

BUFFALO CITY SCHOOL DISTRICT

*Risk Assessment–Follow-up on
Findings and Recommendations for the
Fiscal Years Ended June 30, 2009 through 2016*

BUFFALO CITY SCHOOL DISTRICT
Risk Assessment–Follow-up on Findings and Recommendations
For the Fiscal Years Ended June 30, 2009 through 2016
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Certified Public Accountants

To the Audit Advisory Committee of the Board of Education
of the Buffalo City School District
Buffalo, New York:

We are pleased to communicate the follow-up on our risk assessments of the Buffalo City School District (the "District") for the years ended June 30, 2009 through 2016. The purpose of our engagement is to continue to assist you in the development of a risk assessment of District operations, and provide recommendations to strengthen controls and reduce the identified risks. Our comments were developed from inquiries, observations and tests of internal controls performed during the fiscal years ended June 30, 2009 through 2016.

The District's risks are the risks that an action or event will adversely affect the District's ability to successfully achieve its objectives. The Risk Assessment section of the report analyzes the significant risks and findings that were identified during our engagement.

For purposes of this report, internal control is a process, affected by the Board of Education (the "Board"), department heads and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the reliability of financial reporting and safeguarding of assets. We have evaluated the District's current internal controls and have provided our risk assessment and a set of recommendations for strengthening controls and reducing identified risks.

As noted, the purpose of our engagement was to assist you in improving the internal controls and reducing the risks that face your District. However, it is ultimately your responsibility to assess the adequacy of your risk management system. In performing our engagement, we relied on the accuracy and reliability of information provided by District personnel. We have not audited, examined, or reviewed the information, and express no assurance thereon.

The accompanying findings and recommendations are intended solely for the information and use of the Audit Advisory Committee, the Board of Education, department heads, and others within the District, and should not be used for any other purpose.

We appreciate the opportunity to serve you and thank the individuals in your District for their cooperation. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience. Through our ongoing involvement with you as a client and our knowledge of your processes, we would be pleased to perform any additional studies of these matters, or to assist you in implementing the recommendations.

Drescher & Malecki LLP

May 25, 2017

**Risk Assessment -
Follow-up on Findings and Recommendations for the
Fiscal Years Ended June 30, 2009 through 2016**

BUFFALO CITY SCHOOL DISTRICT
*Risk Assessment – Follow-up on Findings and Recommendations for the
 Fiscal Years Ended June 30, 2009 through 2016*

Overview and Scope

The District’s risks are the risks that an action or event will adversely affect the District’s ability to successfully achieve its objectives. During our engagement we became aware of various sources of risk that impact the District.

We performed follow-up procedures to ascertain the corrective actions taken by the District to reduce the risks that were previously identified in risk assessment reports for the fiscal years ended June 30, 2009 through 2016.

Internal control recommendations represent those areas that afford department heads of the District the opportunity to improve financial reporting and internal controls, to better safeguard District assets, and/or to more efficiently or accurately record, summarize, and report financial transactions and information. They also represent those areas that may improve efficiency of operations and accounting functions, potentially resulting in cost savings.

We have provided the original criticality rating and a recommended implementation timeline for each internal control recommendation and business opportunity. Criticality ratings considered were urgent, important, and routine. The implementation timelines considered were short-term and long-term, reflecting the effort and time required to implement the applicable recommendation while factoring in the criticality assigned thereto.

Since the prior Risk Assessment Follow-up, the District has addressed 14 findings which have been removed from this document. Considering the 25 new findings and recommendations, the District now maintains 67 findings and recommendations. Of note, 24 of the 67 findings have corrective actions implemented and will be removed in the subsequent year’s Risk Assessment Follow-up report.

The findings and recommendations presented in each internal control cycle or area are summarized as follows:

Internal Control Cycle or Area	Number of Recommendations	Criticality			Timeline	
		Urgent	Important	Routine	Short-Term	Long-Term
Adult Education (AE)	1	-	1	-	1	-
Athletics (A)	3	-	1	2	3	-
Capital Assets (CA)	1	-	1	-	1	-
Extracurricular Activity (E)	6	-	5	1	5	1
Food Service (FS)	1	-	-	1	1	-
Grants (G)	1	-	1	-	1	-
Health Insurance (HI)	3	-	2	1	2	1
Information Technology (IT)	9	3	4	2	8	1
Inventory (I)	9	2	5	2	6	3
Payroll and Personnel (PP)	11	1	6	4	8	3
Purchasing, Accounts Payable and Disbursements (PA, PC)	10	-	6	4	5	5
Revenue and Accounts Receivable (R)	2	-	2	-	-	2
Special Education (SE)	4	-	4	-	4	-
Workers' Compensation (WC)	6	2	4	-	3	3
Total recommendations	67	8	42	17	48	19

The findings and recommendations are also presented in each internal control cycle or area based on the results of our follow-up procedures as follows:

Internal Control Cycle or Area	Number of Recommendations	Corrective Actions Implemented	Corrective Actions In Process	Risks Determined Acceptable	Corrective Actions Not Taken	Corrective Actions to be Determined
Adult Education (AE)	1	-	-	1	-	-
Athletics (A)	3	1	2	-	-	-
Capital Assets (CA)	1	-	1	-	-	-
Extraclassroom Activity (E)	6	-	5	1	-	-
Food Service (FS)	1	-	-	1	-	-
Grants (G)	1	-	1	-	-	-
Health Insurance (HI)	3	-	3	-	-	-
Information Technology (IT)	9	5	4	-	-	-
Inventory (I)	9	5	4	-	-	-
Payroll and Personnel (PP)	11	5	3	3	-	-
Purchasing, Accounts Payable and Disbursements (PA, PC)	10	3	1	-	-	6
Revenue and Accounts Receivable (R)	2	1	-	1	-	-
Special Education (SE)	4	3	-	1	-	-
Workers' Compensation (WC)	6	1	3	2	-	-
Total recommendations	67	24	27	10	-	6

Corrective Actions Implemented-This category identifies risks noted for which the recommendations or compensated controls were implemented or original findings were no longer applicable.

Corrective Actions In Process-This category identifies risks noted for which the corrective actions have begun, but are not yet complete.

Risks Determined Acceptable-This category identifies risks noted for which the risks were determined by the District to be acceptable or that the cost of putting additional controls in place would exceed the benefits to be derived.

Corrective Actions Not Taken-This category identifies risks noted for which the corrective actions have not been taken.

Corrective Actions to be Determined- This category identifies risks noted for which the recommendations were brought to the attention of appropriate personnel within the last year and corrective actions have not yet been determined.

**Appendix A -
Matrix of Findings, Recommendations and Implementation
For the Fiscal Years Ended June 30, 2009 through 2016**

Adult Education (AE)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (AE)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
AE13-1	<p>Currently, the District utilizes separate time sheets for each grant. If an employee works on more than one grant, he or she is required to fill out more than one time sheet to ensure that time worked is appropriately expensed to the proper expenditure line.</p>	<p>We recommend the Adult Learning Center consider the use of time distribution sheets, which would include all time worked per employee but would separate hours worked on each grant. This would consolidate the Adult Learning Center's timekeeping process, making it more efficient, and reduce the risk of errors while staying in compliance with all grant requirements.</p>	<p>Important - Short Term</p>	<p>The finding is similar to that in the prior year in which the District has a line item for funding codes at the top of all timesheets. However, the time sheets do not contain different lines for additional funding sources if the employee works on multiple funding codes. The District will continue to use the current policy in place as an employee working on multiple funding codes is rare.</p>	<p>Risk determined to be acceptable</p>	<p>N/A</p>

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Athletics (A)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (A)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
<p>A09-2 A10-2 A15-2</p>	<p>Athletics</p> <p>District policy requires that a physical inventory of athletic equipment be taken at each school at the end of each year of instruction by the Director of Athletics and coaches. However, it did not appear as if the District enforced this policy during the performance of our school site visits for the year ended June 30, 2010, which occurred in November 2009 and in April 2010. Athletic Supervisors at the schools do not furnish formal documentation supporting that a physical inventory was performed to the District and no evidence was available to support that any physical inventory was taken by the Director of Athletics. The Director of Athletics indicated that Athletics Supervisors at the school locations do prepare physical inventory listings of equipment at their locations at the beginning and ending of each year of instruction, as well as a reconciliation of equipment inventory to identify missing items, and follow up by utilizing the list of equipment and uniforms distributed to students throughout the year; however, there was no evidence available to provide proof the policy is being followed.</p>	<p>Physical inventories and reconciliations should be submitted to the District, be reviewed by appropriate management personnel, and include formal documentation of such review.</p>	<p>Routine - Short Term</p>	<p>At the end of each season, inventory is taken and recorded by the coach. There is now formal documentation to record the inventory count. The inventory sheet states the date of inventory and the count of the equipment received back, which is then compared to the master inventory sheet. The coach signs the sheet and the administrator signs the sheet. The students also have documentation to keep track of inventory. The student initials a separate sheet stating when they receive the equipment and then initials again when equipment is returned back to the district. There is a two week time period for the sheets to be returned to the Athletic Director. The District is still working towards implementing a policy for corrective action against students who did not return inventory, making the students and parents liable.</p>	<p>Corrective action in process</p>	<p>It is recommended that the District continue to implement the corrective actions for students that do not return the District's inventory subsequent to the season ending.</p>
<p>A15-1</p>	<p>Based on our inquiries and observations, we noted Athletic procedures varied based on individual school and/or coach.</p> <p>Due to varying and unwritten procedures within the District, we noted the need for a District-wide athletics policy that addresses standard items including, but not limited, to the following:</p> <ul style="list-style-type: none"> • Sporting event ticket policies—Admission prices should be documented and justifiable and for all sporting events. The use of tickets for events may be discussed and the decision should be implemented District-wide. • Standard athletic forms—Forms for reconciliations, deposits, and purchase orders should be tailored to all athletic departments and proper use detailed in a policy. • Event ticket reconciliation forms—The cash collector at an event should sign the form stating the amount of cash collected as well as the beginning and ending ticket numbers for reconciliation purposes. Principals should review the reconciliation and sign-off and Clerks should also sign-off, certifying the amount of cash received agrees to the reconciliation form. The policy should state standardized procedures and include an example of a properly completed reconciliation form. • Vault and cashbox policies—The policy should include standardized cash vault procedures and limited vault access in order to prevent theft. • Storage of sporting equipment procedures—Equipment maintenance and custody may be addressed in the policy, an example may be the use of an inventory log. 	<p>We recommend that the District creates a universal athletics policy manual that all schools and coaches adhere to. Oversight and enforcement of these policies should be handled by the extraclassroom representative and Athletic Director. Adequate training for all building representatives and coaches should also be provided.</p>	<p>Important - Short Term</p>	<p>The District has been working towards implementing formalized standard policies for schools and coaches to adhere to. In the current year, written policies for cash management have been implemented. Lastly, the schools are utilizing building liaisons in order to better track and remit Department information.</p>	<p>Corrective action in process</p>	<p>We recommend the District continue to implement the remaining policies included within the original recommendation.</p>

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (A)	Original Description of Findings Athletics	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
A15-3	At the end of every season, coaches decide what items are needed for the next year and fill out a supply request. Common items such as socks and belts are not requested due to the fact that the District automatically orders and distributes these items seasonally, regardless of demand.	We recommend the District order all common items under a blanket purchase order on an as-needed basis. A request for supplies should be completed by coaches. The request should then be approved by the Athletics' Director and the Purchasing Department. This will ensure that schools are adequately stocked with no shortage/overage of supplies, equipment, and uniforms.	Routine - Short Term	When the coaches need equipment, including common items, the coach/individual school will now contact the Service Center and create a requisition for the equipment.	Corrective action implemented	N/A

Capital Assets (CA)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (CA)	Original Description of Findings Capital Assets	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
CA14-1	The service center and/or schools do not always notify Accounting or the Audit Inspector of transfers or disposals of assets. It was noted that in many cases, a disposal is not realized until a school site visit. Notification of transfers or disposals to Accounting or the Audit Inspector allows for more accurate and timely record of asset location and existence.	The District should implement a policy to notify Accounting or the Audit Inspector of transfers or disposals of assets in a timely manner. This could occur when the Service Center fulfills transfer/disposal requests. It was noted that requests are mainly handled through a paper form, that includes three copies, where the individual accepting the goods maintains one copy, and the remaining two copies are filed in the Service Center. One of these copies could be provided to the Accounting department for proper notification. Another option is the use of barcodes on tagged inventory. The barcode scanned when it is transferred or disposed, and this documentation could be provided to the Audit Inspector on a regular basis.	Important - Short Term	The District utilizes asset tags that have barcodes on them. When scanned this information goes to a database which populates an Excel file listing all recorded fixed assets. From this excel file, the District can update the location of the fixed asset. In addition, the District provides the Audit Department with transfer and disposal forms when assets are moved. This allows for a better system of tracking fixed assets. However, although there is an informal fixed asset tracking policy, a formal one has not been formally adopted.	Corrective action in process	We recommend the District adopt a formal policy in regards to transfers or disposals of assets. In addition, we recommend that the transfer and disposal requests be utilized through the SchoolDude ticket system. This would allow for a more efficient, paperless tracking system.

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Extraclassroom Activity (E)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (E)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
	Extracurricular Activity					
E09-3	The Central Treasurer of the extracurricular fund is not bonded. Additionally, during our school site visits, we noted that neither cash nor extracurricular funds are collateralized.	It is recommended that the Central Treasurer be bonded in an amount consistent with the amount of cash that is handled.	Important - Short Term	The District analyzed bonding the Central Treasurer and determined it not to be cost effective. Extracurricular funds are below the FDIC insured limit amount and do not require collateral.	Risk determined to be acceptable	N/A
E09-6 E09-7 E10-5 E10-6	District policy requires the use of pre-numbered tickets for admission to athletic events, held at individual school locations. At two school locations visited, we noted faculty collected cash from the sale of tickets to boys' basketball games and remitted the funds to the Main Office Clerk after the event; however, a reconciliation of cash collected versus tickets sold was not completed at the end of each event. In order to properly monitor ticket sales, and secure cash at these events, we recommend that a reconciliation of pre-numbered tickets sold to cash collected be performed for all events where pre-numbered tickets are sold. At several other schools, we noted proceeds from ticket sales to boys' basketball games were not communicated to the District at all, but rather controlled by each individual school location. Also, while conducting our site visits of ten District schools, during the year ended June 30, 2010, we noted that two of the schools either did not sell the pre-numbered tickets for football games held at All-High Stadium that were given to them by the District, or did not track amounts of cash collected for the number of tickets sold. No information was ever returned to the District indicating what cash was collected, if any.	Reconciliations should be prepared for all sporting events where pre-numbered tickets are sold and remitted to appropriate District personnel for review. Also, pre-numbered tickets not sold are to be returned to the District Director of Athletics, noting that no cash was ever collected, and reconciliations should accompany to account for any tickets sold or given away to students by school principals or administrators, when applicable.	Routine - Short Term	The District does not always utilize pre-numbered tickets as the process at individual school locations are different depending on the individual school's policies. It was noted that for schools which utilize pre-numbered tickets when applicable, a Statement of Activity form is completed where tickets are reconciled with sales. This reconciliation is then reviewed by different levels of staff to confirm it was executed properly. The District is currently working towards getting all clubs to perform this; however, for some sales it is not practical to issue tickets.	Corrective action in process	We recommend that a District-wide policy be created for all schools to follow for athletic events. The policy should cover what types of games have admission prices, what those prices are and ticket collection procedures. This policy should require use of pre-numbered tickets and tickets of different color per different priced tickets. All unsold tickets should be returned to the extracurricular liaison for that particular school.
E15-1	The District is in the process of developing and implementing software to be used for the Extracurricular activities. This system will allow for more controls and checks to ensure accuracy, timing of reports, reconciliations and budgets. Budgets will be prepared for each classroom activity before the activity can be entered into the system. This will help monitor cash receipts. If there is a large variance between budgeted and actual cash amounts then the cash account will be further investigated to determine the cause of the discrepancy.	We recommend that the District implement the new software as soon as possible. Further, we recommend sufficient monitoring to document weaknesses and strengths in the system. Upon evaluation, the Board can use the documentation of weaknesses and strengths to further improve the system and procedures.	Important - Long Term	The District has continued its use of the Access Software. There have been recent meetings with the District's software programmers in order to make the software more efficient and have better internal controls in place (such as not allowing for override within the system, tracking who makes what changes, etc). The District plans to research other software for extracurricular activity reporting for use in future years.	Corrective action in process	We recommend the District continue to implement internal controls in regards to the Access Software.
E15-2	Extracurricular activity funds should only be utilized for grades 6-12. The District uses Extracurricular activity funds for all grade levels. A main purpose of the Extracurricular activity fund is to teach students good business procedures through handling funds and operating a successful business, therefore it is unnecessary to establish this program at a lower grade level that cannot obtain these goals.	We recommend that the Extracurricular activity funds not be used for grades other than 6-12.	Important - Short Term	The District still maintains extracurricular activity in grades that are not in compliance with State guidelines. The District is aware of this issue and will review the purpose of the funds at the elementary school level. It was noted that the funds' activity has decreased during the current year and are mainly used for tracking a school's petty cash and paying postage. The District is evaluating the improvements that may be addressed with the new software.	Corrective action in process	We recommend that the Extracurricular activity funds not be used for grades other than 6-12.

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
<p>E15-3 (E)</p>	<p>Extraclassroom Activity We noted that sales tax is only computed for items the District purchases, including inventory. Sales tax is not accounted for or collected for required items. Finance Pamphlet 2 states that the District is subject to provisions of the State Tax Law whenever it becomes the vendor of services or property ordinarily sold by private persons. Each faculty advisor is responsible for knowing which activities undertaken by the organization are subject to sales tax.</p>	<p>We recommend that the District evaluate each clubs' exposure to New York State sales tax laws and determine whether money is owed for goods or services sold. In addition, the Chief Faculty Advisor should include in the training agenda, procedures and policies for remitting sales tax to New York State, where applicable, to ensure that all faculty advisors are aware of their obligations under the tax code. Additionally, to ensure payments are made when necessary, the District should implement the necessary controls to monitor the sales tax reporting process.</p>	<p>Important - Short Term</p>	<p>The District has not found an efficient process for the collection of sales tax during the current year. The District still plans on researching other large districts within New York State in order to find further guidance on how sales tax should be accounted for and remitted to the State. It was noted that the District would like help in receiving guidance for this.</p>	<p>Corrective action in process</p>	<p>Same as original recommendation.</p>
<p>E15-4</p>	<p>The District does not file Form 1099 miscellaneous with the Internal Revenue Service. The New York State Finance Pamphlet states "The central treasurer must monitor compliance with IRS guidelines regarding the filing of statement 1099 miscellaneous".</p>	<p>We recommend that the District evaluate each clubs' exposure and compliance for the IRS Form 1099 - Miscellaneous income. Generally, the threshold for filing receipts of \$600 or greater.</p>	<p>Important - Short Term</p>	<p>The District has not found an efficient process for the creation of Form 1099 miscellaneous for vendors during the current year. The District still plans on researching other large districts within New York State in order to find further guidance on how this form can be compiled. It was noted that the District would like help in receiving guidance for this.</p>	<p>Corrective action in process</p>	<p>Same as original recommendation.</p>

Food Service (FS)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (FS)	Original Description of Findings Food Service	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
FS09-4	At one of the fifteen District school locations visited, we noted that the Food Service Supervisor was not depositing cash from lunch sales on a daily basis. At the end of each school day, the supervisor would lock excess cash from the cash registers and lockbox in the freezer and would deposit the money every Friday. Overall, the amount of cash from lunch sales that would be stored in the freezer for the week amounted to approximately \$200.	We recommend the Food Service Supervisor deposit cash from lunch sales daily to adequately safeguard cash.	Routine - Short Term	There has not been a change in corrective action. Previously the money was located in a safe in each school's principal's office. When money was to be given to the appropriate parties, this breached the segregation of duties because the principal's safe should have limited access. As safe's are costly, and since the monies utilized by the teacher's are infrequent, it was not cost effective to follow our recommendation. These funds are still locked in the freezer since the freezer has limited access to the head cook for each school, and the cashier whom deposits the money, and is properly safeguarded with a lock. Once the monies reach fifty dollars, the Cafeteria Manager for each school then deposits this to the bank. If there is a conflict, the individuals that may be responsible are easily identifiable.	Risk determined to be acceptable	N/A

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Grants (G)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (G)	Original Description of Findings Grants	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
G11-7	We did review the District's written Code of Ethics, specifically related to conflicts-of-interest. However, it was determined that the District does not require District officers and employees to sign a statement that they have read, understand, and will adhere to the Code of Ethics. We also noted that the District does not provide periodic ethics training to all District employees.	We recommend that all District officers and employees be required to sign a statement acknowledging that they have read, understand, and will adhere to the District's Code of Ethics. We also recommend the District provide annual ethics training to all District employees.	Important - Short Term	Similar to prior year, ethics training has been provided to employees. Signed statements are required and the District Legal office is working out the logistics of this annual signed certification. The policy has been implemented, but there is no formal procedures for annual certifications. Pending update of policy, this finding plans to be addressed.	Corrective action in process	Same as original recommendation.

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Health Insurance (HI)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (HI)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
Health Insurance						
HI13-1	Dependent verification can ensure that the District is not providing health insurance to dependents of employees who are not eligible and do not meet the District's requirements. The District performed a dependent verification for the 2011-2012 fiscal year and discovered instances where health insurance was being provided for dependents that were not eligible.	We recommend that the District standardize and formalize this dependent verification process to be performed on a periodic basis. This would help to mitigate the risk that the District is providing health insurance to ineligible persons.	Important - Long term	Similar to prior year, the Benefits Office had negotiated with different unions and had started performing dependent verifications within the current year. There has been corrective action in regards to employees whose dependents are not eligible. The District is planning a dependent verification for fall 2017.	Corrective action in process	Same as original recommendation.
HI13-3	New federal health care regulations obligate the District to make certain information available to current employees and retirees. The District's current process requires the Benefits Office to send these packets of information through the mail. Additionally, all applications for health insurance are done manually on paper, as there is no option to fill these forms out online. These mailings incur a substantial cost to the District due to the large number of employees.	We recommend the District consider making health insurance applications available online. Additionally, the District should make required information regarding the new health care regulations available to employees online, satisfying the availability requirement and eliminating the substantial time and cost of printing and mailing.	Important - Short Term	Response is similar to prior year. The 32 page document for health insurance does not have to be mailed if employees can access it on-line. If requested, the District will mail the document. Progress on development of an online application is ongoing.	Corrective action in process	Same as original recommendation.
HI13-4	The District uses paper forms during open enrollment, and sends required information updates to all retirees through the mail. Additionally, the District's IT department supports a retiree database used to manage information for all District retirees. This database tracks the name, address, retirement date, birth date, group number, marital status, retiree contributions, dependents, and Medicare information. This database has not been updated in over ten years. Not all retirees have provided an email address, creating a need for printing and mailings, some of which can be substantial, considering the upcoming Federal Health Law regulations and requirements. Currently, the Benefits Office does not have the ability to create many of the reports it needs for daily use. In many instances, a request must be made from the IT Department.	We recommend that the District consider updating the retiree database, which would allow the Benefits Office access to more reports without having to request them from the IT Department. Additionally, we suggest that the District encourage retirees to provide an email address. This would allow the District to provide information required by the Federal government through email, substantially reducing printing and mailing costs.	Routine - Short Term	Similar to prior year, the retiree database was reconfigured to accommodate a BlueCross/BlueShield change in group numbers. The District has implemented procedures in which most reports are received from BC/BS. The IT Department is still in the process of creating the retiree database.	Corrective action in process	Same as original recommendation.

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Information Technology (IT)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (IT)	Original Description of Findings Information Technology	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
<p>IT09-1 IT10-1 IT11-3</p>	<p>Controls should ensure that user access rights are properly controlled and limited based on job function may not be adequately designed or may not be operating efficiently. No documentation was available to evidence that a formal review of user access to the major applications used by the District (i.e. MUNIS) is required or performed at least annually by department supervisors. In addition, user accounts of terminated employees may not always be deleted promptly as the control to communicate terminations from the District's Human Resources Department to the IT department may not be appropriately designed or is not operating effectively.</p>	<p>We recommend a formal review of user access rights within the major applications of the District (i.e. MUNIS) should be performed and documented at least annually by appropriate employees of the District (e.g. department supervisors) to ensure that access rights are appropriate based on job function. Inappropriate access identified during the review should be communicated promptly to the IT Department (i.e. security administrator) for removal or modification. In addition, the District should revisit the design of the current control to require the timely communication of employee terminations by Human Resources to the IT Department to ensure that the design meets the intended control objectives.</p>	<p>Important - Short Term</p>	<p>The IT department has begun the process of formalizing procedures to review all major application access. Reports that have been sent to all department heads to review and notify IT if any users who currently have access are no longer employed by the school district. In addition, the problem with staff accounts in MUNIS becoming unlinked from Infinite Campus has been fixed. Finally, the IT department is now providing annual verification of Munis user access.</p>	<p>Corrective action implemented</p>	<p>N/A</p>

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (IT)	Original Description of Findings Information Technology	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
IT11-1	<p>The current organizational structure of the District's Information Technology ("IT") department may not be adequate to ensure that Information System ("IS") security is properly administered. Based on a review of the District's IT organizational chart and our discussion with IT management, the District does not currently employ a security administrator or similar position. IT management is, however, aware of the need to hire such an employee and is currently searching for an appropriate candidate.</p>	<p>We recommend that the District hire a security administrator to ensure that end users in the District are complying with the District's IS security policy and controls are adequate to prevent unauthorized access to the District's information assets (including data, programs, and equipment). To maintain adequate segregation of duties, the security administrator should be a full-time employee who reports directly to the IT Director. The security administrator's functions may include maintaining access rules to data and other IT resources, maintaining security and confidentiality over the issuance and maintenance of authorized user IDs and passwords, monitoring security violations and taking corrective action to ensure that adequate security is provided, periodically reviewing and evaluating the security policy and suggesting necessary changes to management, and developing a security awareness program for employees.</p>	Urgent - Short Term	<p>After working with the District's Human Resource Department and the Buffalo Municipal Civil Service Commission, the Board has agreed to adopt five new information technology titles, with a highly technical skillset to support the Local and Wide Area Network (LAN/WAN) tasks. The new positions were adopted by the Buffalo Civil Service Commission in August 2015.</p> <p>The District is still attempting to hire a security administrator. However, this has been a lengthy process as the Board is hiring at a wage rate lower than the industry norm. In efforts to fill the position, the 2017-18 budget includes a higher level informaton security title.</p>	Corrective action in process	<p>We recommend that the District consider outsourcing the Security/Compliance Officer position until a candidate with the proper credentials is hired.</p>

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (IT)	Original Description of Findings Information Technology	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
IT11-2	<p>A comprehensive written IS policy for the District does not exist or was not available for review. The District maintains certain documents typically associated with an IS security plan such as a written Disaster Recovery Plan, and an Acceptable Use Policy. However, no written IS security policy exists which document the security objectives needed to meet the District's business requirements. Appropriate security objectives may include policies and procedures to ensure the continued availability of the District's information systems and the integrity of the information stored on such computer systems and while in transit, the preservation of confidentiality of sensitive data while stored and in transit, and the conformity with applicable laws, regulations, and standards.</p>	<p>We recommend that senior management of the District should understand and evaluate the security risks of the District, and develop and enforce a written IS policy that clearly states the standards and procedures to be followed. The development of the IS security policy (which provides the framework for designing and developing logical and physical access controls) is the responsibility of senior management of the District who may, in turn, delegate its implementation to appropriate management with adequate controls such as periodic audits, monitoring of security processes, and technical vulnerability assessments. A written IS security policy is intended to contribute to the protection of information assets and its objective is to protect the information assets of the District against all types of risk whether accidental, intentional, or from natural disaster. Responsibilities for the protection of individual information assets and the duties of the security administrator should be clearly defined in the written policy. General guidance on the allocation of security roles and responsibilities in the District as well as detailed guidance for specific sites, assets, services, and related security processes (e.g. recovery and continuity) should be included, and the policy should ensure the systems conformity with laws and regulations, integrity, confidentiality, and availability of data.</p>	Urgent - Long Term	<p>The District has successfully moved the servers out of city hall and into schools 94 and 97. When one server fails, the other server automatically takes over as the primary backup location.</p> <p>Additionally, the IT department has various parts of the IS policy written and is currently in the process of re-writing their cyber policy. They intend on having all the policies, including the new cyber policy, consolidated into one comprehensive document by the end of the 2017 fiscal year. Once completed, IT is looking to do a security audit and policy test.</p>	Corrective action in process	We recommend IT finalize the policies in process.

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (IT)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
Information Technology						
IT13-1	No written disaster recovery plan exists relating specifically to internal District procedures. The District does utilize the disaster recovery plan of the Western New York Regional Information Center (Erie 1 BOCES). However, this plan does not explain the roles and responsibilities of District employees in the case of an emergency. Best practices surrounding Information Technology ("IT") and business management dictate a disaster recovery /business continuity plan in writing.	We recommend the District prepare a formal written disaster recovery /business continuity plan that addresses the following areas: scope and capability of the plan; description of the key roles and responsibilities of employees; summary of the critical services, along with the recovery objectives and priorities; third-party contact details; and detailed recovery activities and sequence of events. Once this plan is written, it should be tested on a periodic basis.	Urgent - Short Term	The District has implemented a Disaster Recovery Plan.	Corrective action implemented.	N/A
IT13-2	The District does not have a comprehensive IT security plan. There is no written document that explains all policies and procedures of the District's IT environment. A comprehensive IT security plan provides an examination of the threats facing the District and the ways the District will deal with these threats. It also contains all IT-related policies and procedures that should be conveyed to all users within an organization. We recommend the District publish a comprehensive IT security plan and make it available to all appropriate IT users.	We recommend the District publish a comprehensive IT security plan and make it available to all appropriate IT users.	Important - Short Term	IT department has various parts of the IS policy written and is currently in the process of re-writing their cyber policy. They hope to have all the policies, including the new cyber policy consolidated into one comprehensive document by the end of the 2017 fiscal year.	Corrective action in process	Same as original recommendation
IT 13-3	Laptops utilized by District employees do not contain encryption software. To protect sensitive data on portable devices such as laptops, the device should have encryption software installed. ⁹	We recommend the District install encryption software on all portable devices to reduce the risk of unauthorized access to sensitive data.	Important - Short Term	The VDI has been rolled out to all schools, and all data saved is redirected to the network drives housed in the data centers. Starting at the end of November 2016, the cabinet members will be receiving encryption on their computers and the data will be sent to a separate backup process. After the cabinet members, the highest level exempt employees will be receiving the encryption software.	Corrective action in process	Same as original recommendation.
IT 13-4	Wiring closets on floors 7 and 8 of City Hall remained unlocked. All server rooms and wiring closets should be secured at all times with access only to authorized personnel.	We recommend the District consider installing MAG locks on all wiring closets within City Hall. These locks are currently utilized for access to the server room and many other department rooms. These locks will ensure proper locking of the doors without the need to manually lock it with a key after use.	Important - Short Term	In the current year, locks have been installed as part of the workorder the IT Department had requested.	Corrective action implemented.	N/A

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (IT)	Original Description of Findings Information Technology	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
IT 13-8	The BPS-open wireless network is not password-protected.	We recommend at a minimum that the District prevent the public transmission of the SSID for the BPS-open wireless network. This will protect District resources from public use.	Routine - Short Term	BPS has since had a rewiring in which the District allowed for a wireless network upgrade. The District has the following three SSIDs: BPS - secured and encrypted 802.1x, BPS_Guest - unencrypted internet access for guests restricted via the registration page giving temporary passwords, Unbroadcast BPS iPad - unencrypted, network restricted via MDM hard for registered endpoints only. The logic engine also accommodates "bring your own devices" (BYOD); if the user has an allowed Active Directory Account, otherwise the user is automatically assigned as a guest and is given restricted internet access only.	Corrective action implemented	N/A
IT 13-11	During our review of the user permissions of the ePayables platform through Bank of America, we noted improper segregation of duties. The Deputy CFO, Director of Purchasing, and the Supervising Auditor have administrative rights in the platform.	We recommend the District only grant administrative rights to a District employee independent of the daily purchasing and accounts payable operations, such as the Deputy CFO and/ or an employee within the IT department.	Routine - Short Term	The Supervising Auditor has been removed from the system as an administrator. The ePayables system correlates to purchasing and is why the Director of Purchasing has administrative rights. Note that the Director of Purchasing does not have the capability for payments through the ePayables system. The CFO has administrative rights only to the extent of continuing to be notified of every administrative change in the system; however, the CFO now approves all cards. This is conducted as part of an oversight for the Department.	Corrective action implemented	N/A

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Inventory (I)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (I)	Original Description of Findings Inventory	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
I15-1	<p>During our walkthrough of inventory located at the Service Center facility within the inventory and supply departments, we noted the following:</p> <ul style="list-style-type: none"> • Obsolete items on hand, such as incompatible ink cartridges, expired child safety seats and excess steel rods and other metal objects that do not appear to have any applicable use. • Inventory which appeared to be unused included copper tubing fixtures for plumbers and miscellaneous items on the stockroom floor. • Boxes of paper were held in several different locations (instead of one designated area) of the warehouse. Additionally, items were mixed with unrelated inventory items that were consistently used. For example, donated art-kits were located in the middle of the main warehouse floor alongside donated car seats. 	We recommend that the inventory noted herein, as well as any additional obsolete inventory at the Service Center, be sold or disposed of. We recommend that inventory items are properly maintained and organized on the warehouse floor. It would be beneficial to hold all goods similar in nature in one area to make sure the entire inventory is properly counted for.	Important - Short Term	In the past fiscal year and current, there have been multiple auctions that were facilitated from the Budget Officer. As a result from the auctions, the obsolete inventory has either been sold or discarded. The rest of the inventory has been rearranged to be stored with other items in its classification. The Plumbers cage has not been addressed due to the low staffing of the Plumbers Trade.	Corrective action in process	We recommend the Plumbers cage have an inventory in which obsolete items are disposed of or sold at auction.
I15-2	<p>We performed testing on inventory counts at the Service Center warehouse within the inventory and supply departments. We compared interim and year-end inventory counts per the MUNIS system to actual inventory on hand. For the interim physical inventory count we randomly selected a sample of 14 items, of which 7 of the items did not match the MUNIS records. For the year-end count we selected a sample of 10 items, of which 3 did not match the MUNIS records.</p> <p>Additionally, we noted during the year-end physical inventory process that there was no cut-off period for supplies being ordered and received which can lead to potential inaccuracy of the inventory counts.</p>	We recommend that the District implement controls with regards to routine physical inventory counts. All employees responsible for the counts should be informed, at the minimum, a week in advance. When new supplies are purchased and distributed, they should be tracked. Further, random audits should be conducted throughout the year to ensure department accuracy.	Important - Short Term	In the current year, the Service Center inventory count will be lead by the Plant Department rather than the Purchasing Department. As such, there will be new procedures for the 2017-2018 fiscal year-end count as new management has started work and plans to allocate time to the appropriate personnel.	Corrective action implemented	N/A
I15-3	During our walkthrough of inventory located at the Service Center facility, we noted boxes of potentially confidential information which were marked "shred up to the year 1994", but remained at the Service Center. In addition, these potentially confidential records are not safeguarded and anyone with access to the Service Center warehouse could view them.	We recommend that these records either be shredded or secured in a locked area.	Urgent - Short Term	As part of the transition for new management with the Service Center, the Superintendent for Student Support has now been advised of the prior year's issue. In addition, with the new capital project of the Service Center, there are more stringent safeguards in place regarding access to the Service Center, including security gates. Effective for the 2017-18 budget, the responsibility of document storage will be borne by the Plant Department, under the control of the supervisor of inventory.	Corrective action in process	Same as prior year recommendation.
I15-4	Subsequent to the retirement of the previous Supervisor of Inventory, a replacement has not been appointed; therefore, there is no supervisory position to act as a liaison and manage inventory between different departments at the Service Center. As such, there appears to be a lack of communication between various departments in the Service Center regarding roles and responsibilities of certain positions, and the enforcement thereof. Having someone in charge of the inventory maintenance at the Service Center will ensure that important tasks are performed, such as conducting periodic physical inventory counts, disposing of obsolete items and reconciling to MUNIS records.	We recommend that the District reviews its options to fulfill this role or establish a standard inventory system which integrates the inventories within all areas of the Service Center.	Important - Long Term	Management is in the process of restoring this position.	Corrective action in process	Same as prior year recommendation.

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (I)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
115-5	In performing our walkthrough of the Service Center, we noted that there is inadequate lighting on the warehouse floor. This creates a potential safety hazard. In addition, inadequate lighting could cause inventory to be overlooked and therefore unused, creating the appearance that additional inventory needs to be purchased.	We recommend that there be additional lighting installed on the warehouse floor. LED options should be evaluated to help reduce electricity costs.	Routine - Short Term	The District has since implemented a capital project for the Service Center. This not only included implementing new lights, but also restoring the glass windows as well.	Corrective action implemented	N/A
115-6	Within the Service Center we observed various areas that lacked physical safeguards. These include, but are not limited to: compressed gas steel cans, unlocked service vehicles, a large quantity of steel for trade usage, and high cost tools. Lastly, all of the areas lacked security cameras.	We recommend the District installs adequate physical safeguards throughout the Service Center, including each trades garage. These safeguards may include security cameras, fences with locked door access, and/or swipe cards for access points.	Urgent - Long Term	The District has installed security cameras around the Service Center. In addition, all of the different departments including the Trades now have locks for all equipment for which access is limited to the appropriate personnel working in that department.	Corrective action implemented.	N/A
115-7	Currently, the Service Center utilizes pick tickets printed from MUNIS which contain supply orders made by the schools and are primarily used to pull inventory. We noted that they are no in numerical order by section. Having the items out of sequence may create a delay in shipments. In addition, the computer system will automatically include items that are on back-order on the printed pick tickets. Therefore, when the employees try to fill the order they are looking for items the Service Center does not have on-hand.	We recommend that the District work with its system provider to allow MUNIS to print the items on the pick tickets in numerical sequence. Also, items that are back-ordered should either be printed on a separate report or flagged to ensure all items on the pick ticket are in stock.	Routine - Short Term	The inventory tracking module has since been implemented which will not allow for back-orders to be on pick tickets.	Corrective action implemented	N/A
115-8	Currently, the Trades Departments utilize the SchoolDude system to maintain work orders. The work orders include supplies purchased for the specific job. However, unlike the MUNIS system, SchoolDude does not keep track of inventory. Lastly, SchoolDude and MUNIS are not compatible and do not integrate.	We recommend that there be one system for all inventory maintenance, and/or SchoolDude and Munis to integrate for better recordkeeping.	Important - Long Term	This problem has now been resolved due to the new implementation of the SchoolDude inventory module. This integrates the inventory and the work orders completed.	Corrective action implemented	N/A

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (I)	Original Description of Findings Inventory	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
115-9	<p>It was noted that Purchasing Cards (“P-Cards”) are utilized to purchase supplies throughout the Service Center. As part of the District’s internal control over P-Card purchases, the Accounts Payable Department performs random audits on monthly purchases. However, there was no documentation provided indicating random audits were performed subsequent to June 2014. Additionally, the random audits provided through June 2014 did not indicate the procedures performed or conclusions reached on the sample tested.</p>	<p>We recommend that random P-Card audits are documented throughout the year. In addition, the District should document the specific procedures performed and conclusions reached. Procedures should include items described in the Buffalo Public School P-Card Policies as follows:</p> <ul style="list-style-type: none"> • Ensuring the card is not utilized by another individual, other than the cardholder. • Reviewing statements for split purchases to circumvent the single transaction limits of the P-card. • Assessing the purchase made is not for personal or unauthorized purpose. • Evaluating the documentation to determine if all required itemized receipts and/or documentation is attached. • Documenting non-business use of P-cards – in memo form, directed to the Chief Financial Officer, Financial Controller, P-Card Administrator and cardholder’s Department Head. • Requesting reimbursement from employees for personal or unauthorized use of P-Cards. 	Important - Short Term	<p>The Audit Department has lost a key employee that was in charge of conducting audits of the P-Cards. However, it is noted that the Purchasing Department now reviews P-Cards on a weekly basis. The District is in the process of hiring a new employee.</p>	Corrective action in process	<p>We recommend that the Audit Department retain a new employee and/or delegate this responsibility to another employee within the Audit Department to conduct reviews of P-Card transactions.</p>

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Payroll and Personnel (PP)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (PP)	Original Description of Findings Payroll & Personnel	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
PP09-2	<p>At eight of fifteen school locations visited, we noted numerous instances where the teachers/substitutes/school administrators' sign-in sheets maintained in the Main Office did not agree to the statements of service provided by the school and submitted to the District for payroll for the periods reviewed. Specifically, we noted the following errors during our testing performed at eight individual school locations:</p> <ul style="list-style-type: none"> • A teacher signed in as present on the sign-in sheet, but was marked absent on the statement of service; • Teachers were marked as ½-day absent on the sign-in sheet, but was marked as present for the full day on the statement of service; • Teachers did not sign-in as present on sign-in sheets, but were marked present on the statements of service; and • Teachers were marked as absent on the sign-in sheets, but still erroneously marked as present on the statements of service. <p>Errors in the documentation and submission of payroll data to the District by individual school locations have significant implications on the District's expenditures. During our visits to various school locations, we noted inconsistency related to Main Office procedures utilized to prepare required payroll reports.</p>	<p>The District must implement procedures to ensure statements of service prepared by the individual school locations are reviewed by the school principals and/or other appropriate school personnel prior to submission to the District. Furthermore, we also recommend that the District adopt formal procedures and instructions for the preparation of statements of service by school personnel that would allow for straightforward reviews of payroll data by appropriate District management personnel prior to processing payroll. This policy should include the preparation of reconciliations between the schools' sign-in sheets and statements of service, as applicable. This will aid in the prevention of errors that occur during the preparation of the statement of service and processing of payroll, although it may not alleviate this risk completely.</p>	Urgent - Short Term	<p>EmpCenter is a new timekeeping system implemented by the District in July 2016. This new system allows all salaried workers to shift away from Statements of Service and instead sign in by swiping their ID cards on an electronic reader, login on the EmpCenter link located on the District's website, or they can call in from a District phone. Additionally, the payroll clerks review who has signed in and who is absent every morning to be sure that someone is covering every position.</p>	Corrective action implemented.	N/A
PP09-4	<p>During our school location visits, we noted numerous instances where schools call in substitute teachers without posting the teacher's absence to AESOP. Contacting teachers directly circumvents the process and controls related to AESOP that ensure fairness and appropriateness of substitute teacher assignments.</p>	<p>We recommend that the District formalize policies and procedures related to AESOP and posting of teachers absences and use of substitutes. As part of this process, school administrators should certify their acknowledgement of the existence of such policies. Errors that occur during the preparation of statements of service may be prevented through the adoption of new District policy related to utilizing AESOP to its full capacity.</p>	Routine - Short Term	<p>Response is similar to prior year. There are still schools where principals will directly contact the substitute teachers in the absence of a full time teacher instead of using AESOP to document the absence. It is in these circumstances that the majority of errors occur because a principal may forget to document the teacher's absence. We noted that the District has formalized policies and procedures related to AESOP and have sent out memos outlining appropriate usage of AESOP. The principals have the right to call in substitutes as specifically stated in their contracts. If the District attempted to take this right away from the principals, there are possible legal ramifications.</p>	Risk determined to be acceptable	N/A

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (PP)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
	Payroll & Personnel					
PP09-8 PP10-2	As noted during our control testing of payroll, it appears there is no firm deadline for the submission of statements of service for extra activities in order for them to be processed in a timely manner. As an example, included in our sample was an extra activity statement of service for the week ended October 9, 2009, which was not processed until the period ended October 23, 2009. Such delays in the reporting of time increases the risk that expense may not be recorded in the correct period and that employees may not be paid promptly. Additionally, it hinders the documentation process as when support was sought for the October 9, 2009 payment each prior period statement of service had to be scanned.	We recommend that the District require all extra activity statements of service be submitted timely to the District Payroll Department and processed in the correct pay period.	Routine - Short Term	The automated system has helped with this issue. The Department no longer receives Statements of Service late as only the Bus Aides and Food Service workers still use them. The pay schedule is still sent out specifying the dates that payroll timesheets are due.	Corrective action in process	N/A
PP09-14	New employees may begin working before being officially approved by the District of Education. Employees (with the exception of substitute teachers and substitute teacher aides) are eventually approved by the District of Education for work. However, due to the time needed to process paperwork, verify certifications, perform background checks, etc. employees may be working for the District prior to being presented to the District of Education for official approval.	We recommend that the District not allow prospective employees to begin working until the hire is officially approved by the District of Education.	Important-Short Term	The Current Status is the same as the prior year. District meetings are only held twice a month throughout the school year and only once a month over summer. If there is a position that the District can foresee needing to be filled, proper actions are taken for District approval. However, instances occur when positions need to be filled quickly in instances of employee resignation. In these cases the Human Resources Department hires a candidate who starts work when necessary and then gains District approval at the next meeting. The District pays the person the lowest applicable rate until the District approves or denies the position. If the District approves of the position and the candidate, the wage will then be adjusted to fit the candidates qualifications. Retro wages are used in these instances.	Risk determined to be acceptable	N/A
PP09-17	For employees, other than substitutes, a projection of what is anticipated to be worked on the last Friday of the pay period is required. This is a result of statements of service being due on the Thursday before that Friday in order to begin processing payroll. The actual performance of the employee on that Friday may deviate from the projection, resulting in corrections in the next period, if caught. It was noted that this situation is a product of timing issues associated with processing payroll (i.e. the statements of service must be received by Thursday in order for the payroll process to be completed by payday due to the volume of paperwork).	The implementation of an electronic timekeeping application would significantly decrease the payroll processing time, thereby eliminating the need for any projection of work activity and the corrections of deviations from such.	Important - Long Term	The District implemented a new electronic system to capture attendance starting July 2016. This system is called EmpCenter and requires salaried employees to sign in every day either by swiping their ID cards on an electronic reader, logging in on the EmpCenter link located on the District's website, or by calling in from a District phone. As such, attendance is reported in real-time and no projections are needed.	Corrective action implemented.	N/A
PP09-18	Security surrounding personnel files appears to be less than adequate. The business records of the District must be secured in a fire resistant area. That area should be readily accessible to specific employees only, and not be accessible to other District employees or the general public. It was noted that while offices containing personnel files are rarely left unattended, the filing cabinets containing the files are not locked. Furthermore, it was noted that the personnel files for current teachers are not even filed in cabinets. Rather they reside on shelves within the HR Office, susceptible to unauthorized access, damage, or loss.	We recommend that the District improve safeguards surrounding personnel files so as to further prevent unauthorized access, theft, or damage/loss.	Routine - Long Term	The District is still in the process of moving to an electronic record keeping system. The District is in the process of finding a new vendor to complete the transition to electronic files. Therefore, a new RFP process began and the District plans on choosing a new vendor to complete the process in the subsequent fiscal year.	Corrective action in process	Same as original recommendation.

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (PP)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
	Payroll & Personnel					
PP10-4	During our control testing of payroll, it was noted that total hours are frequently unreported on the employee statements of service. In some circumstances, a daily log is kept on the statements; however there is no confirmation as to the total number of days worked per week. Other common errors noted on statements of service were: pay rates not reported and time reported under the wrong pay codes, resulting in subsequent adjustments.	To avoid errors in payroll, we recommend that all statements of service be completed and submitted noting pay period, employee, pay rate, hours worked, and extra time (vacation, sick, etc.) used. Additionally, each statement should be reviewed and signed by the applicable principal.	Routine - Short Term	The District implemented a new electronic system to capture attendance starting July 2016. This system is called EmpCenter and requires salaried employees to sign in every day either by swiping their ID cards on an electronic reader, logging in on the EmpCenter link located on the District's website, or by calling in from a District phone. As such, attendance is reported in real-time keeping track of the exact time that the employee signed in and out.	Corrective action implemented	N/A
PP10-13	As of the date of our fieldwork, we noted that the District utilizes various paper applications and does not have a formal procedure or policy in place that ensures the employment process is directed through Human Resources ("HR"). Due to the legalities of hiring new employees, all hiring decisions should be made by HR. Additionally, the District has various software tools available to streamline the process which are not currently being utilized.	We recommend that the District utilize the expertise and knowledge of its HR in order to prevent litigation or negative attention to the District. Also, since the District's software system has the capability to accept applications and guide them through the approval process, it is recommended that the District utilize this software to streamline the hiring process. Using a formal electronic process will help prevent the District from hiring employees without proper qualifications.	Important - Long Term	The District does have an official process but there is not a formal policy documented through HR.	Risk determined to be acceptable	N/A
PP14-1	Information in the Automated Educational Substitute Operator ("AESOP") should be up to date to ensure that only qualified substitute teachers are filling in vacancies. The District does not have a standard process to periodically update and maintain information in the AESOP system.	We recommend the District implement a standard process that specifically establishes a recurring length of time to update and maintain certifications, skills, rosters and other pertinent school information within the AESOP system.	Important - Short Term	All substitute teachers are requested through AESOP, there are no requests made without using this system. The District is in the process of moving towards an electronic system of recordkeeping. In this process the District plans on implementing a standard process to ensure reviews are conducted. Note that the Associate Superintendent of Human Resources has been looking at the system monthly to try and to get the positions filled to over 90%.	Corrective action in process	Same as original recommendation.

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (PP)	Original Description of Findings Payroll & Personnel	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
PP14-3	Currently, the District does not have a policy to monitor AESOP user permissions on a regular basis. The absence of a standard policy or procedure, increases the risk that unauthorized changes are made.	While it appears that the user permissions for employees are up to date. We recommend that the District create a policy to update and monitor AESOP user permissions on a regular basis to mitigate the risk of unauthorized activity and abuse.	Important - Short Term	In the current year, user access rights have been viewed and corrected. The only ones that have rights to change information are the administration and office clerks.	Corrective action implemented	N/A
PP14-4	The accounting codes entered within AESOP determine what specific budget codes are charged and paid from. Incorrect entering of accounting codes may lead to increased costs of reconciling payroll, as well as, difficulties in analyzing related budget costs and trends. Based on our inquiries and observations regarding this process in AESOP, we noted the following potential risk: Teacher profiles are not being updated when teachers move between schools, causing incorrect budget codes to be charged; Incorrect accounting codes are being entered when creating an absence in AESOP (i.e. coded to a school - General Fund vs. coded to a grant - Special Aid Fund); Incorrect accounting codes are being entered in AESOP relating to professional development or events held at a specific school.	We recommend that the AESOP handbook be updated with specific guidelines to mitigate the potential risks outlined above. Further, the District should provide regular AESOP training to users of the system.	Important-Short Term	The District is still in the process for updating the AESOP handbook. HR no longer inputs the account codes into AESOP but rather the Office of School Leadership and Professional Development inputs this information.	Corrective action in process	Same as original recommendation.

Purchasing and Accounts Payable (PA)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (PA)	Original Description of Findings Purchasing & Accounts Payable	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
PA09-2 PA10-1 PA11-1	Invoices and purchase order packages with the receiving signatures are not immediately entered into MUNIS by the accounts payable department. These items are only keyed in after both are received and matched to one another. When an item is received or a service is provided, the accounts payable department is not aware that this transaction has occurred until after the purchase order package is returned to the department, which can be weeks after the actual transaction date.	We recommend that this process become automated so that when goods are received or services have been performed, the recipient can log into MUNIS and indicate that the transaction has occurred. This would require the recipient to have access to MUNIS at either a school location or department location. By automating this process, the accounts payable department will know when an item is received or a service is provided in real time, providing the accounting department an opportunity to properly account for the liability.	Routine - Long Term	There is a new module in MUNIS utilizing Tyler Content Manager allowing for an automated process. This allows for a more timely review by the claims auditor.	Corrective action implemented	N/A
PA11-5	During our school site visits, it was noted that the District does not have a formal policy for textbook tracking and disposal at the school level. Each school we visited stated that they have created their own policy for counting, tracking and disposing of textbooks throughout the school year. Each individual teacher is responsible for the textbooks in his/her class. This requires the teacher to maintain a manual list of all the textbooks in the classroom and which student has each textbook. At the end of the school year, the teacher is responsible for collecting the textbooks and reporting any that weren't returned. There is no standard inventory sheet to be completed by each school and provided to the District at the end of the year. As such, the District cannot readily determine how many textbooks are available at any point during the school year. It was also noted that at the end of a textbook's useful life, many schools give them to the students. The District does not require the school to research if the book could be sold.	The following is recommended: <ul style="list-style-type: none"> The District should create a formal written textbook policy that can be implemented uniformly throughout all schools. This policy should include procedures for textbook ordering, counting, tracking, and disposal. The District should consider implementing centralized textbook management software. This software would allow all textbooks to be more efficiently and effectively accounted for. It can be used to track which books are assigned to which student throughout the school year. It can also be utilized to allocate excess textbooks at one school to another school that has a shortage. Providing this real-time information could reduce the amount of excess spending on textbooks as a result of duplicate ordering. 	Important - Long Term	In the current year, the District has implemented a new system in regards to textbooks. When textbooks are ordered by teachers, the administrators of certain departments can go to the "Textbook Tracker" database. This database will entail a listing of all books held by the District that would be readily available for a classroom. When textbooks are ordered that the District does not have, they will be scanned by the Service Center or the vendor and entered into the database. This allows for a real-time approach. In addition, a textbook policy has been implemented.	Corrective action implemented.	N/A

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (PA)	Original Description of Findings Purchasing & Accounts Payable	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
PA12-6 PA12-15	<p>The District's procurement policy states that: "In determining the necessity for competitive bidding, the aggregate amount to be expended during the fiscal year on an item or those of a similar nature (a "reasonable commodity grouping") must be considered." For example, office supplies or art materials may constitute an appropriate grouping for bidding purposes.</p> <p>During testing, we noted that Musical Instruments and Supplies and Digital Cameras were not bid out as required by the procurement policy. Based on our inquiries, this is due to the fact that teachers receive a set amount to expend at their discretion (\$200-\$300 per school year) at any point during the year. Although there are deadlines by which teachers are supposed to submit requisitions, we observed that they were submitted throughout the year and processed as if they had been submitted on time. This current situation prevents Buyers from being able to bid out these commodities as a whole, as required by the District's purchasing policy.</p> <p>We also noted instances where multiple purchases, exceeding \$10,000, were made with a single vendor over the course of a fiscal year and were not competitively bid. Of the twenty-two vendors tested with annual expenditures exceeding \$10,000, we identified two instances where items that could be "reasonably grouped" were not put out for bid.</p>	<p>We recommend that the District adopts a policy where teachers must submit their requisitions for supplies by a certain date, and if requisitions are not received within this timeline, an individual's funding will revert to the respective department head to be spent by the deadline. This will allow Buyers to create formal bids for these commodities and comply with the District's policy. We also recommend that at least annually, the purchasing department meets to evaluate purchasing needs for the upcoming fiscal year.</p>	Routine - Long Term	<p>The Purchasing Department has communicated with the other departments regarding the procurement process and the deadlines for the year-end cut-off process.</p> <p>In addition, the District had contracted with musical instrument vendors for a blanket order regarding repairs and maintenance of musical instruments. This has helped cut down extra spending for musical instruments. However, as departments can only estimate, there may still need to be purchases done throughout the year that were not anticipated.</p> <p>Departments are aware of the bidding procedures and the Purchasing Department will help the departments in the RFP process</p>	Corrective action implemented	N/A
PC 13-3	<p>Based on our review of the Purchasing Card process, we ascertained that the number of card users ranged from approximately 15 to 20 per month. We also noted that the Accounts Payable and Audit function has set a structured audit schedule from the point of receiving monthly statements, to obtaining supporting documentation from departments, to reviewing and approving documentation, and to final payment. As noted in PC2, only one person is responsible for reconciling the total monthly activity for the Purchasing Card Program. Therefore, the timely submission of receipts from departments is essential to maintaining effective controls over this process.</p>	<p>We recommend that District set and enforce strict deadlines for the submission of receipts from departments. As the District expands this program to more users, timely submission will become increasingly important in maintaining strong internal controls over the Purchasing Card process.</p>	Important - Short Term	<p>The District has changed from the old P-Card system to a new one. The District has 1. Limited the amount of cards provided to individuals, 2. Moved from the Bank of America ("BOA") to M&T bank to allow for better management and 3. Has been monitoring activity of cards weekly and deeming whether the purchases were reasonable. Note that in the transformation from BOA to M&T, the Department cancelled every card and made every single person reapply. This included signing the rules and conditions of the P-Card policy. In addition, the individual also had to sign an acknowledgement and disclosure form.</p>	Corrective action implemented	N/A

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (PA)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
PA 16-1	Based on our inquiries and understanding of the District's purchase requisition process, certain types of commodity codes are pre-assigned to Purchasing Department employees ("buyers") for review and to generate a purchase order. However, we noted that the MUNIS system does not require commodity codes to be assigned to requisitions in order to be submitted. Without a specific commodity code attached, requisitions are not assigned to a specific buyer and sent into a "ghost que". Unless, this "ghost que" is regularly checked, the purchasing process could be significantly delayed.	We recommend that the District inquire about a possible automated control in MUNIS that would not allow a requisition to be processed without a specific commodity code assigned.	Important - Short Term	On May 10th, IT had conversations with Tyler Technologies, the MUNIS third-party consultants. Per Tyler Technologies, there was no option that would allow the District to have a notification if the requisition was not matched up with a commodity code. As such, the District would have to submit an enhancement request in which the programming of the MUNIS software would have to be changed. As the total amount of the cost has not yet been determined, the feasibility of this request has not been evaluated.	Corrective action to be determined	N/A
PA 16-2	Based on our inquiries, certain District purchases that require competitive bids or proposals are technical in nature. In order to document and support the decision to select a particular vendor, an evaluation matrix is often utilized. However, many of the matrices used do not include written criteria to support a basis for scoring bids. An effective review over this process would allow the Purchasing Department to review bid results and easily understand why a specific vendor was chosen.	We recommend that the Purchasing formalize and communicate this process with Departments. For all bids that are technical in nature, written criteria for matrices should be documented within bid results.	Important - Long term	The process for bids is as follows, the Purchasing Department emails all Department heads responsible for RFP's a template to follow. The Department will then draft the specs of the bid. This will then be reviewed by Purchasing and then posted for bids to be received. Once the bidders put in their information, the Department will then evaluate the responses and then grade them using a template. Each Department has different ratings. Purchasing will then evaluate the winner of the bid per the Department. If there are any questions regarding the bid, such as why they chose someone with a higher cost, then Purchasing and the Department will come to a mutual agreement. This is the process for all departments besides the Plant Department, which handles all of the major capital project formal bids. In this case, Purchasing just receives a copy of the requisitions and turns them into purchase orders.	Corrective action to be determined	N/A
PA 16-3	Based on our sample testing of Service Center expenditures, we noted 4 out of 10 items did not indicate approval of the department head on the MUNIS system. Without proper approval and review, the District is at risk for unauthorized purchases to occur and not otherwise be detected	We recommend that all department heads sign off on purchases requested within the MUNIS system. This will lead to an audit trail and in turn will decrease the possibility of unauthorized purchases.	Routine - Short Term	The level of approvals for the Service Center is as follows, the Service Center Clerk who request the item and then Purchasing. There is no manager at the Center that would have to approve the purchase since this position is not filled.	Corrective action to be determined	N/A
PA 16-4	Based on our sample testing of travel expenditures, we noted 3 out of 10 items chosen did not include documentation describing the purpose of the travel or conference.	We recommend that all travel requests include documentation to substantiate the purpose of the conference prior to approval. For example, the District would require a pamphlet, brochure or narrative for all conference traveling. The individual responsible for obtaining the narratives should evaluate whether travel or conference was of commensurate value to the District compared to the amount spent, and if the conference should be attended in the subsequent year.	Important - Short Term	The Department sent out a reminder e-mail regarding travel and entertainment forms. It was noted in the e-mail that these have to be pre-approved along with an attachment of the event to be attending. In addition, the Department worked with the Superintendent regarding items that travel would be needed (conferences, tournaments, etc.). If the request for a specific item occurs each year and there was no prior notice given, then the attendee would be denied.	Corrective action to be determined	N/A

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (PA)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
PA 16-5	<p>It was noted that throughout testing for vendor maintenance of the 10 samples chosen, 3 did not have a W-9 Request for Taxpayer Identification Number and Certification attached within the vendor file on MUNIS. However, we obtained the physical copy of the W-9 and noted it was not scanned into the MUNIS system because it was an older vendor. Without a valid W-9 attached, the District is at risk of potentially distributing funds to shell corporation.</p>	<p>We recommend that the District scan all W-9's into the MUNIS system for all vendors. This will ensure that all vendors are valid.</p>	<p>Important - Long Term</p>	<p>The District has been scanning all W-9's for each vendor. This should be completed by the end of 2017.</p>	<p>Corrective action to be determined</p>	<p>N/A</p>
PA 16-6	<p>Based on our sample testing employee reimbursements, 1 out of 5 items tested included a reimbursement for an ink cartridge replacement. Employee reimbursements are generally for items such as travel, meals, lodging, etc. As ink cartridges are an office supply, they should be purchased through the normal procurement process.</p>	<p>We recommend that all employee reimbursements are for items that would not be appropriate to process through a purchase order. All other items should be denied when requested and employees should follow the procurement process for items such as office supplies.</p>	<p>Routine - Short Term</p>	<p>The Department has communicated this to all departments.</p>	<p>Corrective action to be determined</p>	<p>N/A</p>

Revenue and Accounts Receivable (R)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (R)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
<p>R09-3</p>	<p>Revenue & Accounts Receivable</p> <p>During our testing of the accuracy of the reporting of students' attendance information on the day(s) of our site visits (i.e. one day tested for each student), we did note errors made by school clerks inputting the information into eSIS. Of the ten students selected for testing at each of the 15 schools visited (total of 150 students), we noted two errors in eSIS data entered, as compared to hard copy sign-in sheets, notes, and attendance records. We noted the following errors during our testing:</p> <ul style="list-style-type: none"> • A student was recorded as "present" in eSIS, but marked with an "unexcused absence" on the manual attendance roster; and • A student was recorded as "present" in eSIS, but marked with an "excused tardy" on the manual attendance roster, which included a copy of the student's note to explain his tardiness. <p>As attendance tracking impacts enrollment figures, which in turn drives NYS Aid, maintaining accurate enrollment and attendance data is imperative to the District.</p>	<p>We recommend the District implement a real-time attendance policy where teachers enter attendance information directly into the eSIS software at all schools. Currently, real-time attendance is only taken at three of the 67 District schools. Furthermore, a policy must be implemented to ensure a better review process of data entry.</p>	<p>Important - Long Term</p>	<p>There has been a new system, Infinite Campus, which is integrated at all schools. Teachers go into the system and enter in the attendance records on the Infinite Campus. This information is then processed through the Office of Shared Accountability and utilized for various reports, such as suspension records, attendance stats, etc. There is a policy regarding attendance in which the record of each student's attendance must be kept in a manner consistent with the Commissioner's Regulations. As such, when Infinite Campus was implemented, all teaching staff had to learn the new system and this was readily communicated.</p>	<p>Corrective action implemented</p>	<p>N/A</p>
<p>R09-4 R10-3</p>	<p>The utilization of swipe cards containing photo identification for students and faculty would improve many processes and eliminate error in key areas where the lack of or poor internal controls could lead to the loss of District revenues.</p>	<p>Swipe cards used at the entrances to the buildings in the morning could easily track student attendance and automatically update an online attendance system. Cards could be tailored to identify the student's individual circumstances. Cards could also identify students with other special needs by listing the student's NYS Department of Social Services number that would identify them as Medicaid eligible or a special needs student. The cards could also list the student's bus number and would identify the student's bus route, as well as assist the bus aides by providing photo ID. The bus information would also assist in tracking transportation aide from NYS, which is driven by actual expenses per bus student. Additionally, swipe cards with photo ID for students and faculty would provide much improved security at the schools creating a safer environment for the children.</p>	<p>Important - Long Term</p>	<p>At this time no decision has been made by the Board of Education regarding the implementation of a swipe system.</p>	<p>Risk determined to be acceptable</p>	<p>N/A</p>

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Special Education (SE)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (SE)	Original Description of Findings Special Education	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
SE15-1	For the 2015-2016 school year, the District contracted with 4 different providers for Occupational Therapy ("OT") services and 1 provider for Physical Therapy ("PT") services. Based on our inquiries and understanding of the current process, the Supervisor of Revenue and Related Services is responsible for assigning schools amongst the contracted providers. However, we were unable to determine the basis or rationale as to how the schools were split up between the 4 providers for OT services. Additionally, we noted there is no documented review or approval of the assignment or reassignment of schools to specific providers.	Because contract amounts are estimated based on the number of students who receive OT and PT services, we strongly recommend the District review its current process for assigning OT and PT to ensure that proper oversight is performed. In addition, the District should formalize these procedures as a standard process or methodology subject to periodic review and approval to ensure proper oversight.	Important - Short Term	The District has changed the process on selecting multiple vendors to only having one vendor. This vendor was chosen through the District's procurement process and found to be the most qualified and equitable for the District.	Corrective action implemented	N/A
SE15-2	For OT and PT services, the District sends out a Request for Proposal ("RFP") to prospective providers. To evaluate the proposals, ten requirements were included on an evaluation matrix to score the bids received; however, only five requirements were clearly outlined in the RFP for these services.	We recommend that the RFP include specifications the District requires in regards to the services requested. If a matrix is used to evaluate the potential providers, the matrix criteria should be clearly outlined in the context of the RFP requirements so providers have the opportunity to submit a proposal that will address all of the evaluation criteria.	Important - Short Term	The District has worked with the Purchasing Department to include in the request for proposal the criterion in which they will be graded upon. Matrixes are still utilized, but have been adjusted to avoid subjectivity.	Corrective action implemented	N/A
SE15-3	We obtained the results of the most recent OT and PT bids and noted 11 common providers that bid on both services. The evaluation of providers was based on a total score which consisted of ten criteria rated on a scale of 0 to 4. Per review of the results, we noted the following: <ul style="list-style-type: none"> • Of the 11 vendors, 7 vendors were graded differently between the OT and the PT bids. For example, one of the requirements was familiarity of the Buffalo Public Schools. Two providers that were noted as providing past services to the Buffalo Public Schools were given a rating of 0 on the PT evaluation and a rating of 4 on the OT evaluation. • No specific evaluations or definitions for the scoring were provided or attached to the results. Therefore, we were unable to determine who scores of 2 and 3 related to the range. 	We recommend that the District evaluate the current RFP evaluation process as it relates to the OT and PT services. The process should be evaluated to ensure that support and rationale are documented as basis for awarding these contracts.	Important - Short Term	The District evaluated and changed the process surrounding the RFP's for OT and PT services. The District has worked with the Purchasing Department to ensure the evaluation process is properly documented and objective.	Corrective action implemented.	N/A
SE15-4	As noted previously, the District currently contracts with 4 providers for OT services. However, it currently contracts with only one PT provider.	We recommend that the District establish internal policies and procedures related to the services and the appropriate number of providers to be used. The policy should be applied consistently with expectations being documented.	Important - Short Term	Although there is no policy for the OT and PT services, the procedures have changed. With turnover of management, the District evaluated and determined that one vendor would be the best for providing OT and PT services. The District then obtained a vendor through the RFP process with help of the Purchasing Department.	Risk determined to be acceptable	N/A

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Workers' Compensation (WC)

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (WC)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
WC12-1	We noted that the majority of District employees are paid their full salary as part of their workers' compensation benefits. This practice is in accordance with the current collective bargaining agreements of the applicable classes of employees. The payment of full wages rather than a percentage of the employee's average weekly wage, which is the normal practice in accordance with the regulations of the New York State Workers' Compensation District ("WC District"), provides less incentive for an employee to return to work in a timely manner.	We recommend that District officials discuss the current practice of paying full wages as part of workers' compensation benefits with the respective bargaining unit officials, and explore opportunities for revisions to this practice to achieve future cost savings.	Important - Long Term	The District has had discussions to make the suggested changes as of January 1, 2017; however, with the settlement of the Teacher's contract the focus within the office has shifted to adjustments that have had to be made with regard to that. The Benefits Office anticipates these changes to be addressed August 1, 2017.	Corrective action in process	Same as original recommendation.
WC12-2	The District is currently self-insured for its workers' compensation insurance benefits. However, the District does not have stop-loss insurance coverage for workers' compensation claim payments.	We recommend that the District consider purchasing a stop-loss insurance policy in order to limit its exposure, especially in instances where workers' compensation benefit payments may extend for a number of years or the lifetime of an employee.	Important - Long Term	The Benefits Office reviewed the cost of implementing this change. It was determined that the cost outweighed the benefit and they have therefore passed on implementing this change.	Risk determined to be acceptable	N/A
WC12-3	The District currently has various, annual safety training programs and initiatives for skilled tradesmen, laborers, custodial engineers, custodians, and physical education personnel. However, there is currently no safety training, including office safety guidelines or workplace violence programs being offered to instructional and office employees.	In light of the number of injuries to teachers, teacher aides and administrators as a result of breaking up student fights or restraining unruly students, we recommend that the District implement an annual safety training program for such employees to reduce and/or prevent these avoidable injuries.	Urgent - Short Term	The Benefits Office has communicated this finding to the Safety Officer.	Risk determined to be acceptable	N/A
WC12-4	The District requires certain employees to undergo a baseline hearing test prior to commencing employment. In the event that the examination indicates a pre-existing loss of hearing which may be due to prior employment(s), the District must provide written notice of the results of the hearing test to the prior employer(s) within ninety (90) days in accordance with New York State Workers' Compensation Law. We noted that although such notices were being sent in the past by the District's Benefits Office, the procedure of notifying prior employer(s) was not being followed as of this risk assessment.	We recommend that the District comply with the above listed notice requirements for applicable new employees in order to limit the District's liability related to potential employee hearing loss claims. We also recommend the District implement procedures to comply with New York State Workers' Compensation law.	Important - Short Term	Response is similar to prior year, the District is seeking a reliable vendor to administer baseline hearing tests.	Corrective action in process	Same as prior year recommendation.

Appendix A - Matrix of Findings, Recommendations and Implementation

Item Number (WC)	Original Description of Findings	Original Recommendation	Risk Rating	District Corrective Actions taken through December 2016	Current Status	Current Recommendation
WC12-9	<p>In accordance with the District's agreement with POMCO, POMCO charges a flat fee for each medical bill it reviews for payment. Bills for medical services related to workers' compensation claims may be reduced based on rates set within the New York Workers' Compensation Medical Fee Schedule ("Fee Schedule"). Additional contractual fees may be charged based on the identification of additional savings by POMCO.</p> <p>During our review of 40 POMCO check register transactions, we noted two instances in which medical bills submitted for a claimant from a preferred network provider were ineligible for payment. The flat fee for medical bill review was charged in each instance. However, an additional 25% and 35% preferred provider network fee, respectively, was charged on the entire disallowed bill amount.</p>	We recommend the District discuss such fee arrangements with POMCO and possibly ascertain whether the fee charged for reviewing such medical bills should be limited to the contractual flat fee.	Urgent - Short Term	During the current year the District has signed a new contract with POMCO with allows for them to be charged a flat fee. In addition, an annual audit is performed of all charges to ensure that the District is not being charged additional fees outside of their signed agreement.	Corrective action implemented.	N/A
WC12-12	The Workers' Compensation Analyst notifies the District's payroll department when an employee will be on leave from work due to a workers' compensation claim. The status of the employee is then updated in the District's payroll system by the payroll department. All lost time claims for employees who receive full wages as part of their workers' compensation benefits are currently being manually tracked by the Workers' Compensation Analyst.	We recommend that the District consider automating the process of tracking lost time claims within the payroll system in order to replace or enhance the current manual process.	Important - Long Term	Currently the District has been able to implement a system that allows for approximately two-thirds of claims currently automated while the remaining claims are still manual entry. The Payroll Department and the Benefits Office are working to make the system 100% automated.	Corrective action in process	Same as prior year recommendation.