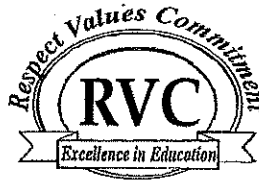


Rockville Centre Union Free School District

Administration Building

128 Shepherd Street
Rockville Centre, New York 11570-2298
(516) 255-8957 FAX (516) 255-8810
www.rvcschools.org



BOARD OF EDUCATION

JOHN O'SHEA.....*President*
TARA HACKETT.....*Vice President*
SUSAN McNULTY.....*Secretary*
LIZ DION.....*Trustee*
KELLY BARRY.....*Trustee*

WILLIAM H. JOHNSON, Ed.D.
Superintendent of Schools

Robert A. Bartels
Assistant Superintendent

Christopher J. Pelletieri, Ed.D.
Assistant Superintendent

Noreen Leahy, Ed.D.
Assistant Superintendent

September 13, 2018

To Whom It May Concern:

This letter certifies that the excerpt below is a true and exact copy of the original Minutes of the Rockville Centre Board of Education Meeting held on September 6, 2018.

Items for Action

Trustee McNulty made a motion, seconded by Trustee Hackett and after discussion, carried unanimously to accept the following items:

Approval of the following Corrective Action Plan:

RESOLVED that the Board of Education approves the Corrective Action Plan in response to matters cited in the Risk Assessment Update Report, dated May 24, 2018.

Approval of the following Corrective Action Plan:

RESOLVED that the Board of Education approves the Corrective Action Pan in response to matters cited in the Report on Applying Agreed-Upon Procedures, dated February 15, 2018.

Should you have any questions, please contact me at jwong@rvcschools.org or at (516)255-8921.

Sincerely,

Jacqueline Wong
District Clerk

Rockville Centre UFSD

CORRECTIVE ACTION PLAN

Rockville Centre Union Free School District
Intramural Correspondence

To: William H. Johnson, Ed.D., Superintendent of Schools
Board of Education Rockville Centre UFSD
From: Robert Bartels
Subject: Corrective Action Plan to Address the Matters cited in the Report on
Applying Agreed-Upon Procedures, dated February 15, 2018
Date: August 28, 2018

The Report on Applying Agreed-Upon Procedures, dated February 15, 2018 submitted by Cullen & Danowski, LLP contained a number of comments and recommendations to further improve our internal controls and operational efficiencies related to billings, collections and receipts. This report has been thoroughly reviewed and responses and corrective actions identified as necessary. Each of those responses and corrective actions is listed in detail below following the audit findings as they were presented in the report. Numbers have been assigned to each of the findings to assist in future discussions and reports on the status of these findings and corrective actions. It should be noted that the auditors did not identify any material weaknesses. It should also be noted that while all of the audit recommendations would add additional controls, there will always be additional controls to be recommended. Each recommendation has been reviewed and responded to as deemed appropriate by the business office.

1. It is recommended that the district close existing checking accounts maintained at 2 elementary schools and process activities through the District's Trust & Agency account in order to comply with CR §170.2(o).

District Response – Partially Implemented. The Treasurer notified each elementary school Principal of the above auditor recommendation. One account has been closed and the funds transferred to the District's Trust & Agency account. The other account is in the process of being closed. Future activities for both elementary schools will be processed through the District's accounts.

2. It is recommended that the District strengthen procedures related to the pickup and delivery of bank bags in order to properly safeguard the monies on route to the Business Office.

District Response – Implemented. In response to this recommendation the Business Office is now utilizing bank bags provided by the District's bank. The bags are sealed by the depositor and are not opened until they reach the bank.

3. It is recommended that a standard log be utilized to monitor pick up of bank bags by the District Courier at all locations within the district.

District Response – Implemented. This recommendation has been implemented for the 2018/2019 school year.

4. It is recommended that triplicate receipt books are utilized whenever employees are involved with receiving cash.

District Response – Implemented. This recommendation has been implemented and will be reinforced with all District employees receiving cash.

5. It is recommended that documentation supporting all deposits prepared outside and within the Business Office is maintained.

District Response – Implemented. The Principal Account Clerk reviews each deposit for proper documentation and requests additional backup when necessary.

**Rockville Centre
Union Free School District
Independent Accountant's Report On
Applying Agreed-Upon Procedures
February 15, 2018**

CULLEN & DANOWSKI, LLP
CERTIFIED PUBLIC ACCOUNTANTS

VINCENT D. CULLEN, CPA
(1950-2017)

JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMANN, CPA
CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Education and Audit Committee
Rockville Centre Union Free School District
Rockville Centre, New York

We have performed the procedures described in the following pages, which were agreed to by the Rockville Centre Union Free School District (District), on the billings, collections and receipts areas (excluding food service and extraclassroom activities) for the period January 1, 2017 through November 30, 2017.

The District's management is responsible for administering these areas.

This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are described in the following pages.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the District's billings, collections and receipts areas. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We would like to express our appreciation for the cooperation and assistance that we received from the District's administration and other employees during our engagement.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than the specified parties.

Cullen & Danowski, LLP
February 15, 2018

ROCKVILLE CENTRE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures
For the Period Ended November 30, 2017

Introduction:

This report is organized as follows:

- Background information
- Summary of the engagement
- Procedures performed during our detailed testwork
- Findings as a result of our review
- Recommendations to further strengthen internal controls or improve operational efficiency.

Some of the recommendations may require a reassignment of personnel duties within the District and/or a monetary investment. However, any enhancement of controls should be done after a careful cost-benefit analysis.

Corrective Action Plan:

Commissioner of Education Regulation §170.12(e)(4) requires that a corrective action plan, approved by the Board of Education, must be filed within 90 days of issuance with the New York State Education Department (NYSED).

The District should submit the Corrective Action Plan (CAP) along with the respective Internal Audit Report via the NYSED Portal.

ROCKVILLE CENTRE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2017

BILLINGS, COLLECTIONS AND RECEIPTS

Background:

Good business practice requires that the District establish adequate controls over funds collected at all locations throughout the District. An initial record of funds received should be established as soon as possible. Ideally, the District Treasurer should receive all funds in a central location and issue a pre-numbered receipt. However, if funds are collected at several locations, the funds should be turned over to a designated cashier on a daily basis when possible, but no later than weekly.

Commissioner's Regulations §170.2 (h) and (i) require the use of pre-numbered duplicate or triplicate receipt forms. One of the receipts should be issued to the payer, another receipt should be issued to the Treasurer, and the collector of funds retains the last receipt. This helps to establish accountability over the funds collected.

There are formal procedures and standard documents (e.g., Deposit Form, Field Trip Form, Registration Form, etc.) related to the handling, recording and submission of funds collected at the various locations. The District also has Board policies related to billings, collections and receipts including #3150 - *Before School/After School Program; Project Great*, #3280 - *Use of School Buildings, Grounds and Other Property*, #5210 - *Revenues*, #5211 - *Gate Receipts and Admissions*, #5510 - *Accounting of Funds* and #7450 - *Fundraising by Students*. In addition, the District has designated employees with duties related to billings, collections and receipts at the schools and departments where these transactions take place. The majority of receipts at the locations consist of community education programs, driver's education, regents' review, facilities usage and field trips.

Summary:

We interviewed 18 employees with responsibilities related to billings, collections and receipts at each school building and several departments. The interviews included the review of a sample of transactions at each location handling these types of cash receipts activities. The District has significantly reduced the amount of cash collected at the schools by increasing the number of checks, money orders, and online transactions as methods of payments collected at the schools. We found that there was no cash or a minimal amount of cash collected related to community education (project great, pre-k summer program, adult education, enrichment program, and regents' review), driver's education and use of facilities during the engagement period.

We also found that there is the opportunity for further improvement related to the billings, collections and receipts processes as noted in the findings section below. We recommend that the District consider implementing the recommendations noted below to further strengthen internal controls and improve operational efficiencies related to billings, collections and receipts activities.

Procedures:

Our procedures related to billings, collections and receipts, as per the engagement letter dated July 1, 2017, were as follows:

- Review Board policies and District procedures related to billings, collections and receipts (i.e., cash, checks and money orders) in the Business Office and at the schools.
- Interview Business Office personnel regarding policies, procedures and systems in effect related to the billings, collections and receipts.
- Interview staff employees responsible for billings, collections and receipts activities that are handled outside of the Business Office, including at least one employee at each of the seven school buildings.

ROCKVILLE CENTRE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2017

- Document the internal controls and procedures related to billings, collections and receipts that are performed at each location; note the strengths and weaknesses within the process; and identify the key control attributes for testing.
- Review receipts activity for the period and randomly select 60 receipts to ensure proper documentation, accuracy of totals, appropriate controls over collections (i.e., receipt books) and timeliness of submission to the Business Office when funds are collected at one of the schools.
- For each revenue account with receipts processed outside of the Business Office including, but not limited to, adult education, student exam fees, use of facilities, field trips, library fees, lost text books and drivers' education, select two months for testing and perform the following:
 - Obtain a detail general ledger activity report for the period and trace all entries to supporting documentation or the financial sub-system that generated the entry. For entries that are not generated from the financial system, we will identify the person processing the entry and consider the internal control ramifications.

Findings:

Review of Board policies and District procedures performed at each location and interviews with employees responsible for billings, collections and receipts noted:

- The District has Board policies related to billings, collections and receipts activities as noted in the background section above.
- There are proper segregation of duties, formal procedures, as well as, good communications between the Business Office and the employees at the schools and other departments (e.g., Facilities, Athletics, Community Education, etc.) related to the receipts process.
- Review of 2 elementary schools (William S. Covert and Francis F. Wilson) noted that each building maintains their own checking account with a local bank. We were informed that these accounts have been in place for quite some time and were established many years ago. Further review, noted that these bank accounts are not recorded in the District's financial records, and are not controlled by the District Treasurer, which does not comply with Commissioner Regulation §170.2(o).
- The employees at the schools and departments submit the receipts in locking bank bags to the Business Office. However, we found that the bank bags are not locked when submitting the receipts. We were informed that the Business Office plans to organize the keys associated with the locking bank bags in order to start the process of locking them.
- The District Courier picks up the bank bags from the employees at the various locations and brings the receipts to the Business Office, as well as, the bank for deposit. However, we noted that a log isn't used by all locations to document the transfer of the bank bags from the employees to the District Courier.

Review of the receipts activity for the period and the randomly selected 60 receipts found:

- There were 19 instances where the receipts included cash, but there were no copies of triplicate receipts included with the documentation submitted to the Business Office. Further review, found that the use of triplicate receipt books are not utilized by all employees who are responsible for handling receipts when the collection of funds includes cash.
- There were 6 instances where there was a lack of documentation supporting the receipts (e.g., list of students, number of participants, etc.) that were submitted to the Business Office. A loss of funds can often be traced to a lax pre-audit of receipts and no documentation to support the money collected.

ROCKVILLE CENTRE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2017

Review of each revenue account with receipts processed outside of the Business Office for the selected 2 months noted:

- The entries posted in the general ledger per the activity report were traced to supporting documentation.

Recommendations:

We recommend that the District consider implementing the following item to further improve internal controls and operational efficiencies related to billings, collections and receipts:

1. Address the checking accounts at the 2 elementary schools and ensure compliance with CR §170.2(o) and determine how to handle any District-related activities that are currently being processed through these accounts (e.g., field trips, fundraisers, etc.). We recommend that the District close the accounts maintained at each elementary school due to:
 - a) The lack of compliance with CR §170.2(o) that requires the Treasurer to render a monthly report for each fund showing the activities of all District accounts.
 - b) The lack of Board established regulations over these accounts and the expenditures do not follow the District's claims process which requires a review by the Claims Auditor.
 - c) The lack of proper authorization and oversight of the account activities.
2. Strengthen procedures related to the bank bags by requiring the employees at the schools and departments to lock the bank bags when submitting receipts to the Business Office. Implementing the use of locked bank bags will strengthen the receipts process by properly safeguarding the monies until the funds are received in the Business Office.
3. Establish procedures to use a standard log at all schools and departments, as well as the Business Office, for the District Courier to initial along with the date and time whenever a bank bag is collected from an employee.
4. Review procedures to help ensure compliance with Board policies and regulations with using triplicate receipt books whenever employees are involved with receiving cash. The person receiving the cash should provide 1 copy to the payee, submit 1 copy along with the funds to the Business Office for deposit, and maintain 1 copy within their receipt book.
5. Develop formal procedures to ensure the completeness of all deposits by requiring documentation that supports the amount of receipts that are prepared outside and within the Business Office (e.g., list of students, number of participants, etc.).