

OGDENSBURG CITY SCHOOL DISTRICT
OGDENSBURG, NEW YORK

SUBJECT: Board Acceptance of Internal Risk Assessment Audit 2018 and Corrective Action Plan

DATE: August 27, 2018

REASON FOR BOARD CONSIDERATION:

As required by NYSED & NY OSC, The Board of Education must approve the corrective action plan of the district in response to the recommendations included in the audit for 2018.

FACTS AND ANALYSIS:

The 2017-2018 Internal Audit has been completed by Seyfarth and Seyfarth, Certified Public Accountants, P.C. A formal response to the auditor's recommendations, a corrective action plan, must be prepared and approved by the Ogdensburg Board of Education and submitted to the State.

RECOMMENDED ACTION:

Moved by _____ and supported by _____, that having the recommendation of the Superintendent of Schools, the Board of Education of the Ogdensburg City School District does hereby approve the Internal Audit and Corrective Action Plan to be submitted to SED on August 28th, 2018 on this day August 27th 2018.

APPROVED FOR PRESENTATION TO THE BOARD:


Superintendent

TMV/pks
Attachment

Ogdensburg City School District

1100 State Street
Ogdensburg NY 13669



Patricia Smithers
Business Manager
(315) 393-7912 Ext. 40280
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New York State Education Department
Office of Audit Services
89 Washington Avenue, Room 524 EB
Albany, NY 12236

August 27, 2018

Dear Sir or Madam:

As required in the regulations of the New York State Education Department, we are responding for submittal of a Corrective Action Plan in regard to the Internal Audit of the Ogdensburg City School District by Seyfarth and Seyfarth, Certified Public Accountants, P.C. Following is the corrective action for the recommendations in the Internal Audit Report.

- 1) Cash from ticket sales (from sporting events) will be processed weekly and the Business Office notified that the deposit is ready for retrieval from the High School Office Safe. The detail forms for the deposit will be signed and dated by the person preparing it to be turned over to the Business Office. Season Passes will be identified on the detail form. Season Passes are now numbered and a log kept for those sold, accounting for all tickets.
- 2) Grant coordinators will be given rights within our software or supplied a detail report to review the grant expense periodically throughout the year.

If I can be of further assistance, please contact me at 315-393-7912 ext. 40280 or psmithers@silboces.org.

Sincerely,

Patricia K Smithers
Business Manager
Ogdensburg City School District



Enlarged Ogdensburg City School District
Risk Assessment Update
2018

Executive Summary

Objectives:

- Update the District's risk assessment.
- Based on input from management and our risk assessment procedures identify an area to perform additional procedures.

Process:

- Updated our understanding of the District and its operations.
- Interviewed various members of the Management team.
- Performed data analytics.

Results:

- Selected cash handling related to sports ticket sales for additional testing.
- Determined that cash received from ticket sales in not always deposited in a timely manner.
- Reviewed transaction details and supporting documents for ticket sales.

Recommendations:

- Develop a process that ensures timely deposit of cash from ticket sales.
- Grant coordinators should review account activity during the year.

Objectives

The objectives of this engagement are to complete a risk assessment for Enlarged Ogdensburg City School District for 2018. We used accounting and data from July 1, 2016 through December 31, 2017 in the development of the risk assessment. This risk assessment will identify systems with the greatest risk to the District and make recommendations for the testing of the systems based upon a prioritized list of identified risks. It should be read with a working knowledge of the previous risk assessments.

The objective of the internal auditing program is to furnish management and the Board of Education with independent analysis, appraisals, recommendations and pertinent comments concerning the adequacy, effectiveness and efficiency of the systems of internal control, the quality of ongoing operations and internal compliance with rules and regulations.

Scope and Methodology

Our work was performed in accordance with generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

During our work we met with and interviewed various District personnel employed in a variety of areas including the business office, cafeteria, transportation, information technology, grants management and administration. We reviewed various documents such as employment contracts, policy and operations manuals, computer reports, accounting records, personnel and extraclassroom files and grant contracts.

We documented our understanding of the systems through the use of flowcharts, checklists and narratives. We also performed "walk-through" tests to verify that the systems were actually working in the manner described.

After analyzing the results of our work, we have prepared this report to inform the Board of Education and management of our findings and to present our prioritized list of assessed risk. Throughout the report we have made recommendations for improvements of identified weaknesses.

Audit Prioritization and Selection

The objective of the risk assessment process is to identify and prioritize areas posing the greatest risk and liability to the District. In order to obtain a priority listing, a risk approach was used to rank each of the areas.

There are at least three kinds of risk that should be considered in the risk assessment process. These risks are as follows:

Incentives or Pressures

Incentives or pressures placed on or perceived by management and/or employees often provide them with a reason to intentionally misstate financial information or misappropriate assets. In school districts, this risk may relate to excessive emphasis on meeting the budget, rumors of layoffs or the perception of being overworked and under compensated. Incentives and pressures can also arise from personal problems such as illness, debts or addictions. In our current economic environment, there is significant incentive/pressure to provide the same services using "alternate" means. In other words circumvent the budget by inappropriately coding expenditures to codes with available budget amounts, using students to raise funds for District functions or by soliciting outside donations or grants without proper Board of Education approval and oversight.

Opportunity

Circumstances existing within an entity can provide the opportunity for misstatement of financial information or misappropriation of assets. Such opportunities can arise from concentration of management in a few individuals, weak Board oversight, poor segregation of duties, or unusual or complex transactions.

Rationalization or Attitude

The attitudes, character, or ethical values of employees may allow them to rationalize misappropriations or financial statement misstatements. They may rationalize that they are paid less than others or that the District can afford it. The Board may set a tone by not implementing corrective actions to audit findings, or management may desire to artificially justify specific programs.

From our discussions with District personnel and our other work, as more fully described later in the report, we did not identify any predominant incentives or rationalizations. The budget has passed for the past several years. However, in many Districts there has been uncertainty related to the timing and anticipated amounts of state aid. There are contracts in place for management and the unions. Employees do not seem to be overburdened with work and the pay scale is comparable to other local Districts.

The overall control environment, consisting of the integrity, ethical values and competence of the administrators and key accounting personnel appears to be strong.

District personnel were interested in the risk assessment process, and were helpful and cooperative in explaining their duties and providing requested documents. The Board and management have set an ethical tone for the District. There appears to be adequate Board oversight.

In the course of our work, it would be difficult to identify personal problems of a specific District employee, but we were not made aware of any such situation.

We deemed the following to be key systems for analysis:

- Cash Receipts/Revenues
- Cash Disbursements/Expenditures
- Internal Claims Auditor
- Payroll
- Extraclassroom
- Grants Management
- Management Override
- Financial Reporting
- Technology
- Fixed Assets
- Cafeteria
- Transportation

The following will describe the work we performed on each area, weaknesses and recommendations, and an overall conclusion as to risk.

Cash Receipts/Revenues

Key things to consider in revenue risk assessment are the over reporting of revenue and misappropriation of funds. In school districts, this is not a major issue since a majority of the revenue comes from state aid and property taxes. The revenue from state aid can be readily verified from reports obtained by the State Education Department so it is not easily misstated. Also, these funds are obtained by periodic large checks and wire transfers, so there is not a significant risk of cash being misappropriated.

School taxes are collected by the tax collector. The revenue from school taxes can be matched to the tax levy so overstatement is unlikely. Further, individual taxpayers serve as a checks and balances for misappropriation of tax collections since the City would notify taxpayers if their payments were not properly credited. We consider the risk of significant misappropriation of school tax collections to be low.

Our data analysis indicated that there may be lags between sporting events and when the admission fees collected are deposited. See appendix 4 for additional details.

We did not notice any incentives or pressures on staff to over report revenue, nor did we notice any misguided attitudes in this area. Based on our analysis, we have assessed the risk over cash receipts/revenues to be moderate.

Controls over grant funding and cafeteria sales will be discussed and evaluated in later sections.

Cash Disbursements/Expenditures (Appendix 1 & 2)

We updated our understanding on these processes. We also used the following data analysis techniques to assist in reviewing this area:

- We reviewed the audit trail for internal control inconsistencies. None were noted.
- We reviewed the audit trail and determined that the Purchasing Agent was the only staff member approving POs in the system.
- We reviewed payment transaction data to determine whether payments were properly supported by POs.

We reviewed the results of the analysis (See Appendix 1 & 2) and observed the following:

- There were minimal payments w/o POs
- There were a small number of POs dated prior to approval at the end of 2017
- WinCap is not used to its fullest, there are still manual steps in the purchasing process
- In 2017 there was 1 check dated prior to PO date
- In 2018 there were no payments dated prior to PO date
- In 2017 there were 12 Payments dated 0-5 days of PO date
- In 2018 there were 5 Payments dated 0-5 days of PO date

After considering the policies, controls and our findings, we have deemed the risk surrounding cash disbursements/expenditures to be moderate. While we did note some segregation of duties and access issues, providing opportunity, there are mitigating controls in place that would minimize the potential for misappropriation.

Internal Claims Auditor (ICA)

We interviewed the internal claims auditor, documented our understanding of the procedures followed, reviewed some approved documents, and reviewed the Board's Policy Manual as part of our assessment of the internal claims auditor. We noted that the ICA has received formal training. She also provided us with copies of her reports to the Board of Education which we reviewed.

The internal claims auditor performs one of the most crucial aspects of monitoring a school district's financial accounting system. As such, the internal claims auditor should be familiar with legal requirements associated with school district purchases (i.e. bidding rules), and Board policies. During our interview with the internal claims auditor, it was indicated that she reviews claims to verify conformity with Board travel policies and legal or contractual requirements, such as price quotes or bidding. She does not review investments made to determine if they conform to Board policy.

Based on our review of the internal claims auditor area, we have assigned a risk assessment of moderate to this area.

Payroll (Appendix 3)

General

We updated our understanding of these processes. While the BOCES personnel responsible for payroll has changed, the basic process remains the same.

We have deemed the risk surrounding payroll to be high. While there are the same deficiencies noted in the cash disbursement area, in the payroll area the mitigating controls are not in place. The segregation of duties issues coupled with weak monitoring, computer access, and other control issues leads to increased risk.

Extraclassroom

This area was reviewed in depth in prior reports.

We noted that the High School Principal was appointed to be the faculty auditor. Generally, the principal cannot be the faculty auditor, since they are considered to be the head advisor; there is an inherent conflict of interests. It is important to conduct the audit on an ongoing basis throughout the year to help correct inappropriate activities and ensure that the students are learning the essentials of running a club. We recommend that the faculty auditor include a review of fundraising activities as a part of their procedures.

We consider the extraclassroom activities to be a high risk area because it involves cash, student funds and the previously discussed conditions. As such it should be considered for a more in-depth review in the next internal audit cycle.

Grants Management

We updated our understanding in this area. We did not note any significant changes except that the Special Ed Coordinator advised us that she has not been reviewing her budget accounts. This is an important internal control as it could detect a coding error from the business office. We also noted that the grant funds are not using purchase orders as effectively as the general and food service funds. Management should consider reviewing this. It is important to have strong internal controls, especially when dealing with Federal funds.

Since grant management and compliance are becoming increasingly important issues, it is vital that both coordinators and members of the business office stay up-to-date with the requirements related to the grants.

We assess the risk over grant management to be moderate. The Shared Business Manager is responsible for the financial component of grants management. Personnel appear to

have a good understanding of individual grant requirements, and they are performing some monitoring procedures.

Management Override

One of the presumptions in risk assessment is the presence of management override. We considered management override to be the ability of administrators to circumvent intended policies and procedures, and also administrators' ability to circumvent laws and regulations for which there is no direct District policy or procedure.

Another example of management override is fraudulent financial reporting. This includes the intentional misstatement of information, either through the commission of acts or the omission of facts through such means as manipulation, falsification or alteration of accounting records, intentional misapplication of accounting principles, or omission of significant information.

There were no significant changes noted in this area.

We have determined that there is a high risk associated with management override. The risk is higher at the building level than for financial statement reporting. It is possible for the District budget to be circumvented by teachers and administrators by requiring student funding. It is also possible for teachers and administrators to otherwise circumvent policies and procedures. In our judgment, the effect of these overrides to the District is of high risk in relation to the other areas studied.

Financial Reporting

In general we feel that the Board of Education is being provided accurate and timely information regarding cash balances and transactions. We rate the risk assessment surrounding financial reporting to be moderate.

Technology (Appendix 1)

Access control is an extremely important component of internal controls. Improper computer access privileges can negate effective internal controls and physical segregation of duties. Furthermore, it may make sensitive information accessible to individuals to whom it should not be available. It is important that management review all computer access privileges on a periodic basis. They should keep the employees' duties and the desired internal control structure in mind as they perform the review. They should make sure that privileges do not circumvent physical segregation of duties and that viewing privileges are granted only to employees that really need the information.

The District should also consider looking into the access issues, password policies, training and other IT issues that were discussed in previous risk assessments. Because of its far-reaching effect on every facet of the District's operations, we would rate the risk over technology to be moderate.

Fixed Asset Inventory

No significant changes were noted in this area.

Food Service

No significant changes were noted in this area. We have deemed the risk over the cafeteria to be moderate. The manager is knowledgeable about these regulations. The relative magnitude of any probable misappropriation in this area is low in relation to the financial statements as a whole.

Transportation and Buildings & Grounds

We met with the Transportation/Buildings & Grounds supervisor and from our meeting gained an understanding of the way payroll, ordering, inventory management, and asset acquisition is being done.

The District outsources its transportation program. This significantly reduces the risk in this area.

Adequate systems appear to be in place and operating effectively. There is not a large inventory of parts on hand to be misappropriated for personal use. Our risk assessment for the transportation area is low.

Risk Assessment Summary

Based on the above analyses, we have ranked the systems as high risk (H), moderate risk (M) or low risk (L):

	2018
Cash Receipts/Revenues	M
Cash Disbursements/Expenditures	M
Internal Claims Auditor	M
Payroll	H
Extraclassroom	H
Grants Management	M
Management Override	H
Financial Reporting	M
Technology	M
Fixed Assets	L
Cafeteria	M
Transportation	L

It is also important for the Board and management to keep in mind the District's strengths that help to mitigate some of the issues discussed previously. Management and members of the business office are interested and want to improve internal controls and operating systems. Building principals are involved in the budgeting and purchasing process and are starting to use WinCap to monitor their budgets and related expenditures.

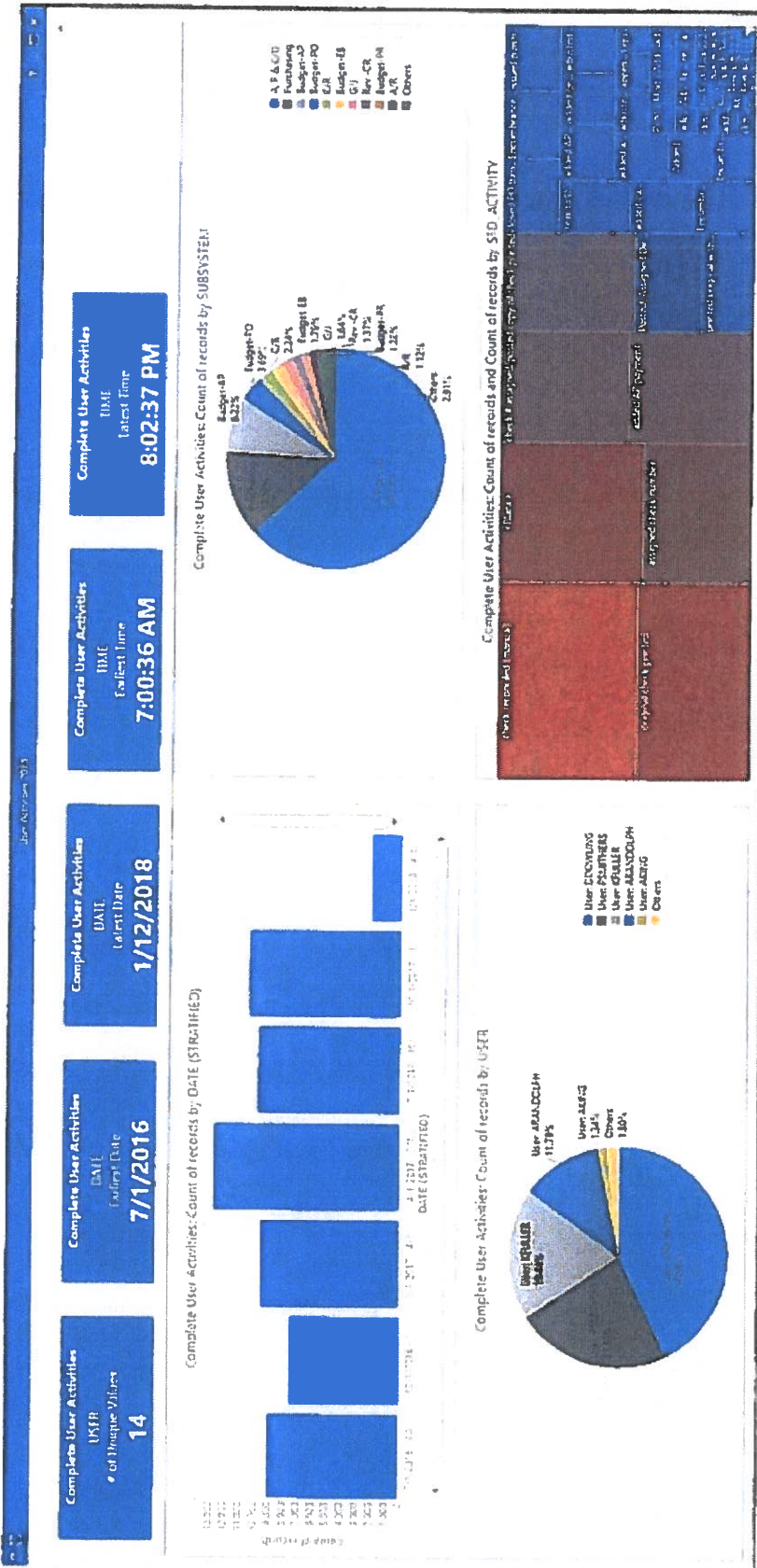
The Board of Education is ultimately responsible for the safeguarding of District assets. The Board meets this responsibility by establishing a structure of internal controls designed to prevent or detect errors and irregularities. It is the Board's duty to make certain that established controls are appropriately designed and operating effectively.

Based upon our findings and risk assessment, the Board must decide how and when to implement our recommendations, and which areas it chooses to target for further testing. We are available to help the Board establish timelines for corrective action, and to make recommendations on specific testing procedures to be performed during the next phase in the internal audit process.

Appendix I Information Technology Procedures

We obtained the user activity reports from July 1, 2016 to January 12, 2018. We performed the following procedures:

- We appended all of the individual activity reports into one master report.
- We reviewed the activity reports for indications of usages that are inconsistent with internal controls. No significant issues were noted.



Appendix 1
Information Technology Procedures

Users and Subsystems 2018			
	SUBSYSTEM	USER_ID	NO_OF_RECS
1	A/P & C/D	ARANDOLPH	5313
2	A/P & C/D	DDOWLING	14246
3	A/P & C/D	KFULLER	8621
4	A/P & C/D	MBROWN	205
5	A/P & C/D	MROBINSON	39
6	A/P & C/D	PSMITHERS	9968
7	A/R	KFULLER	547
8	A/R	MBROWN	60
9	A/R	PSMITHERS	78
10	Budget-AP	DDOWLING	4973
11	Budget-AP	MBROWN	24
12	Budget-AP	MROBINSON	12
13	Budget-BU	ARANDOLPH	1
14	Budget-BU	DDOWLING	8
15	Budget-BU	MBROWN	5
16	Budget-BU	PSMITHERS	150
17	Budget-BU	TDEMERS	1
18	Budget-CR	KFULLER	8
19	Budget-EB	ARANDOLPH	1091
20	Budget-GL	MBROWN	21
21	Budget-GL	NASHLEY	8
22	Budget-GL	PSMITHERS	92
23	Budget-PO	DDOWLING	1042
24	Budget-PO	MBROWN	11
25	Budget-PO	PSMITHERS	1192
26	Budget-PR	ARANDOLPH	779
27	C/R	AKING	541
28	C/R	KFULLER	817
29	C/R	PSMITHERS	8
30	G/J	KFULLER	466
31	G/J	MBROWN	24
32	G/J	NASHLEY	23
33	G/J	PSMITHERS	488
34	G/L Bal	KFULLER	16
35	G/L Bal	PSMITHERS	433
36	Purchasing	DDOWLING	5849
37	Purchasing	DHOUSE	55
38	Purchasing	JSTEVENSON	155
39	Purchasing	KGEARY	168
40	Purchasing	LBJORK	76
41	Purchasing	MBROWN	31
42	Purchasing	MROBINSON	5
43	Purchasing	PSMITHERS	1220
44	Purchasing	SBRENNO	33
45	Purchasing	TDEMERS	22
46	Rev -AP	DDOWLING	8
47	Rev -AP	MBROWN	1
48	Rev -AR	KFULLER	397
49	Rev -AR	MBROWN	60
50	Rev -AR	PSMITHERS	71
51	Rev -CR	AKING	274
52	Rev -CR	KFULLER	559
53	Rev -CR	PSMITHERS	2
54	Rev -GL	KFULLER	340
55	Rev -GL	MBROWN	1
56	Rev -GL	NASHLEY	2
57	Rev -GL	PSMITHERS	80
58	Rev -RV	DDOWLING	26
59	Rev -RV	MBROWN	5
60	Rev -RV	PSMITHERS	39

Appendix I
Information Technology Procedures

- We reviewed the activity reports for indications that purchase orders were being approved by someone other than the purchasing agent. It appears that the purchasing agent is the only one approving POs in the system.

Purchasing Approvals

	SUBSYSTEM	ACTIVITY	APPROVAL_LEVEL	USER_ID	NO_OF_RECS
1	Purchasing	5 St, added as Pending Order and approved to level 9	9	KGEARY	1
2	Purchasing	FLEXIBL, added as Pending Order and approved to level 5	5	DDOWLING	1
3	Purchasing	added as Pending Order and approved to level 5	5	DDOWLING	512
4	Purchasing	added as Pending Order and approved to level 5	5	MBROWN	5
5	Purchasing	added as Pending Order and approved to level 8	8	DHOUSE	46
6	Purchasing	added as Pending Order and approved to level 9	9	KGEARY	166
7	Purchasing	added as Pending Order and approved to level 9	9	LBJORK	68
8	Purchasing	added as Pending Order and approved to level 9	9	SBRENNO	6
9	Purchasing	adjusted request and saved at level 9	9	DDOWLING	9
10	Purchasing	approved request to level 5	5	DDOWLING	250
11	Purchasing	approved request to level 8	8	DHOUSE	1
12	Purchasing	approved request to level 9	9	JSTEVENSON	89
13	Purchasing	approved request to level 9	9	LBJORK	1
14	Purchasing	approved request to level 9	9	TDEMERS	35
15	Purchasing	issued purchase order	Yes	PSMITHERS	1172

- We looked for activity on unusual dates or times. (Before or after hours or weekends) We reviewed the activities and did not have any significant concerns.

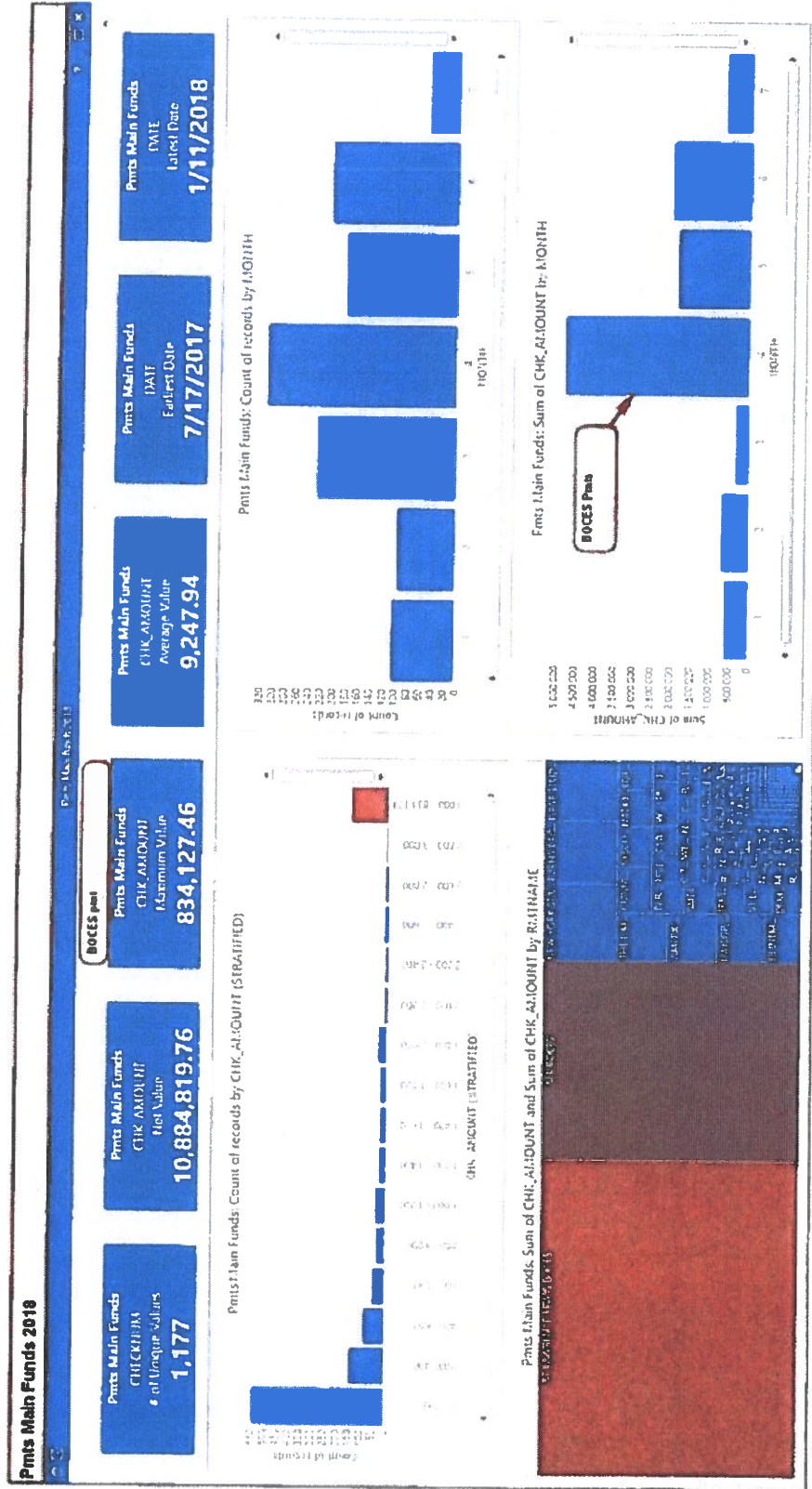
After Hours Activities

	USER	SUBSYSTEM	NO_OF_RECS
1	User: DDOWLING	A/P & C/D	93
2	User: DDOWLING	Budget-AP	77
3	User: DDOWLING	Budget-PO	13
4	User: DDOWLING	Purchasing	87
5	User: PSMITHERS	A/P & C/D	6
6	User: PSMITHERS	Budget-PO	31
7	User: PSMITHERS	G/I	2
8	User: PSMITHERS	Purchasing	31
9	User: PSMITHERS	Rev -GL	1

Appendix 1
Information Technology Procedures

- **WinCap does not provide activity reports for users' activities in the system module, so we were not able to review changes in user permissions.**

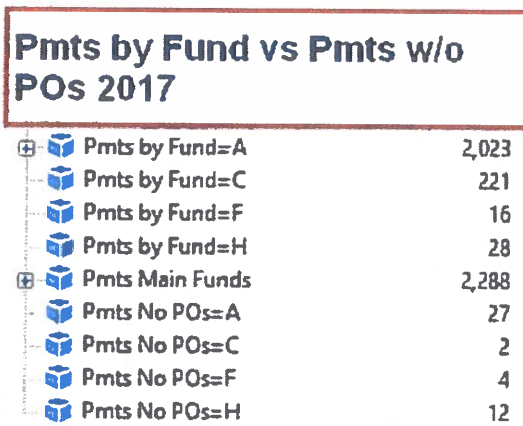
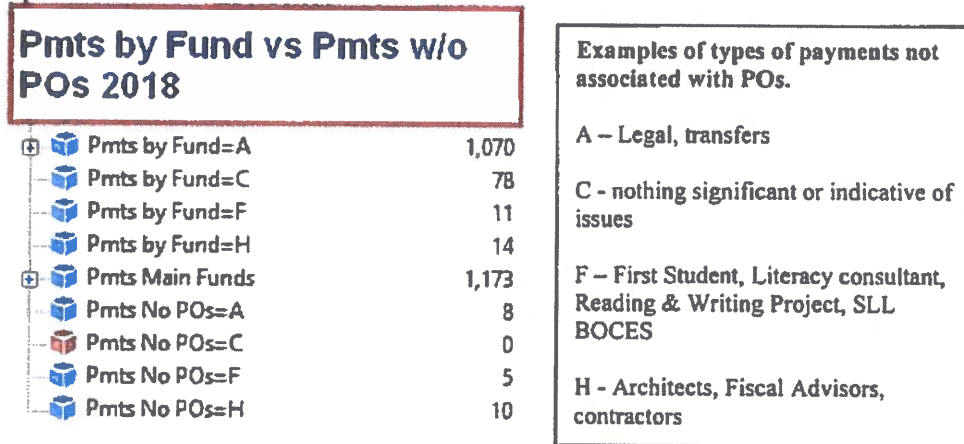
Appendix 2 Payments and Purchasing Procedures



Appendix 2
Payment and Purchasing Procedures

We performed an analysis designed to review the effectiveness of the District's use of purchase orders. The analysis indicates that the District is fairly effective in its use of purchase orders. In prior audits we had noted several types of payments where purchase orders had not been used and discussed them with the Purchasing Agent, who indicated that he would look into expanding the use of purchase orders. The number of payments without associated POs has reduced. The purchasing agent should consider requiring the use of POs for all appropriate expenditures.

The following chart shows the number of payments by fund and the number of payments by fund that were not related to a PO.



The following is an analysis of the time differential between when a check is written and the related PO was issued.

**Appendix 2
Payment and Purchasing Procedures**

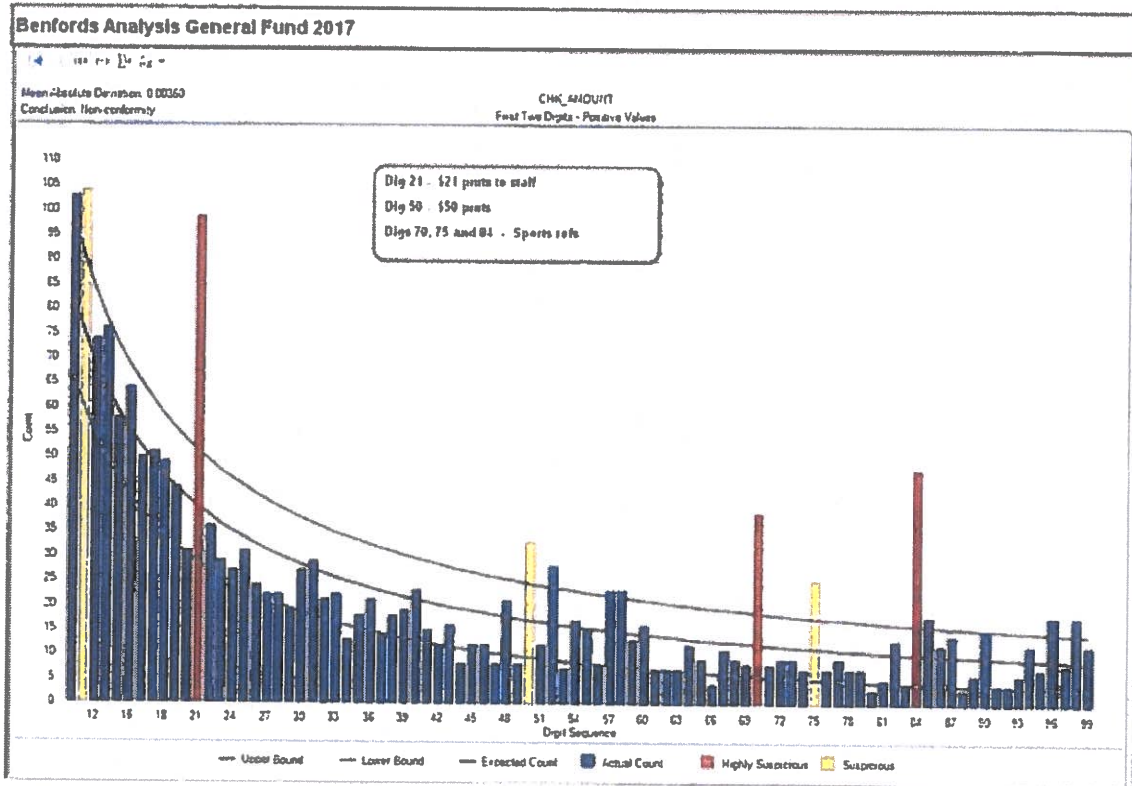
Days between PO Date and Check Date 2017							
Totalled on: CHK_AMOUNT							
Stratum #	>= L Limit	< U Limit	# Records	(%) # Records	CHK_AMOUNT	(%) CHK_AMOUNT	
1	0	5	12	0.77	34,520.09	0.37	
2	5	15	36	2.30	816,622.09	8.74	
3	15	30	59	3.77	54,017.49	0.58	
4	30	60	125	12.46	193,906.77	2.07	
5	60	90	119	7.60	2,121,985.15	22.71	
6	90	120	72	4.60	203,220.49	2.17	
		Lower limit exceptions:	1	0.05	3,359.00	0.04	
		Upper limit exceptions:	253	16.17	5,918,242.52	63.32	
		Totals:	747	47.73	9,345,873.60	100.00	

Days between PO Date and Check Date 2018							
Totalled on: CHK_AMOUNT							
Stratum #	>= L Limit	< U Limit	# Records	(%) # Records	CHK_AMOUNT	(%) CHK_AMOUNT	
1	0	5	5	0.62	203,739.29	2.19	
2	5	15	22	2.97	1,413,153.39	15.22	
3	15	30	21	8.79	1,713,867.93	18.46	
4	30	60	126	15.59	876,050.70	9.44	
5	60	90	215	26.61	1,625,100.30	17.50	
6	90	120	145	17.95	3,069,830.20	33.06	
		Lower limit exceptions:	0	0.00	0.00	0.00	
		Upper limit exceptions:	179	21.04	383,261.53	4.13	
		Totals:	756	93.56	9,285,003.34	100.00	

Generally, there should not be many payments with a very short time between the issuance of a PO and the payment. A very short interval for large numbers of transactions could be indicative of an deficient purchasing system where approvals are rushed, there is a log jam in the process or staff are not properly planning their purchases.

We also performed a Benford's Analysis on the payments data. According to Benford's Law, digits have a specific probability of appearing in a data set. Anomalies(spikes) are indicators that a specific digit class should be reviewed. This test is useful for helping to determine if amounts are being manipulated to avoid an internal control or policy that is based on a preset value. For example, if an organization's policy required a second signature for payments of \$5,000 or more, a spike at the 49 digit mark could be an indication that the policy is being circumvented. The Benford Analysis did not indicate that there were any of those issues.

Appendix 2 Payment and Purchasing Procedures



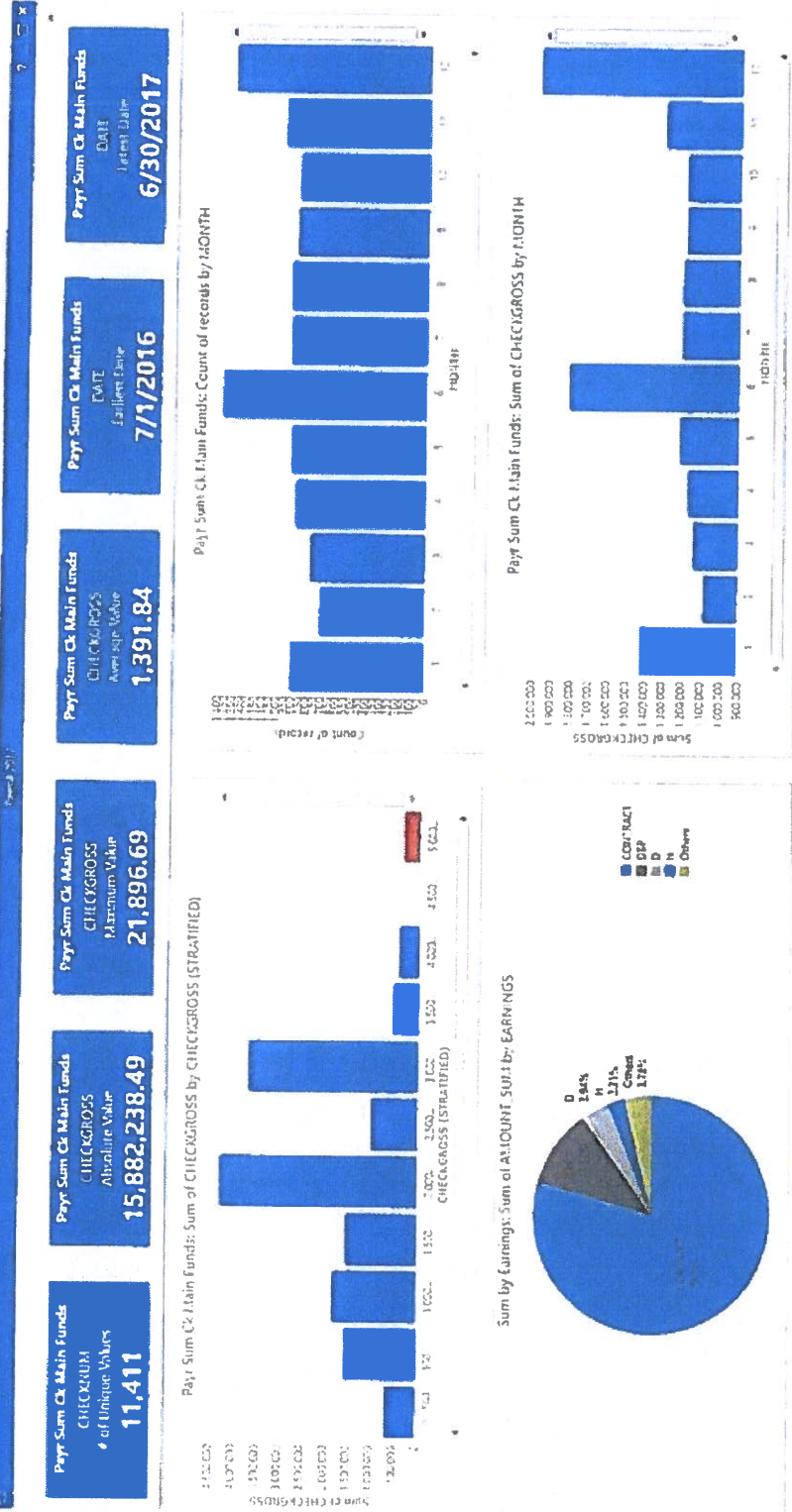
Appendix 3 Payroll Procedures

Procedures Performed

- Over view of data files
- Review Earnings codes for unusual prmts.

Payroll Overview of Data Set

This chart gives an overview of the payroll data for the 2017 school year. Note that the months are calendar months and not the school's fiscal months.



Appendix 3
Payroll Procedures

Most schools use codes in the payroll system to identify various types of payroll payments to employees. The following table is a summary of payroll payments by code. The blank codes at the top are contractual payments. The table provides a good overview of the types of payroll payments the District is making to its employees.

Payroll Summarized by Adjustment Code 2017			
	ADJUSTMENT	NO_OF_RECS	AMOUNT_SUM
1	Contract	11322	14,939,268.63
2	Deferred Big Pay	2035	1,852,501.73
3	Instructional Longevities	753	129,000.00
4	CSEA Longevity	1707	97,037.82
5	Unused Vacation Time (Buyout)	35	41,870.40
6	Administrator Longevity	182	33,500.00
7	Masters Degree	3726	31,933.00
8	RETIREMENT INCENTIVE	6	31,500.00
9	MATH GRANT STIPEND	70	23,150.00
10	Unused Sick Time	1	19,250.00
11	Health Insurance BuyOut-NonInstructional	10	16,333.38
12	Research and Development	108	15,780.00
13	Supervisor-TRS ONLY	217	14,034.75
14	Health Insurance BuyOut	18	12,800.04
15	Night Time Differential 3 -12PM	347	12,775.06
16	SUB SERVICE STIPEND	29	9,875.40
17	Department Head	228	7,858.00
18	Confidential Longevity	84	7,700.00
19	Teach Asst Filling in for the Teacher	195	7,312.50
20	Unused Retirement Vacation Time	3	6,670.94
21	Distant Learning Pay	6	6,630.97
22	Superintendent Longevity	26	6,000.00
23	Confidential Longevity-Jim McCarthy	26	6,000.00
24	SUMMER WORK -OEA	5	5,911.20
25	Scorer-TRS ONLY	70	3,674.99
26	Administrator B+60 Graduate Hours	130	3,000.00
27	ABA CLASSROOM	46	3,000.00
28	Chaperone	41	2,762.32
29	MAINTENENCE STIPEND	52	2,400.00
30	Holiday Pay	10	1,849.13
31	Dome Work Differential	42	1,506.40
32	Teaching Assistant Working As Clerical	13	1,019.50
33	Timer-TRS ONLY	19	1,002.27
34	Confidential Longevity-Brian Mitchell	26	1,000.00
35	Snow Removal Night Differential 12am-8am	25	876.23
36	Athletic Certifications	5	453.61
37	Midnight Time Differential 12am -8am	21	288.80
38	Official for Games	2	180.00
39	Docked Wages	5	-1,155.28

Appendix 4
Receipts Procedures

As a part of our risk assessment process we reviewed receipts data from 7/1/16 to 12/31/17.

How the area was identified:

Our review included reviewing the timing and patterns related to the cash deposits. From our discussions with the Athletic Director we knew that tickets were sold for many of the District's sporting events. When we reviewed the cash receipts data we noticed that there were only 9 deposits for 2017 and 3 for the first half of 2018. This was not consistent with our expectation that there would be several deposits each month. The charts below illustrate the number of days between the deposits at the bank. We had expected the number in the far right column to be 7 to 14 days at the most.

Days between Admissions Deposit Dates 2017

	DATE	NO_OF_RECS	AMOUNT	DAYS_BETWEEN_DEP
1	9/12/2016	4	3,572.93	0
2	10/21/2016	7	6,265.20	39
3	12/14/2016	5	1,400.31	54
4	1/11/2017	3	3,464.75	28
5	1/19/2017	2	1,493.35	8
6	1/26/2017	3	2,231.00	7
7	2/23/2017	3	3,094.50	28
8	3/17/2017	2	1,242.50	22
9	6/21/2017	1	1,062.00	96

Days between Admissions Deposit Dates 2018

	DATE	NO_OF_RECS	AMOUNT	DAYS_BETWEEN_DEP
1	9/14/2017	3	5,373.35	0
2	10/12/2017	2	4,289.90	18
3	12/14/2017	1	3,469.38	63

Based on this initial observation, we decided to review the processes and try to determine where the bottleneck was located.

Additional procedures:

We obtained the schedule of sporting events from the Athletic Director. We determined which events should have had ticket sales. We obtained the deposit forms from the business office. The deposit forms had the cash collection form with the deposit details as well as the receipt from the bank. Using this information we matched the individual events to the deposits. We calculated the number of days between the event and deposit into the bank.

We compared the deposit tickets to the receipts data and identified which event the deposit was related to. We matched the deposit information to the receipts. There were some differences where the deposited amount was greater than the ticket form. These

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were generally multiples of \$20 and appear to be related to the sales of season tickets. Smaller amounts were most likely donations or "keep the change" money.

We also reviewed the process with the Athletic Director. It appears that there are appropriate ticket taking and ticket accounting procedures in place. For example they are using prenumbered tickets.

Results:

We noted that that receipts from sporting events do not appear to be being deposited in a timely manner. We recommend that management develop a system to ensure that deposits are made in a timely manner. This might include a calendar that the Treasurer could consult so that they know when to expect deposits and can follow up if there are delays.

In addition there did not appear to be a "dual" counting procedure in place. The Administrator taking possession of the receipts from the ticket takers was not counting the receipt in the ticket takers' presence. If there was a discrepancy between the amount deposited and the ticket taker's form it is not possible to know where the mistake was made or at what point cash went missing. We did not detect missing funds. Furthermore the forms were not always signed and dated.

The deposit information should also identify the number of season passes that were sold and included with the event deposit. There did not appear to be any controls over the number of season passes sold or issued. This makes it impossible to determine if all season passes are sold or issued to appropriate individuals.

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2017 Event vs Deposit Comparison

	EFFECTIVE	GL_AMT	EVENT_1	EVENT_2	EVENT_3	EVENT_4	EVENT_5	EVENT_6	AGE_1	AGE_2	AGE_3	AGE_4	AGE_5	AGE_6
1	9/12/2016	752.00	9/2/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	10	0	0	0	0	0
2	9/12/2016	905.00	8/26/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	17	0	0	0	0	0
3	9/12/2016	952.00	9/3/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	9	0	0	0	0	0
4	9/12/2016	963.93	8/27/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	16	0	0	0	0	0
5	10/21/2016	1,920.00	10/7/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	14	0	0	0	0	0
6	10/21/2016	100.00	10/19/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	2	0	0	0	0	0
7	10/21/2016	538.00	9/9/2016	9/16/2016	10/7/2016	0/0/0000	0/0/0000	0/0/0000	42	35	14	0	0	0
8	10/21/2016	699.20	10/6/2016	10/13/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	15	8	18	0	0	0
9	10/21/2016	2,381.00	9/16/2016	9/9/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	35	42	0	0	0	0
10	10/21/2016	336.00	9/28/2016	9/13/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	23	38	0	0	0	0
11	10/21/2016	291.00	9/26/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	25	0	0	0	0	0
12	12/14/2016	373.00	10/21/2016	10/21/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	54	54	0	0	0	0
13	12/14/2016	270.30	10/20/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	55	0	0	0	0	0
14	12/14/2016	237.00	12/2/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	12	0	0	0	0	0
15	12/14/2016	320.01	12/5/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	9	0	0	0	0	0
16	12/14/2016	200.00	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0	0	0	0	0	0
17	1/11/2017	1,156.00	12/16/2016	12/12/2016	12/28/2016	0/0/0000	0/0/0000	0/0/0000	26	30	14	0	0	0
18	1/11/2017	248.00	12/21/2016	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	21	0	0	0	0	0
19	1/11/2017	2,060.75	12/12/2016	12/22/2016	12/23/2016	12/19/2016	12/9/2016	12/16/2016	30	20	19	23	33	26
20	1/19/2017	540.25	1/4/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	15	0	0	0	0	0
21	1/19/2017	953.10	1/9/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	10	0	0	0	0	0
22	1/26/2017	1,259.00	1/13/2017	1/14/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	13	12	0	0	0	0
23	1/26/2017	180.00	1/11/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	15	0	0	0	0	0
24	1/26/2017	792.00	1/14/2017	1/13/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	12	13	6	0	0	0
25	2/23/2017	1,415.50	2/10/2017	2/8/2017	1/20/2017	0/0/0000	0/0/0000	0/0/0000	13	15	8	0	0	0
26	2/23/2017	479.00	1/27/2017	2/6/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	27	17	0	0	0	0
27	2/23/2017	1,200.00	1/31/2017	2/9/2017	1/28/2017	0/0/0000	0/0/0000	0/0/0000	23	14	26	21	0	0
28	3/17/2017	467.00	2/21/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	24	0	0	0	0	0
29	3/17/2017	775.50	2/16/2017	2/17/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	29	28	0	0	0	0
30	6/21/2017	1,062.00	5/20/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	32	0	0	0	0	0

Effective = Deposit Date GL AMT = Deposit Amount Event = the date of the event Age = The # of days between the event date and the deposit date.

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Receipts Procedures

2018 Event vs Deposit Comparison

	SPORT	EFFECTIVE	ITEMAMT	EVENT_1	EVENT_2	EVENT_3	EVENT_4	EVENT_5	AGE_1	AGE_2	AGE_3	AGE_4	AGE_5
1	Football	9/14/2017	1,570.00	9/1/2017	9/1/2017	0/0/0000	0/0/0000	0/0/0000	13	13	0	0	0
2	Football	10/12/2017	3,391.90	9/22/2017	9/22/2017	9/15/2017	9/15/2017	0/0/0000	20	20	27	27	0
3	Football	12/14/2017	1,419.00	10/13/2017	10/13/2017	0/0/0000	0/0/0000	0/0/0000	62	62	0	0	0
4	Soccer	9/14/2017	3,535.55	8/26/2017	8/29/2017	8/30/2017	8/25/2017	0/0/0000	19	16	15	20	0
5	Volleyball	9/14/2017	267.80	9/7/2017	0/0/0000	0/0/0000	0/0/0000	0/0/0000	7	0	0	0	0
6	Volleyball	10/12/2017	898.00	9/13/2017	9/21/2017	9/19/2017	9/27/2017	9/17/2017	29	21	23	15	25
7	Volleyball	12/14/2017	517.38	10/3/2017	10/18/2017	10/11/2017	0/0/0000	0/0/0000	72	57	64	0	0
8	Hockey	12/14/2017	937.00	12/1/2017	12/2/2017	12/5/2017	0/0/0000	0/0/0000	13	12	9	0	0
9	Basket Ball	12/14/2017	596.00	12/7/2017	12/5/2017	0/0/0000	0/0/0000	0/0/0000	7	9	0	0	0
10	Passes	9/14/2017	280.00	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0/0/0000	0	0	0	0	0

Effective = Deposit Date ITEMAMT = Deposit Amount Event = date of the event Age = The # of days between the event date and the deposit date.