

Board Meeting of: August 16, 2017	Division: Finance
Prepared by: JAMES R. BARNES, DEPUTY CFO	
Title of Agenda Item: Approval of Corrective Action Plan for NYS Office of the State Comptroller ("OSC") Audit #2017M-73	
Type of Item: <input checked="" type="checkbox"/> Other	
Term: Required filing date is September 5, 2017	

Background Information, Description of the Need:





In May, 2017, the NYS OSC issued Draft Audit Report 2017M-73 – *Special Education and Grant Administration for the period of July 1, 2014 through December 20, 2016*.

On June 20, 2017, the District formally responded to the Draft Audit report in a letter signed by Superintendent Dr. Kriner Cash and Board President Dr. Barbara Seals Nevergold.

On June 30, 2017, the NYS OSC issued the Final Audit Report 2017M-73 - *Special Education and Grant Administration for the period of July 1, 2014 through December 20, 2016*, incorporating the District's June 20 response. The Final Issued report required the District issue a Corrective Action Plan (CAP) addressing the recommendations by September 5, 2015.

On August 16, 2017, formal Board approval of this CAP is requested. The NYS OSC requires formal Board approval, indicating the Board's commitment to safeguarding assets and making the District operations more effective.

Approvals:

Name:	Signature:
Geoffrey F. Pritchard, Chief Financial Officer	
Patricia A. Johnson, Chair, Audit Advisory Committee	
Nathaniel Kuzma, General Counsel (as to form)	
Dr. Kriner Cash, Superintendent	

BOARD of EDUCATION
 APPROVED
 AUG 16 2017
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 BOARD Office



BOARD OF EDUCATION

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August 3, 2017

Office of the New York State Comptroller
Division of Local Government & School Accountability
PSU – CAP Submission
110 State Street, 12th Floor
Albany, New York 12236

Unit Name: Buffalo City School District

Audit Report Title: Special Education and Grant Administration for the period July 1, 2014 through December 20, 2016

Audit Report Number: 2017M-73

For each recommendation included in the audit report, the following are our corrective actions taken or proposed:

Audit Recommendation for Special Education:

Bill school districts of residence for nonresident students attending District schools and nonpublic schools based on actual costs and enter into written agreements specifying that actual costs will be used as the billing method.

Implementation Plan of Action(s):

The District, as part of its Revenue Maximization Program, identified this special education billing issue in July 2016 and had begun work on changing the method used to calculate tuition for nonresident students attending District and nonpublic schools prior to the auditor's arrival. The District has completed the following work on the recommendations above:

1. Processed and mailed tuition invoices based upon actual costs for 2016-17 school year for all nonresident students attending District schools.
2. Processed and mailed invoices based upon actual costs for the 2016-2017 school year for all nonresident students that received District provided special education services, while attending nonpublic schools in Buffalo.

In addition, the District will implement the following actions in compliance with the recommendations above:

3. The District will enter into written agreements with all districts of residence specifying that tuition will be based upon actual costs for the 2017-2018 school year.

"Putting children and families first to ensure high academic achievement for all."

4. The District will construct a written procedure manual that will become standard operating procedure for both the Special Education and Finance departments with respect to billing nonresident students.

Implementation Date(s):

1. Completed June 6, 2017 - completed the invoicing for school year 2016-17 based upon actual costs for all nonresident students attending District schools.
2. Completed July 15, 2017 - completed the invoicing for school year 2016-17 based upon actual costs for all nonresident students that received District provided special education services, while attending nonpublic schools in Buffalo.
3. The District anticipates it will complete written agreements with districts of residence specifying tuition will be based upon actual costs for school year 2017-2018 by August 2017.
4. The District anticipates it will complete the new procedure manual by September 2017.

Person responsible for Implementation:

Jim Barnes – Deputy CFO

Kim Hoelscher – Director, Special Education

Audit Recommendation for Special Education:

Rebill school districts of residence using reconciled NRT rates when they become available and consider rebilling school districts for 2014-2015 and 2015-2016 based on the difference between the estimated and reconciled NRT rates.

Implementation Plan of Action:

1. Where possible, the District will rebill school district of residence using the reconciled Non Resident Tuition (NRT) rates for the 2014-2015 and 2015-2016 school years.
2. The District will construct a procedure manual covering all situations where the NRT rates will be used for billing purposes. This manual will include a section on rebilling school districts of residence using the reconciled NRT rates at the end of each school year.

Implementation Date:

1. The District anticipates completing all appropriate rebilling based upon reconciled NRT rates by September 2017.
2. The District anticipates completing the NRT billing procedure manual by September 2017.

Person responsible for Implementation:

Jim Barnes – Deputy CFO

Kim Hoelscher – Director, Special Education

Audit Recommendation for Special Education:

Ensure all eligible costs are included when submitting claims for Excess cost Aid, including assistive technology.

Implementation Plan of Action:

1. The District will construct a written Procedure Manual for the submission of approved assistive technology costs through the STAC system which is used to submit Public Excess Cost claims or in instances that Medicaid reimbursement is higher, through the annual Medicaid Cost Report.

Implementation Date:

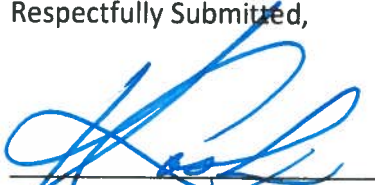
1. The District anticipates completing the procedure manual by September 2017.

Person responsible for Implementation:

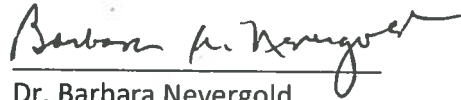
Jim Barnes – Deputy CFO

Kim Hoelscher – Director, Special Education

Respectfully Submitted,



Dr. Khiner Cash
Superintendent



Dr. Barbara Nevergold
Board President