Guidance Procurement Policy. In addition, we noticed where the old policy was still accessible along with the updated policy.</p>	<p>District is in agreement that the policy manual on the website needs to be cleaned up. Beginning Summer 2021, a staff member has been assigned to review the website, including policy manual to get this compliant. We will indicate in the policy manual when the policy is annually reviewed and approved. Both purchasing policy documents will be reviewed for approval at the reorganization meeting, July 2021.</p>
<p>The adoption of a written policy shall occur only after the proposal has been moved, discussed and voted on affirmatively at two meetings not less than 29 days apart, of the Board of Education (ie., the "first reading" and the "second reading"0. The policy draft may be amended at the second meeting. The Board may waive "another reading" and then vote on the proposed amended policy.</p>	<p>Board minutes indicated that the second meeting for review and approval was waived in all policy approvals for 2020-2021. The second meeting is required and cannot be waived. Only the amended policy second "meeting of not less than 29 days" meeting can be waived.</p>	<p>This information will be shared with the Policy Committee so that future policy approvals are compliant.</p>
<p>The Superintendent is given the continuing commission of calling to the Board's attention all policies that are out-of-date for other reasons appear to need revision.</p>	<p>No indication of this review was identified in the Board minutes. A list of NYS Legally Required Policies that can be tailored to OCS D can be located at: https://www.nyssba.org/policy-services/list-of-legally-required-policies/</p>	<p>Finding noted. District has assigned dedicated personnel to review and format and will share any outdated or policies that need attention with the Superintendent and Policy Committee.</p>

<p>All required policies were available from the districts website; however, individual department operating procedures or work steps are not documented or are documented but maintained by and available to the responsible employee only.</p>	<p>Whenever processes are performed by limited staff with no or limited backup personnel, having documented procedures or work steps available for transitioning responsibilities, cross training, and emergency situations provides for continuity of all critical operations. We recommend OCSD management identify critical processes, set a time frame for reasonable completion and maintain this documentation in a central location. Although the Office continues to document processes, we recommend a formal process for updating and maintaining procedures in a central location for office personnel access be required of responsible personnel annually.</p>	<p>Finding noted. Superintendent has requested all district office personnel document duties, especially routine every day responsibilities and related procedures. These will be turned in to the Superintendent and kept in a central location per recommendation.</p>
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B. Strategic Planning and Budgeting-Overall Assessment-Moderate Impact-Low Likelihood. The Board’s Five-year Capital Plan is near completion. Remaining projects are near completion or being tabled. Items have been tracked through the budget and reporting process. Budget transfers are approved by the Board and policy is consistent with State laws. We recommend expanding the use of outside resources, if possible, to allow for management to update their long range plan. The Board reviews the budget and Capital Projects regularly. The long-term financial planning process should remain a living document.

Risk Condition Identified	Auditor Assessment	District Response
<p>Given the current pandemic situation, the focus has been on dealing with the current situation and long-term planning has not been the schools focus.</p>	<p>Current situation has been consuming of human resource. We encourage the expanded use of outside advisors to assist in long-term planning.</p>	<p>Acknowledged. District will make this a priority focus for 2021-2022.</p>

II. ACCOUNTING AND REPORTING

A. Assessing Financial Condition-Overall Assessment-Significant Impact-Low Likelihood. The business office fully utilizes their accounting software to monitor up to date financial reports. These reports are shared with the Board. In addition, in the recent NYS Comptroller’s fiscal stress indicators, the district scored well for the fiscal year 2020.

Risk Condition Identified	Auditor Assessment	District Response
<p>Unassigned fund balance is above the limit of 4% of next year’s general fund budget.</p>	<p>Management is aware of the limit and have been continually challenged due to the pandemic. This risk is routinely monitored and communicated to the board.</p>	<p>Acknowledged. Our unassigned fund balance is approximately 7%. This will be included in our long range plan focus during 2021-2022.</p>

B. Financial Accounting and Reporting-Overall Assessment-Significant Impact-Low Likelihood. The district has imposed monitoring activities on the business office. However, since this control is manual there still exists the opportunity to commit fraud. Also, some discounts have been lost and higher amount paid due to the length of time to process payments.

Risk Condition Identified	Auditor Assessment	District Response
<p>The district does not have complete separation of duties within the business office. In general, there are three categories of duties or responsibilities that are examined when segregation of duties is discussed:</p> <ul style="list-style-type: none"> • Custody of assets • Authorization or approval of transactions affecting those assets • Recording or reporting of related transactions. <p>Ideally employees performing any one of the above functions would not also have responsibilities in either of the other two functions. The objective of segregation of duties is to prevent one person from having access to assets and responsibility for maintaining the accountability or authorizing transactions affecting those assets.</p>	<p>Separation of duties within a small office is difficult to accomplish. As a compensating control, monitoring has been implemented. Although good, this is considered a weak control and prone to miss identifying fraud.</p> <p>Purchasing and payments have strong separation of duties or a detailed review process in place.</p> <p>Required skill sets for replacing employees who have left are reviewed and expanded with the possibility of cross training in mind. Although implemented, turnover is low and training backup personnel is limited by time and retaining separation of duties with the increased access required for the position.</p> <p>Note: This item is reported only as a reminder of the importance of the monitoring controls.</p>	<p>District will continue to separate duties, cross train, and put monitoring controls in place whenever possible. In 2020-2021, district has added Accounts Receivable module, which has allowed us to cross train in health insurance tracking and cash receipts.</p>
<p>Encumbrances are entered into the accounting system before the release of purchase orders and are reduced when payment is made.</p>	<p>System requires, but this control can be overridden. Vendor change report is run each month, reviewed and signed off by Claims Auditor and Purchasing Agent.</p> <p>Note: Reported for awareness only.</p>	<p>Finding is correct. Vendor change report is run quarterly.</p>
<p>OCSD may pay higher invoice amounts and lose discounts due to the approval and processing payment time.</p>	<p>A report should be provided to the Business Manager when this occurs to track additional costs and investigate if significant.</p>	<p>This year has been unusually difficult with some personnel working remotely. We hope to have our staff back in the office and fully operational again in 2021-2022. Business Manager will request a regular reporting of discounts lost and reasons for this.</p>

C. Auditing-Overall Assessment-Significant Impact-Low Likelihood. The Finance/Audit Committee should expand its review of external and internal audit reports to include

findings and recommendations from the OCSD Complaint Officer, Extra Classroom Accounting and Chartwells' annual internal controls review.

Risk Condition Identified	Auditor Assessment	District Response
The board's Finance/Audit Committee is responsible to track and clear exception items.	The Finance/Audit Committee is responsible to track all exception items until they are cleared, compensating controls are implemented and/or the risk is formally accepted. Where risk is accepted, we recommend periodically revisiting to see if mitigating controls can eventually be identified. Automated controls are the strongest; manual controls are most prone to fail.	See above response regarding Audit Committee. The Audit/Finance Committee will review the audit reports in detail and report findings and recommendations to the full Board. Business Manager will review all findings and recommendations with Business Office personnel. We will keep review as a standing item on the Audit/Finance Committee agenda. We will request reports from Complaint Officer and Chartwells. ExtraClassroom is presented and discussed at the Finance/Audit Committee.

D. State Aid and Grants-Overall Assessment-Significant Impact-Medium Likelihood. The district has procedures in place so that there is adequate communication and sharing of information between the program administrators, business office and external auditors. Any compliance errors are addressed timely.

Risk Condition Identified	Auditor Assessment	District Response
The district must comply with the Single Audit Act because Federal Aid is more than \$750,000 dollars.	A Single Audit Report is not present on the district website.	Single Audit Report has been posted to the district website.

III. REVENUE AND CASH MANAGEMENT

A. Cash Receipts and Revenue-Overall Assessment-Moderate Impact-Low Likelihood. Employees who handle this cash are bonded. Most cash received by the district is directly wired to the bank account. Other cash received should comply with district policy.

Risk Condition Identified	Auditor Assessment	District Response
District policy states that checks are restrictively endorsed when received. The restrictive endorsement is done prior to deposit but not immediately when checks are received. (Upon opening the mail).	Timely restrictive endorsements are essential to prevent fraudulent deposit activity. Current trend in banking is to allow remote deposit of funds, this software should be tested and approved for use by the district.	District will look into remote deposit of funds software and will review all bank accounts and close any that are no longer necessary.

No periodic check is done comparing bank statement deposit dates and amounts with book entries of cash receipts.	District should periodically verify that deposits are made timely.	Deposits and dates are verified monthly during bank reconciliation process.
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B. Cash Management and Investments-Overall Assessment-Minor Impact-Medium Likelihood.
The required comprehensive investment policy is in place and investing procedures are documented.

Risk Condition Identified	Auditor Assessment	District Response
The district's procedure to determine if excess cash is available for investment is not formal, it is based on the judgment of the business manager.	The district relies on an individual to invest idle cash. The school has hired a financial advisory firm to assist with this as interest rates are gradually increasing. We concur with this practice.	District has entered into a banking relationship with NYLAF and has invested excess funds in interest bearing accounts.

C. Petty Cash-Overall Assessment-Minor Impact-No Likelihood. Petty cash funds have been discontinued.

Risk Condition Identified	Auditor Assessment	District Response
All petty cash funds have been discontinued.	None.	

IV. PURCHASING AND EXPENDITURES

A. Purchasing-Overall Assessment-Significant Impact-Low Likelihood. A failure of the purchasing function would cause significant losses to the district. The district has good controls in place; requisition and purchase orders are segregated. We recommend all contracts include a right of audit clause.

Risk Condition Identified	Auditor Assessment	District Response
The district does not include a right-of-audit clause in contracts or review the existing annual internal control document.	For cafeteria services, OCSD uses mandated format from NYS Child Nutrition Unit. Chartwells' contract requires them to perform annual internal control review. Transportation requires supporting documentation for all billings. Prior report noted OCSD still operating under Birnie Bus contract. New contract with Durham School Services was reviewed. No right-of-audit clause included in contract.	Finding is correct. For Cafeteria services, district uses mandated format from NYS Child Nutrition Unit. We have requested a sample of this from the auditor as well as requested Internal Control review from Chartwells. There IS a right to access vendor audits in the Durham Contract. District has requested a copy of their annual audit for review.

<p>The district has added how vendors can report fraud, waste and abuse to all purchase orders. All complaints follow an escalation process. The School Board is not involved with this process.</p>	<p>Approved vendor purchase orders include the fraud, waste, and abuse reporting information. All vendor changes are reviewed quarterly by the Business Manager and Claims Auditor. The Claims Auditor is relied upon to address fraud risk.</p> <p>The Complaint Officer does not prepare a report for Finance/Audit Committee.</p>	<p>Business Office will request from Business office staff a report of any complaints filed that are financial in nature. This will be reported to the Finance/Audit Committee.</p> <p>Superintendent has and will continue to report complaints and concerns of a non-Financial nature to the board in regular communication or executive session as appropriate. This system is currently working well.</p>
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B. Accounts Payable-Overall Assessment-Moderate Impact-Low Likelihood. An increase in the number of district credit/debit cards and retail store accounts increases the possibility of incurring late fees and the risk of fraud in this area and therefore should be closely monitored for timely supporting documentation. Also, we recommend documenting the procedures for the Claims Auditor role.

Risk Condition Identified	Auditor Assessment	District Response
<p>Invoices are not perforated or stamped at the time the check is signed for payment to prevent paying the same invoice twice. All the documentation is present and attached.</p>	<p>The invoice is more likely to be paid twice if it is not perforated or stamped; however check stubs are attached.</p> <p>Note: For awareness only.</p>	<p>Risk accepted. The district has adequate procedures in place.</p>
<p>Multiple credit cards and retail credit accounts exist, this can be misused.</p>	<p>Purchasing policy needs to address controls for the use of credit/debit cards and credit accounts with vendors. Required procedures can easily be circumvented with the increased use of these charging mechanisms. Possible delays in receiving proper documentation could also create late fee payments.</p>	<p>Business Office will meet to discuss most effective control process to monitor this activity before it occurs as well as a timely documentation collection process. It may vary by vendor.</p> <p>This recommendation will be shared with the Finance/Audit Committee for discussion and then forwarded to Policy Committee for any necessary changes to purchasing policy.</p>
<p>The Claims Audit procedures are not documented.</p>	<p>The role of the Claims Auditor is important for adequate review of all payables for proper supporting documentation. The newly appointed Claims Auditor was not provided documented procedures for his new role.</p>	<p>District was unaware that new Claims Auditor was not provided with documented procedures. District will work with newly appointed Claims Auditor, previous Claims Auditor, and Accounts Payable Clerk, to document procedures. We will also reference Comptrollers website and ASBO to determine appropriate procedures for this position.</p>

- C. Cash Disbursements-Overall Assessment-Significant Impact-Low Likelihood.** Adequate separating four basic functions-authorization, custody, record keeping, and verification/reporting. The small business office has combined duties, this requires monitoring by management and makes identifying and training backup personnel difficult. An authorized check signer has been designated by the Board. Invoices and claims for payment are reviewed for accuracy and approved prior to payment. Positive pay has been implemented.

Risk Condition Identified	Auditor Assessment	District Response
Electronic signatures are more likely to be abused.	<p>Electronic signature device is strictly controlled by the check signors.</p> <p>Note: For awareness only.</p>	

- D. Payroll and Personnel-Overall Assessment-Significant Impact-Medium Likelihood.** The business office has combined duties from necessity or practicality; this requires monitoring by management. Compensating controls have been implemented. As Payroll is considered a critical application, backup of this function is important. A new employee hired in 2018 has experience in payroll and eventually will be trained as a back up, but due to the pandemic this has been delayed. Although turnover is low, when hiring new employees, skill sets are reviewed to create stronger back up for critical applications. A periodic review payroll review of files to contracts/salary notices/board appointments to actual payroll along with a check of delivery both direct deposits. Business Office Manager, Department Employees and Department Managers should together review a list of employees to verify that the employee is a real person. This would provide a stronger control in this area.

Risk Condition Identified	Auditor Assessment	District Response
There is no employee handbook. New employees are provided a copy of their contract and various policies that they must comply with. Required forms are available online.	<p>Most if not all employees are covered by a union contract. A district handbook is planned for development as time allows and should be accessible online. No change.</p> <p>Information exists on the website for temporary employees, none for full time employees.</p>	District acknowledges the value of an employee handbook. We will work toward creating in 2021-2022.
Unclaimed paychecks and returned W-2s are returned to Payroll Clerk. The individual processing payroll transactions should be different from individuals responsible for the general	The Payroll Clerk no longer distributes payroll checks. Returned mailed checks are sent to the Payroll Clerk giving that person the opportunity to divert the payment. Periodically confirming the existence of all	<p>Payroll checks are distributed by mail courier.</p> <p>The individual responsible for payroll is not the person responsible for general</p>

<p>ledger function, payroll distribution and reconciliation of the payroll bank account.</p>	<p>employees receiving checks would help mitigate this risk.</p> <p>Physical checks approximately 9-10 per payroll are for temporary employees such as substitutes. Most payroll checks are direct deposited to employee accounts. It was reported previously that the Building Secretary will perform person-to-person payroll check delivery and sign off twice per year. A periodic person-to-person payroll check delivery and sign off is not performed. This was not done due to the pandemic in 2020-21. We will revisit in 2021-22.</p>	<p>ledger function or reconciliation of bank account. They are assigned to a different individual.</p> <p>Building Secretary will perform person-to-person payroll check delivery and sign off twice per year.</p> <p>Business Manager reconciles budget to actual for each employee. All employees are confirmed as real people when preparing Transparency Reporting as each individual needs to be identified by building.</p>
<p>The payroll clerk is the individual designated as the organization's contact with taxing authorities.</p>	<p>Risk of misappropriating funds is possible by manipulation of withholding payments. A secondary contact person has been identified; however, to date has not been trained. Also, the Business Manager has some knowledge in this area.</p>	<p>Finding acknowledged. Restructuring of duties to include cross training on payroll will allow the district to have a second person familiar with the payroll tax process. Additionally, business manager regularly checks trial balances for remaining balances and errors.</p>
<p>The payroll clerk is the individual designated as the organization's contact with vendors to which amounts withheld from paychecks are sent. No additional contact person is identified in case issues are identified.</p>	<p>Risk of misappropriating funds is possible by manipulation of withholding payments. A secondary contact person has been identified; however, to date has not been trained due to pandemic.</p>	<p>Business Manager is secondary contact and is who complaints are directed to after initial contact with payroll clerk.</p>
<p>The district does not require mandatory vacations of employees in the personnel and payroll functions.</p>	<p>As Payroll is considered a critical application, a cross-trained employee should perform this function whenever the Payroll Clerk is using required vacation or sick time. A back up person has been identified; however to date has not been trained due to pandemic. As things begin to return to some normalcy, this should be given priority.</p>	<p>Finding is correct. We will continue to work on this with cross training and restructuring. Business Manager has created paychecks in the absence of Payroll Clerk and can in an emergency situation.</p>

E. Travel and Conferences-Overall Assessment-Minor Impact-Low Likelihood. The district as a whole benefits from requiring presentations by conference participants thus sharing information obtained at conferences.

Risk Condition Identified	Auditor Assessment	District Response
No exceptions noted.	Most training was done via Zoom this year. Participants are still required to	

	share their knowledge.	
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V. FACILITIES, EQUIPMENT AND INVENTORY CONTROLS

A. Facilities Maintenance-Overall Assessment-Moderate Impact-Medium Likelihood. An annual facilities inspection is performed by the District’s insurance company. The Superintendent reports the board regularly. We recommend developing a 3-5 year plan for OCSD facilities.

Risk Condition Identified	Auditor Assessment	District Response
Long-range planning slowed due to current project delays.	The Superintendent is the Facilities Manager. The Business Manager now assists with some of the Buildings and Grounds responsibilities. Pandemic has made long range planning difficult to address.	District is looking to hire a Safety and Systems Director using stimulus funding. This person will have the task of coordinating buildings/ground/maintenance and custodial and will head long range capital planning efforts. Additionally district has hired previous architect to assist with long range planning and address current needs.

B. Facilities Construction-Overall Assessment-Significant Impact-Low Likelihood. The impact of a failure of facilities construction process would obviously have a long-range impact on the district. Major construction project is coming to a close.

Risk Condition Identified	Auditor Assessment	District Response
Construction delays.	Level II completion scheduled for September 2019 was not met. The new Superintendent took over the project. Cost overruns were experienced. Remaining items are identified and either planned or on hold. Note: For awareness only.	District and Board of Education are aware of construction progress, delays and timelines. We are working diligently with architect and construction manager to get this project completed and closed out.

C. Inventory Controls-Overall Assessment-Moderate Impact-Medium Likelihood. The failure of inventory controls may have a material impact for items that can be converted to personal use. The inventory system itself is monitored or reconciled infrequently to the accounting records. We recommend annually sampling assets for physical inspection.

Risk Condition Identified	Auditor Assessment	District Response
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Although files are maintained, no reconciliation to detailed property and equipment records is performed in the interim.	Inventory such as technology is tracked by person. We recommend doing a random sampling of certain inventory items annually to confirm item to records.	Recommendation accepted. We will choose a few items from each department/building annually to confirm that the items are still there.
District has a policy that allows for disposal of district property which does not agree with current practice.	Policy states that employees cannot bid on assets. OCSD should update policy to agree with current practice.	Policy D.1 will be forwarded to the Policy Committee for review and recommendations. Also note, that excess items are sold on a public auction site. District would not have any way to favor an employee over a non-employee.

VI. STUDENT SERVICES

A. **Student Transportation-Overall Assessment-Moderate Impact-Medium Likelihood.**

With high turnover of drivers, the possibility exists of errors. With the pandemic, this has been challenging. We believe from our discussions that management continues to monitor its concerns with the vendor's service level.

Risk Condition Identified	Auditor Assessment	District Response
The district relies on contracted vendor to monitor driver qualifications.	<p>The district should monitor driver qualification and obtain an understanding of the procedures for hiring new bus drivers.</p> <p>Management continues to identify ways to strengthen communications with the vendor. Contract terms should include service level performance to ensure that the vendor has a vested interest in performing duties diligently.</p>	<p>The district has met several times with representatives from Durham Student Services and has outlined our strong concerns. We do have a service level performance statement in our contract and have put Durham on notice that if service levels do not improve, we will exercise our right to terminate the contract.</p> <p>Superintendent has discussed drivers, and recruitment practices with bus contractor.</p>

B. **Food Service-Overall Assessment-Moderate Impact-Low Likelihood.** We recommend continuing to find ways to improve profitability. In addition, the internal controls review completed annually by Chartwells, should be provided to the Finance/Audit Committee.

Risk Condition Identified	Auditor Assessment	District Response
Contracted service involving multiple vendors while relying on Federal and State subsidies for their revenue. Errors can point to multiple sources. This year's program was subsidized 100% for students due to pandemic.	District contracts with DCMO BOCES to manage the food service management vendor. Management monitors this relationship and its food service financial information regularly.	District is satisfied with management from DCMO BOCES and is in frequent contact with them.

Chartwell contract annual internal control review	The results of this review should be provided to school management and the Finance/Audit Committee	District has requested and received a copy of this annual review. This will be shared with the Finance/Audit Committee.
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C. Extraclassroom Activity Fund-Overall Assessment-Minor Impact-Medium Likelihood.
 We recommend that once school returns to in-person that student clubs officers be given the appropriate training for controlling club finances and fund raising activities and learn how to prepare budget to actual reports.

Risk Condition Identified	Auditor Assessment	District Response
Due to pandemic, no ECA training was completed with officers and advisors as of the review date. School starting back to in-person in April 2021.	ECA clubs provide an opportunity for students to learn valuable life skills in finances. This year’s seniors missed a valuable opportunity to learn valuable life skills in finances.	Information was distributed electronically by Director of Curriculum and Instruction. For clubs that were approved to operate this year, required reporting was sent to Director of Curriculum and Instruction. Formal training will resume in the 2021-2022 year.
Fundraising budgets are not routinely prepared.	No activities were held this school year.	Reporting requirements have been put in place by the Director of Curriculum and Instruction.

VII. STUDENT RELATED DATA

A. Attendance-Overall Assessment-Moderate Impact-Low Likelihood. Errors in attendance have a direct impact on state aid. The District’s revised procedures were closely monitored.

Risk Condition Identified	Auditor Assessment	District Response
Errors impact state aid. Changes due to pandemic had to be implemented.	Changes were made to accommodate newly implemented teaching changes. Process in place appears to be adequate.	

B. Reliability of Student Performance Data-Overall Assessment-Moderate Impact-Low Likelihood. The District adheres to the procedures and guidelines outlined in the SIRS manual. The records are current and contain all the basic elements required by the State Education Department.

Risk Condition Identified	Auditor Assessment	District Response
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The district can track individual student that remain in the state.	Students leaving the district to another state are not tracked. This would only be a concern if they return to NYS. Note: No issue to report.	
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District Response submitted by,

Lisa J. Weeks

Business Manager

06/30/2021