West Seneca Central School District

Internal Controls Over Selected Financial Operations

Report of Examination

Period Covered:
July 1, 2006 — July 31, 2008

2008M-214

Thomas P. DiNapoli
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Dear School District Officials:

A top priority of the Office of the State Comptroller is to help school district officials manage their districts efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support district operations. The Comptroller oversees the fiscal affairs of districts statewide, as well as districts’ compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving district operations and Board of Education governance. Audits also can identify strategies to reduce district costs and to strengthen controls intended to safeguard district assets.

Following is a report of our audit of the West Seneca Central School District, entitled Internal Controls Over Selected Financial Operations. This audit was conducted pursuant to Article V, Section 1 of the State Constitution, and the State Comptroller’s authority as set forth in Article 3 of the General Municipal Law.

This audit’s results and recommendations are resources for district officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

Office of the State Comptroller
Division of Local Government and School Accountability
The West Seneca Central School District (District) is governed by the Board of Education (Board) which comprises seven elected members. The Board is responsible for the general management and control of the District’s financial and educational affairs, including the power to authorize and execute contracts and declare surplus property within the District. The Superintendent of Schools (Superintendent) is the chief executive officer of the District and is responsible, along with other administrative staff, for the day-to-day management of the District under the direction of the Board. The District Treasurer and claims auditor are appointed annually by the Board. The District’s Network Coordinator manages information technology inventory records.

Scope and Objective

The objective of our audit was to evaluate the District’s internal control system over claims processing, purchasing and information technology inventory for the period July 1, 2006 to July 31, 2008. We also evaluated the procedures used for the sale of certain District property. Our audit addressed the following related questions:

- Are internal controls over the District’s information technology inventory appropriately designed and operating effectively?
- Are internal controls over purchasing activities appropriately designed and operating effectively?
- Did District officials provide reasonable public notice regarding the sale of District property located at 675 Potters Road?
- Are internal controls over claims processing appropriately designed and operating effectively?

Audit Results

We found instances where the Board had either not established certain internal controls or controls that had been established were not implemented and operating effectively. As a result the District is vulnerable to the possibility of errors and/or irregularities occurring and not being detected in a timely manner. For example, District officials did not provide sufficient guidance to the Network Coordinator for the management of information technology (IT) inventory, or establish policies and procedures regarding the disposal of IT equipment. The IT inventory records were
incomplete and inaccurate. Our tests identified items that were removed from the IT inventory records but were still being used by the District, recorded in the inventory records but were missing, or had been removed from the inventory records without District authorization or documentation supporting their disposal. Without adequate investigation and accurate reporting of the results of annual physical inventories, District officials lack assurances that the controls protecting IT inventory and information are effective and equipment is secure and in the proper location.

District officials did not develop and adopt a policy or procedures for purchases that are not required to be bid, or for the authorization and documentation of purchase or service contracts. Payments were made for goods and services for which competition was either not sought or documentation of quotes or bids received was not available. Certain payments were not supported by a written agreement on file to evidence the terms and conditions of the relationship between the District and the vendor and certain contracts that we reviewed were not approved by the Board. As a result of these weaknesses, District officials do not have adequate assurance that appropriate action is taken to acquire goods and services for the District of acceptable quality at the lowest price, and contracts are entered into only as authorized by the Board.

District officials did not provide reasonable public notice of the sale of District property located at 675 Potters Road. Although activity related to the sale of this property began in 2006, the Board did not formally identify the property as of “no use or value” until April 2008 and only in its Board meeting minutes. At the same meeting the final contract for sale was also authorized by the Board. The District did not publish a notice in their official newspaper disclosing the declaration of the property as of “no use or value” or the terms of the sale which would have allowed District taxpayers to be aware of their right to petition for a referendum and have the matter brought to a vote of the District’s qualified voters. As a result, District voters were not afforded the opportunity to petition for a vote on the “no use or value” declaration and the sale of the property. Providing reasonable public notice facilitates transparency in government and assurance that the public is made aware of its rights to petition for a referendum.

The Board did not provide detailed guidance or prescribed procedures to the claims auditor. We examined 40 claims totaling $68,494 for authorization, documentation and evidence of receipt. Except for minor deficiencies, which we discussed with District officials, we found the internal controls over claims processing were adequate after certain corrective measures were implemented at our suggestion.

We commend the District for the many corrective actions implemented during our audit fieldwork. Maintaining a proactive stance on strengthening internal controls and receiving timely communication during our audit, District officials identified actions that could be taken to mitigate risks and provide stronger governance in those specific audit scope areas and greater accountability to its taxpayers. Specific corrective actions have been identified in this report.

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1 Although real property does not need to be sold at public sale and the method of sale is within the discretion of the Board, they have a fiduciary duty to choose a method of sale intended to yield the best price or the most beneficial terms.
Comments of District Officials

The results of our audit and recommendations have been discussed with District officials and their comments, which appear in Appendix A, have been considered in preparing this report. District officials generally agreed with our recommendations and indicated they planned to initiate corrective action.
Introduction

Background

The West Seneca Central School District (District) is located in the Towns of West Seneca, Orchard Park, Hamburg and Cheektowaga in Erie County. The District is governed by the Board of Education (Board) which comprises seven elected members. The Board is responsible for the general management and control of the District’s financial and educational affairs, including the power to authorize and execute contracts as well as designate property within the District as surplus. The Superintendent of Schools (Superintendent) is the chief executive officer of the District and is responsible, along with other administrative staff, for the District’s day-to-day management under the direction of the Board. The District Treasurer and claims auditor are appointed annually by the Board. A Network Coordinator manages the District’s information technology inventory records.

There are 12 schools in operation within the District, with approximately 7,800 students and 1,350 full and part-time employees. The District’s 2006-07 operating expenditures, net of debt service and interfund transfers, totaled $86.1 million for the general fund, $1.8 million for the school food service fund and $3.9 million for the special aid fund. These expenditures were primarily funded with property taxes, sales tax, and State and Federal aid.

Objective

The objective of our audit was to evaluate the District’s internal controls over claims processing, purchasing and information technology inventory. We also evaluated the procedures used for the sale of certain District property. Our audit addressed the following related questions:

- Are internal controls over the District’s information technology inventory appropriately designed and operating effectively?

- Are internal controls over purchasing activities appropriately designed and operating effectively?

- Did District officials provide reasonable public notice regarding the sale of District property located at 675 Potters Road?

- Are internal controls over claims processing appropriately designed and operating effectively?
Scope and Methodology

We examined the internal controls over the District’s claims processing, purchasing, information technology inventory and the public notice for the sale of certain District property for the period July 1, 2006 to July 31, 2008.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report.

Comments of District Officials and Corrective Action

The results of our audit and recommendations have been discussed with District officials and their comments, which appear in Appendix A, have been considered in preparing this report. District officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

The Board has the responsibility to initiate corrective action. Pursuant to Section 35 of the General Municipal Law, Section 2116-a (3)(c) of the Education Law, and Section 170.12 of the Regulations of the Commissioner of Education, a written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and forwarded to our office within 90 days. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. The Board should make the CAP available for public review in the District Clerk’s office.
Electronic equipment, such as computers and communication devices, often represent a significant investment of an entity’s financial resources. District officials must ensure that such assets are safeguarded from loss. Just as important, or perhaps more important, is the security of the information stored on computer equipment. This can be accomplished by adopting internal control policies and procedures that require accurate and up-to-date inventory records, conducting periodic physical inventories and investigating discrepancies between the two.

The District leases a large portion of its computer equipment from the Erie County Board of Cooperative Educational Services (BOCES). During 2007, the District completed an inventory of its leased and owned IT equipment. The District's IT department created a spreadsheet that includes 4,643 computers and lists the asset description, serial number, asset tag number and specific location. It also identifies status, such as deployed, returned to BOCES, lost/stolen or surplus. This inventory is updated and maintained by the District's Network Coordinator, who generally identifies items to be disposed after an inventory has been performed. The Network Coordinator indicated the District generally follows BOCES inventory disposal procedures by contacting a third-party vendor for the direct pickup and disposal of the returned or disposed equipment.

The District’s IT inventory records were incomplete and inaccurate and the District has not established policies and procedures regarding the disposal of IT equipment. Our tests identified items that were removed from the IT inventory records but were still being used by the District, recorded in the inventory records but were missing, or had been removed from the inventory records and the District without authorization or supporting documentation of their disposal. An itemized disposal list was generally not provided to District officials, or retained at the District, and there was no indication that management authorized the specific IT inventory disposals that we sampled.

We tested 20 desktop computers and laptops to verify their location within the District or their removal from the inventory records and the District. We found the following:

- Six computers were listed on the inventory records as having been returned to BOCES or recycled. Of the six, one was still...
being used by the District, and only one was found on the BOCES asset disposal list. The remaining four were described in District documentation as being disposed but there was no record to verify this. There was also no indication that the Board authorized the disposal of these assets.

• Thirteen computers were listed on the District records as in use in the District. Of the 13, 11 were located within the District and two were not. However, one of the two was found on the BOCES asset disposal report. The Network Coordinator indicated that the missing computer was disposed of in July 2007. However, BOCES officials did not provide the requested documentation to verify this.

• The remaining computer was listed on District records as being lost/stolen and a police report was filed by the District.

Because the District does not have documentation of what happened to several computers, there is a risk that personal employee or student information has been disclosed. This could result in a risk that sensitive information could be accessed by unauthorized individuals and used for inappropriate purposes.

District officials indicated that any misclassification of the computers as in use or returned to BOCES was the result of human error. Without adequate investigation and accurate reporting of the results of annual physical inventories, District officials lack assurances that the controls protecting IT inventory are effective and that equipment is secure and in the designated location.

During our audit fieldwork, the District created a new position for a part-time inventory clerk whose duties were identified as IT inventory management.

Recommendations

1. District officials should seek legal advice to determine the steps to be taken if ascertained that there is the potential for loss of personal information.

2. District officials should monitor the results of annual physical inventories and require a prompt, thorough investigation of missing equipment or other significant discrepancies.

3. District officials should utilize the results of physical inventories to identify, assess and correct equipment control deficiencies.
4. District officials should develop a policy and procedures concerning the management of IT inventory items, including but not limited to, disposal authorization and documentation.
Purchasing

Sound internal controls include policies and procedures to provide reasonable assurance that the District is using its resources effectively and complying with applicable laws and regulations. An effective purchasing process helps the District obtain necessary goods and services of suitable quality at the lowest price, without favoritism, extravagance, or fraud.

The General Municipal Law (GML) requires school districts to solicit competitive bids for purchases in excess of $10,000 and contracts for public works in excess of $20,000. School districts are also required by the GML to develop policies and procedures to provide guidance in seeking competition for procurements of goods and services under bidding thresholds or those otherwise not required to be bid. The objectives of the requirement for procurement polices and procedures include assuring the prudent and economical use of public moneys in the best interest of the taxpayers and guarding against favoritism in the award of municipal contracts which are not subject to competitive bidding. These policies and procedures must provide that, when competitive bidding is not required by law, alternative proposals or quotations will be secured by requests for proposals, written or verbal quotations, or other similar method, except in limited circumstances. Proposals or quotations should be solicited periodically, at reasonable intervals. Further, the policies and procedures must require justification and documentation of any contract awarded to other than the lowest responsible dollar offer, setting forth the reasons the award furthers the purpose of statute.

Formal contracts and agreements are important elements of internal control to ensure the District’s interests are protected. Payment for services generally should be based upon duly executed written contracts that clearly indicate the scope of services, and the timing and method of payment. Contracts must be properly authorized and approved, and in most cases, should be reviewed by legal counsel. Claims for payment must sufficiently itemize services provided to date and, as necessary, be supported by evidence that the contractor is complying with the terms and conditions of the contract.

District officials did not develop and adopt policies and procedures for procurements that are not required to be bid or for the authorization and documentation of purchase or service contracts. Payments were made for goods and services for which competition was either not sought or documentation of quotes or bids was not available. Certain payments were paid without any written
agreements on file to provide evidence of the terms and conditions of the relationship between the District and the vendor, and certain contracts we reviewed were not authorized by the Board. We tested 20 payments, totaling $286,912 and found the following; some payments had more than one exception:

- Thirteen payments lacked evidence that competition was sought at reasonable intervals. Two of these payments were for consultants that the Board annually appoints at its organizational meeting. A request for proposals for a natural gas consultant (total payments in 2006-07 were $2,100 for consulting fees and $183,438 for supply delivery of natural gas) was last sought in 1995. In addition, there was no evidence that the Board advertised for a request for proposals for the liability insurance consultant (total payments in 2006-07 were $13,446).

- Four payments were not supported by contracts with the District to document terms and conditions. One of the four was a payment totaling $24,000 to the Town’s Youth Bureau, for a shared peer-counseling program.

- Four payments were supported by contracts that were signed by a District employee but not approved by the Board. One contract (total payments of $17,195) was with the District’s workers’ compensation fund consultant. Board members indicated that they were aware of the consultant and the nature of the services being provided. However, they were generally unaware that the Board had not documented in the minutes their approval for the contractor or their authorization to have the Treasurer sign the contract on their behalf. Another contract was with a provider of a sports program (total payments of $21,838) which was signed by the Director of Community Education.

By not adopting policies and procedures that require multiple proposals or quotations when competitive bidding is not required, District officials provide less assurance to taxpayers that they are procuring the most beneficial and qualified service providers. In addition, without authorized, written agreements which stipulate the scope of services and the terms and conditions for payment, District officials are not in a position to effectively monitor vendor activity and ensure services were provided as agreed.

Prior to the conclusion of our fieldwork, the Board formally authorized certain employees to sign contracts on behalf of the Board
with specific Board authorized vendors. The Board has also ratified three of the four unauthorized contracts.

**Recommendations**

5. The Board should adopt procedures for obtaining quotes or proposals for the acquisition of goods and services not required to be competitively bid.

6. All contracts with vendors should be properly authorized on behalf of the District. Such contracts generally should be written and clearly state the terms and conditions of the agreement.
Sale of District Property

The Education Law generally authorizes central school districts to sell real property which the Board deems to be of “no use or value” to the District. The Board may sell the property subject to permissive referendum requirements. Voters of the district may submit a petition, meeting certain statutory requirements, and require that the question of the sale of such property be submitted to a vote of the qualified voters of the District. Although the Education Law does not set forth specific procedures for notifying District voters of their right to petition for a referendum on the sale of the real property, the District should, nonetheless, take appropriate steps to provide reasonable notice, such as publication in the District’s official newspaper, posting in several public places and posting on the District’s website. In addition to reciting the public’s right to petition for a referendum, the notice should, at a minimum, describe the property, indicate that it has been found to be of “no use or value” for the district, and generally describe the terms of the proposed sale, including the sales price.

We examined documentation for the April 2008 sale of District property located at 675 Potters Road and found that District officials did not provide reasonable public notice that the sale was subject to permissive referendum. The public’s right to petition, the proposed terms of the sale, and the Board’s declaration that the property was of “no use or value” for the District was not included in a notice published in the District’s official newspaper or posted, to help ensure the public was made aware of its rights to petition for a permissive referendum.

In addition, although the process of the sale of this property began in 2006, the Board did not formally identify the property as of “no use or value” until April 2008, at which time the final contract for sale was also authorized.

In the spring of 2006, the District was approached by a developer interested in purchasing District property on Potters Road for $309,000. The District entered into a conditional purchase agreement with the developer dated June 5, 2006. In general, the determination of “no use or value” should be made prior to undertaking procedures to sell the property.

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2 A petition must be signed by at least 10 percent of the qualified voters of the district and filed with the clerk of the board within 30 days of the adoption of the Board resolution.
The District engaged an appraiser who determined the property’s market value, based on a limited appraisal of vacant, residentially zoned land, to be $557,000. The Board adopted a resolution ratifying the execution of the contract of sale for the property on April 7, 2008 at a selling price of $500,000, the amount the purchaser agreed to pay. Although real property does not need to be sold at public sale and the method of sale is within the discretion of the Board, the Board has a fiduciary duty to choose a method of sale intended to yield the best price or the most beneficial terms. District officials represented that they felt the price was beneficial to the District due to the location of the land (land locked and without utilities) and the odd shape of the lot. However, it would seem that these factors should have been considered by the appraiser in establishing the market value of this property. District officials also indicated that because the property was going to be improved for a commercial purpose, no added costs in terms of providing educational services would be placed on the District due to this development.

Also on April 7, 2008, the Board included in its minutes the SEQRA\textsuperscript{3} Negative Declaration and Notice of Determination of Non-Significance which included the Board’s identification that the property was of “no use or value” to the District. The Board’s minutes were the only official “notification” that the public had concerning these decisions. We also note that the final closing date on the property was April 18, 2008, which is only 11 days after the Board’s “notification.” District voters should have adequate time from the date of the notification to file a petition for a referendum on the sale of the property. Providing reasonable public notice facilitates transparency in government and assurance that the public is made aware of its rights to petition for a referendum.

**Recommendations**

7. District officials should provide reasonable public notice in the District’s official newspaper to help ensure that the public is made aware of its rights to petition for a permissive referendum.

8. District officials should include both the declaration that the property was of “no use or value” as well as the proposed terms of the sale, including price, as part of the public notice.

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\textsuperscript{3} State Environmental Quality Review Act: The basic purpose of SEQR is to incorporate the consideration of environmental factors into the existing planning, review and decision-making processes of state, regional and local government agencies at the earliest possible time. To accomplish this goal, SEQR requires that all agencies determine whether the actions they directly undertake, fund or approve may have a significant impact on the environment, and, if it is determined that the action may have a significant adverse impact, prepare or request an environmental impact statement.
Claims Processing

Education Law generally requires that the Board, or a Board-appointed claims auditor, audit and approve District claims before directing the Treasurer to pay the claims. When the Board appoints a claims auditor, the claims auditor assumes the Board’s powers and duties of reviewing, approving, and/or denying all claims against the District. The claims audit function ensures that claims have appropriate supervisory approval, are for valid and legal District purposes, are properly documented and show evidence of receipt of the good or service. Education Law and District policy require the claims auditor to affirm that she has audited claims by including a certification on each warrant (list of claims) before presenting it to the Treasurer directing payment. Education Law also requires the claims auditor to report directly to the Board, which allows for appropriate oversight of this critical function.

The Board appointed a claims auditor and adopted a policy indicating the claims auditor’s general job description and employment eligibility. However, the Board did not provide detailed guidance or prescribed procedures to the claims auditor.

During our audit fieldwork, the District provided the claims auditor detailed guidance from the State Education Department (SED) regarding recommended claims auditing procedures and statutory requirements, and sent her to training provided by SED regarding claims auditing procedures. In addition, the claims auditor’s schedule was made more flexible to meet the District’s needs to ensure appropriate payment processing in a timely manner.

We examined 40 claims totaling $68,494 for authorization, documentation and evidence of receipt. Except for minor deficiencies, which we discussed with District officials, we determined the internal controls over claims processing to be adequate. With the enhancements made during our audit fieldwork, the District should have improved their controls over claims auditing.

4 By signing warrants after she has audited them
APPENDIX A

RESPONSE FROM DISTRICT OFFICIALS

The District officials’ response to this audit can be found on the following pages.
State of New York  
Office of the Comptroller  
Buffalo Regional Office  
295 Main Street Room 1050  
Buffalo, New York 14203  

Dear Office of the State Comptroller;

This letter is in response to the New York State Office of the State Comptroller’s audit of Internal Controls over Selected Financial Operations of the West Seneca Central School District.

The District appreciates the auditor’s comment commending the District, and stating ‘Maintaining a proactive stance on strengthening internal controls and receiving timely communication during our audit. District officials identified actions that could be taken to mitigate risks and provide stronger governance in these specific audit scope areas and greater accountability to its taxpayers.’

The District prides itself on its proactive approach to strengthening and maintaining internal controls to ensure that district resources are protected, and worked diligently prior to and during the audit to review and update relevant policies and procedures.

We believe this audit affirms the good work that has been done to protect the resources and assets of the District.

The auditor made recommendations in three areas that will allow us to be even more effective in our financial operations. I have listed those areas below, and summarized our responses to the recommendations.

1. Information Technology Inventory:

   - A part-time inventory clerk has been hired for the IT Department. Inventory control will be the main task of this clerk.

   - Steps were taken at the annual Board of Education organizational meeting in July 2008 to authorize certain personnel to dispose of these assets as needed.

   - Our internal auditors have provided additional testing in this area to ensure that equipment control deficiencies are addressed.

   - We are certain that no personal information was at risk. Nevertheless, we have consulted with legal counsel regarding the implications should such an event occur.

2. Purchasing:

   - The District Purchasing Agent will develop formal policies and practices regarding purchases that fall below the competitive bid guidelines.

   - We will formalize our existing practice of obtaining at least three quotes on non-bid purchases.

   - Documentation will be developed to ensure the policies and practices are complied with in a timely manner.
- As noted in the audit report, the District has all signing responsibility for contracts clearly stated in a Board of Education meeting resolution. All contracts will be prepared using appropriate language, and the terms and conditions will be clearly stated.

3. Sale of District Property:

- The sale of this parcel of district property was conducted in consultation with our legal counsel.

- The following events relative to public notice did occur prior to the execution of the sale on April 7, 2008:

  - On June 5, 2006, in public session, the West Seneca Board of Education approved the conditional sale of the property in question.

  - In the Fall of 2006, a resident raised the issue of the sale in the ‘Hearing of Visitors’ portion of a public Board of Education meeting.

  - The sale was mentioned/discussed at several Board of Education Meetings, beginning on June 5, 2006, and going through April 2008.

  - The sale was discussed with the District Parent Council.

  - The sale was discussed at a meeting of the West Seneca Development Corporation.

  - The Town of West Seneca held a public meeting to discuss the rezoning of the property.

  - Additionally, beginning in 2006, both the West Seneca Bee and The Buffalo News published articles outlining our intent to sell this land.

- In the event of another sale of District property, we will surely work with our legal counsel, and take into account the recommendations made by the auditor regarding public notice.

The District would like to thank auditor [redacted] for her professionalism, and for her willingness to engage in ongoing, exhaustive communication with District officials.

We will continue to exercise due diligence as we work toward our goal of continuous improvement of student achievement, while at the same time safeguarding the District’s resources and assets.

Sincerely,

Jean M. Kovach
Superintendent of Schools

Carol Jarczyk
President, Board of Education
APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

Our overall goal was to assess the adequacy of the internal controls put in place by officials to safeguard District assets. To accomplish this, we performed an initial assessment of the internal controls so that we could design our audit to focus on those areas most at risk. Our initial assessment included evaluations of the following areas: financial oversight, cash receipts and disbursements, purchasing, information technology and payroll and personal services.

During the initial assessment, we interviewed appropriate District officials, performed limited tests of transactions and reviewed pertinent documents, such as District policies and procedures manuals, Board minutes, and financial records and reports. In addition, we obtained information directly from the computerized financial databases and then analyzed it electronically using computer-assisted techniques. This approach provided us with additional information about the District’s financial transactions as recorded in its databases. Further, we reviewed the District’s internal controls and procedures over the computerized financial databases to help ensure that the information produced by such systems was reliable.

After reviewing the information gathered during our initial assessment, we determined where weaknesses existed, and evaluated those weaknesses for the risk of potential fraud, theft and/or professional misconduct. We then decided upon the reported objectives and scope by selecting for audit those areas most at risk. We selected claims processing, purchasing, IT inventory, and the sale of District property for further audit testing.

Within claims processing and purchasing, we focused our attention on the approval of purchases and payments for various types of goods or services acquired. We interviewed District officials, observed transactions and examined vendor history reports, warrants, claims, District policies, Board minutes, and conflict of interest representations.

For information technology inventory, we focused on 20 desktop and laptop computers. We reviewed information technology inventory reports, police reports, Board minutes, District policies, and IT department records. Additionally, we interviewed officials and observed transactions to determine the effectiveness of internal controls and any effects of deficiencies in those controls.

Regarding the sale of District property, we examined contracts, Board minutes, and newspaper articles. We also interviewed District officials and staff.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
APPENDIX C

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