



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

**TO:** Audits/Budget and Finance Committee  
**FROM:** Sharon Cates-Williams *Sharon Cates-Williams*  
**SUBJECT:** Board of Regents Oversight of Financial Accountability  
**DATE:** September 1, 2016  
**AUTHORIZATION(S):** *Margaret Elin*

**SUMMARY**

**Issues for Discussion**

The following topics will be discussed with the Members of the Committee on Audits/Budget and Finance:

1. Completed Audits including the Report of the Internal Audit Workgroup. (Attachments I & II).

**Reason(s) for Consideration**

For information.

**Proposed Handling**

Discussion and guidance.

**Procedural History**

The information is provided to assist the Committee in carrying out its oversight responsibilities.

## **Background Information**

### Completed Audits including the Report of the Internal Audit Workgroup

The Committee is being presented with 122 audits this month. (Attachments I & II)

Audits are provided as follows:

### New York City Comptroller

Bedford Stuyvesant New Beginnings Charter School  
Merrick Academy - Queens Public Charter School

### Office of the State Comptroller

Addison Central School District  
Afton Central School District  
Albion Central School District  
Amityville Union Free School District  
Attica Central School District  
Avon Central School District  
Baldwinsville Central School District  
Batavia City School District  
Blind Brook-Rye Union Free School District  
Brighton Central School District  
Cattaraugus-Little Valley Central School District  
Chateaugay Central School District  
Chenango Valley Central School District  
Chester Union Free School District  
Clarence Central School District  
Cohoes City School District  
Cooperstown Central School District  
Copenhagen Central School District  
Dansville Central School District  
Deer Park Union Free School District  
Delaware Academy Central School District at Delhi  
Downsville Central School District  
Early Education Center and the State Education Department  
East Ramapo Central School District  
East Rochester Union Free School District  
East Syracuse-Minoa Central School District  
East Williston Union Free School District  
Eastchester Union Free School District  
Edgemont Union Free School District  
Edwards-Knox Central School District  
Extra Classroom Activities (Deposit, Dryden, Greene, Ithaca, Laurens, and Livingston  
Manor Central School Districts)  
Falconer Central School District

Fayetteville-Manlius Central School District  
Franklin Square Union Free School District  
Garrison Union Free School District  
Gorham-Middlesex Marcus Whitman Central School District  
Granville Central School District  
Great Neck Union Free School District  
Greater Amsterdam School District  
Greenburgh-Graham Union Free School District  
Greenwich Central School District  
Hamilton Central School District  
Hauppauge Union Free School District  
Hawthorne-Cedar Knolls Union Free School District  
Herkimer-Fulton-Hamilton-Otsego BOCES  
Katonah-Lewisboro Union Free School District  
Lake Placid Central School District  
Lancaster Central School District  
Levittown Union Free School District  
Lindenhurst Union Free School District  
Lisbon Central School District  
Locust Valley Central School District  
Long Lake Central School District  
Lyncourt Union Free School District  
Lyndonville Central School District  
Malverne Union Free School District  
Manchester-Shortsville Central School District  
Manhasset Union Free School District  
Middle Country Central School District  
Monroe 1 BOCES  
Montauk Union Free School District  
Mount Markham Central School District  
Nassau BOCES  
New Hartford Central School District  
New York Mills Union Free School District  
North Greenbush Common School District  
North Rose-Wolcott Central School District  
North Syracuse Central School District  
Northeastern Clinton Central School District  
Oakfield-Alabama Central School District  
Odessa-Montour Central School District  
Office of General Services and the New York State Education Department  
Oneida City School District  
Oxford Academy and Central School District  
Pembroke Central School District  
Potsdam Central School District  
Prattsburgh Central School District

Pulaski Academy and Central School District  
Putnam Valley Central School District  
Rockville Centre Union Free School District  
Rush-Henrietta Central School District  
Rye City School District  
Sackets Harbor Central School District  
Saint Regis Falls Central School District  
Saratoga Springs City School District  
Sauquoit Valley Central School District  
Schuylerville Central School District  
Sharon Springs Central School District  
Shenendehowa Central School District  
Somers Central School District  
South Huntington Union Free School District  
South Kortright Central School District  
South Lewis Central School District  
South Mountain-Hickory Common School District  
South Orangetown Central School District  
Stamford Central School District  
State Education Department  
The Alcott School and State Education Department  
The College of Westchester  
Town of Webb Union Free School District  
Ulster BOCES  
Union Springs Central School District  
Uniondale Union Free School District  
Union-Endicott Central School District  
Valley Stream Union Free School District #30  
Van Hornsville-Owen D. Young Central School District  
Victor Central School District  
Watertown City School District  
Watkins Glen Central School District  
Weedsport Central School District  
West Canada Valley Central School District  
West Hempstead Union Free School District  
Westhill Central School District  
Wheelerville Union Free School District  
Whitesboro Central School District  
William Floyd Union Free School District  
Williamson Central School District  
Willsboro Central School District  
Wilson Central School District  
Windsor Central School District  
Wyoming Central School District

**Recommendation**

No action required for audit initiatives and presentation of audits.

**Timetable for Implementation**

N/A

The following materials are attached:

- Report of the Internal Audit Workgroup and Summary of Audit Findings including Audit Abstracts (Attachments I and II)

**Regents Committee on Audits/Budget and Finance  
September 2016  
Review of Audits Presented  
Department's Internal Audit Workgroup**

Newly Presented Audits

The Department's Internal Audit Workgroup reviewed the one hundred and twenty audits that are being presented to the Committee this month. Two were issued by the New York City Comptroller and the remaining one hundred twenty were issued by the Office of the State Comptroller (OSC). One hundred ten audits were of school districts, four BOCES, one of the State Education Department, one of the Office of General Services and the State Education Department, one addressing six districts within one region, one College, and two providers of special education services.

The findings were in the areas of banking, budget and financial reporting, capital assets, cash, claims processing, extra classroom activity fund, fuel accountability/energy management, information technology, payroll/leave accruals, procurement, reimbursable cost manual, segregation of duties, Employee overtime, health insurance contribution, implementing corrective actions, inventory control, school lunch fund, state aid, preferred source contracting, reserve funds, safe schools act, and tax collection.

The Department has issued letters to the school district auditees reminding them of the requirement to submit corrective action plans to the Department and OSC within 90 days of their receipt of the audit report.

The Internal Audit Workgroup reviewed all the audits and determined the following audits/topics should be brought to the Committee's attention:

NYC Charter School Audits –

There are two audits of charter schools with a number of recommendations. Both audits found issues with fiscal management, inadequate controls and auditees failed to follow established rules and procedures.

Bedford Stuyvesant New Beginnings Charter School – 19 recommendations  
Merrick Academy Queens Public Charter School– 17 recommendations

East Ramapo Follow-up Audit-

The audit focused on the implementation of recommendations for two previously issued audit reports. Of the five audit recommendations from the 2013 audit, one recommendation was implemented, one recommendation was partially implemented and three recommendations were not implemented. Of the 11 audit recommendations from the 2011 audit, one recommendation was implemented, seven recommendations were partially implemented, two recommendations were not implemented and one recommendation was not applicable.

The workgroup recommends the school monitor for the upcoming school year oversee the implementation of OSC's 2011 and 2013 audit recommendations.

**Audit Report Abstracts  
 Regents Subcommittee on Audits/Budget and Finance  
 September 2016**

<b>Office of the New York City Comptroller</b>		
<b>Audit</b>	<b>Major Finding(s)</b>	<b>Recommendation/Response</b>
<p><b>Bedford Stuyvesant New Beginnings</b></p> <p>Management Audit                      MJ15-094A</p> <p>2nd Judicial District</p>	<p>The Audit found the controls over the school's financial operations were not consistently followed, and that certain expenditures were made in violation of applicable rules and procedures.</p>	<p style="text-align: center;"><b>19 recommendations</b></p> <p>The report's recommendations focused on The Board ensuring that all contracts are in writing, signed and dated by the Head of School, approved by the Board and evidence of approvals maintained.</p> <p><i>Charter School officials agreed with the recommendations and have indicated that they will take corrective action.</i></p>
<p><b>Merrick Academy – Queens Public Charter School</b></p> <p>Management Audit                      MH15-093A</p> <p>11th Judicial District</p>	<p>Merrick school officials failed to adequately oversee its fiscal affairs during the Audit period July 2012 through June 2014. Although the school had established policies and procedures designed to facilitate fiscal management and oversight, the audit found that Merrick failed to consistently follow them.</p>	<p style="text-align: center;"><b>17 recommendations</b></p> <p>The report's recommendations focused on Charter School officials ensuring any modifications to its Management Services Agreement are documented in a formal writing; and ensuring approval is obtained for changes to its Management Services Agreement from the SUNY Institute.</p> <p><i>Charter school officials agreed with the recommendations and have indicated that they will take corrective action.</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<b>Office of the State Comptroller</b>		
<b>Audit</b>	<b>Major Finding(s)</b>	<b>Recommendation/Response</b>
<p><b>Addison Central School District</b></p> <p>Financial Condition 2016M-30</p> <p>7th Judicial District</p>	<p>The Board and District officials need to improve the budget process to ensure they effectively manage the District's financial condition.</p>	<p style="text-align: center;"><b>8 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials adopting budgets that are based on the District's actual needs; discontinuing the practice of adopting budgets that result in appropriations; and reviewing all reserves to determine necessity and reasonability.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they will take corrective action.</i></p>
<p><b>Afton Central School District</b></p> <p>Management of Fund Balance and Reserves 2016M-134</p> <p>6th Judicial District</p>	<p>District officials did not ensure that unrestricted fund balance and reserves were reasonable. The unrestricted fund balance has been well over the statutory limit for the past several years, while at the same time real property taxes increased.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring that the unrestricted fund balance remains in compliance with the statutory limit.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Albion Central School District</b></p> <p>Budgeting 2016M-80</p> <p>8th Judicial District</p>	<p>District officials did not prepare accurate budgets for the 2010-11 through the 2015-16 fiscal years. While the District appropriated fund balance to help finance operations, it was not needed because the District's budgeting practices regularly produced significant operating surpluses.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing realistic estimates of revenues; and ensuring the amount of unrestricted fund balance is in compliance with statutory limits and beneficial to taxpayers.</p> <p><i>The District agreed with the recommendations and have indicated that they will take corrective action.</i></p>



**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Amityville Union Free School District</b></p> <p>Payroll 2016M-155</p> <p>10th Judicial District</p>	<p>The Board and District officials need to improve controls over the payroll to adequately segregate payroll processing duties, as well as adequate procedures to ensure overtime is preapproved.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on Board and District officials implementing procedures to properly control and monitor overtime by approving and providing justification for overtime prior to the work being performed; and segregating the payroll clerk's duties or implementing compensating controls.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Attica Central School District</b></p> <p>Financial Management 2016M-127</p> <p>8th Judicial District</p>	<p>The Board and District officials have not effectively managed fund balance and have allowed reserve balances to accumulate to excessive levels.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on District officials properly reporting and using statutorily restricted money to pay related debt service expenditures in compliance with statutory limits.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Avon Central School District</b></p> <p>Information Technology 2016M-123</p> <p>7th Judicial District</p>	<p>The Board did not adopt technology policies including password management, protection of private and sensitive information and wireless technology. In addition the audit found a lack in control related to the Business Manager access and rights within the Financial software.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials adopting policies and procedures for technology and access rights to ensure those rights are reviewed to job duties.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Baldwinsville Central School District</b></p> <p>Financial Management 2016M-65</p> <p>5th Judicial District</p>	<p>The Board and District officials did not develop reasonable budgets or effectively manage the District's financial condition to ensure that the general fund's unrestricted fund balance was within the statutory limit.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring that unrestricted fund balance is in compliance with statutory limits and beneficial to taxpayers; and developing a multiyear financial plan to address use of reserves.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Batavia City School District</b></p> <p>Financial Condition 2016M-160</p> <p>8th Judicial District</p>	<p>The Board and District officials did not effectively manage the fund balance. While the Board appropriated fund balance in the annual budgets to help finance operations, these amounts were not needed because the District's budgeting practices produced operating surpluses each year.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The recommendations focused primarily on Board and District officials developing realistic estimates of appropriations and the use of fund balance and reserves in the annual budget.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Blind Brook-Rye Union Free School District</b></p> <p>Internal Controls Over Purchasing 2016M-125</p> <p>9th Judicial District</p>	<p>District officials procured goods and services in accordance with General Municipal Law and District purchasing policy and regulations; and have established adequate internal controls over the District's procurement process.</p>	<p>There were no recommendations.</p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p><b>Brighton Central School District</b></p> <p>Separation Payments 2016M-119</p> <p>7th Judicial District</p>	<p>District officials did not have written policies or procedures in place to provide guidance to employees and District officials to ensure that the separation calculations were reviewed, approved, accurately calculated and sufficiently supported. Further, the audit found that the clerk did not use a standard separation payment calculation form and District officials did not provide guidance specifying the required documentation needed to support each payment calculation and the methodology to be used.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials directing the District's Attorney to review overpayments and take action as necessary; developing policies and procedures to govern separation payments; and ensuring that the separation of payments are made according to negotiated terms.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Cattaraugus-Little Valley Central School District</b></p> <p>Financial Management 2016M-61</p> <p>8th Judicial District</p>	<p>The Board and District officials have not realistically budgeted or properly managed fund balance. As a result, unrestricted fund balance has consistently exceeded NYS Real Property Tax Law limits. In addition, District officials consistently budgeted for expenditures that could have been paid for with reserve funds.</p>	<p style="text-align: center;"><b>6 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing realistic appropriation estimates; and ensuring the unrestricted fund balance is in compliance with statutory limits, and any excess funds are used in a manner to benefit taxpayers.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Chateaugay Central School District</b></p> <p>Leave Accruals 2016M-149</p> <p>4th Judicial District</p>	<p>District officials did not accurately maintain employees' leave accrual records.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring that District personnel properly calculate and deduct leave time use from employee leave accrual balances; and designating an individual who is independent of leave accrual record maintenance to periodically review leave accrual records and balances for accuracy.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p><b>Chenango Valley Central School District</b></p> <p>Capital Project Management 2016M-58</p> <p>6th Judicial District</p>	<p>District officials' properly managed Phase I of the two phase project. Phase I work completed thus far was in accordance with the Project's scope and completed in an economically prudent manner. Phase II of the project is expected to be completed by the end of the summer of 2017.</p>	<p>There were no recommendations.</p>
<p><b>Chester Union Free School District</b></p> <p>Financial Management and Board Oversight 2016M-95</p> <p>9th Judicial District</p>	<p>District officials adopted budgets that resulted in operating surpluses from fiscal years 2011-12 through 2014-15. In addition, the Board did not adequately segregate financial duties, or ensure that claims were adequately audited.</p>	<p style="text-align: center;"><b>11 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring that the amount of unrestricted fund balance is in compliance with the statutory limit and reduce the amount of surplus fund balance in a manner that benefits District residents; segregating the claims auditors' financial duties or implementing compensating controls; and providing the claims auditor with procedures to perform a proper audit of claims.</p>
<p><b>Clarence Central School District</b></p> <p>Financial Condition 2016M-128</p> <p>8th Judicial District</p>	<p>District officials have not effectively managed fund balance and have allowed restricted fund balance to exceed the statutory limit for the past three fiscal years by amounts ranging from 1 to 4 percentage points per year.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The report's recommendations focused on the Board ensuring budgets include realistic appropriations based on actual needs to avoid levying taxes at a level greater than needed; and maintaining unrestricted fund balance within the statutory limit.</p> <p><i>The District generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Cohoes City School District</b></p> <p>Budgeting 2016M-118</p> <p>3rd Judicial District</p>	<p>The Board and District officials did not properly manage fund balance or ensure reserve balances and budget estimates were reasonable.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on Board and District officials developing a plan that details funding levels and planning uses of reserve funds.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Cooperstown Central School District</b></p> <p>School Lunch Fund Financial Condition 2016M-86</p> <p>6th Judicial District</p>	<p>The Board and District officials have not adequately managed the school's lunch fund financial condition. The District's number of meals per labor hour (MPLH) is slightly lower than industry standards and the average cost to produce a meal exceeds the revenue earned.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on Board and District officials completing a cost-per-meal analysis and exploring methods for increasing revenues and decreasing expenditures to a level that allows the fund to be self-sustaining and monitor the MPLH.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Copenhagen Central School District</b></p> <p>Financial Condition 2016M-142</p> <p>5th Judicial District</p>	<p>The Board overestimated appropriations in the adopted budgets by an average of about \$947,000 or 9 percent over the past three years. As a result, \$724,000 or almost 90 percent of the appropriated fund balance was not actually needed to finance operations, and unassigned fund balance was more than twice the statutory limit from fiscal years 2012-13 through 2014-15.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused primarily on developing a budget plan to reduce excess reserve funds.</p> <p><i>District officials generally agreed with the recommendations and have already taken corrective action.</i></p>
<p><b>Dansville Central School District</b></p> <p>Separation Payments 2016M-102</p> <p>7th Judicial District</p>	<p>The District established authorizing provisions within Board-adopted collective bargaining contract benefits that define how to calculate the various components of separation payments. However, no policies or procedures have been adopted or put in place to provide guidance to employees and District officials when processing, reviewing or approving these payments to ensure that the calculations are accurate and sufficiently supported.</p>	<p style="text-align: center;"><b>6 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing policies and procedures for processing separation payments.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p><b>Deer Park Union Free School District</b></p> <p>Bank Reconciliations 2016M-166</p> <p>10th Judicial District</p>	<p>The Board ensured that bank reconciliations were properly prepared to safeguard District assets.</p>	<p>There were no recommendations.</p>
<p><b>Delaware Academy Central School District at Delhi</b></p> <p>Fund Balances 2016M-36</p> <p>6th Judicial District</p>	<p>District officials have adopted budgets to reduce unrestricted fund balance to within the 4 percent statutory limit of the ensuing year's appropriations. However, each year in the period, District officials appropriated more fund balance than needed, resulting in an operational surplus.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials discontinuing the practice of appropriating unexpended surplus funds that are not used; and adopting a reserve fund plan that addresses accumulation and use of reserve funds.</p> <p><i>District officials generally agreed with the recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Downsville Central School District</b></p> <p>Fund Balance 2016M-79</p> <p>6th Judicial District</p>	<p>The Board and District officials did not maintain reasonable fund balance. As of June 30, 2015, the District's unrestricted fund balance totaled \$1,134,700, exceeding the 4 percent statutory limit by 7.3 percentage points.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring unrestricted fund balance is in compliance with statutory limits and beneficial to taxpayers; and adopting budgets with appropriations based on historical estimates for expenditures.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p><b>Early Education Center and the State Education Department</b></p> <p>Compliance With the Reimbursable Cost Manual 2015-S-96</p> <p>9th Judicial District</p>	<p><b>\$11,508 adjustments (.01% of \$2.4 million reported in reimbursable costs on the CFR for the years audited)</b></p> <p>The audit identified \$11,508 in other than personal service costs charged to the Programs that did not comply with SED’s requirements for reimbursement. The ineligible costs included vehicles expenses, food for meetings and advertising.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>It is recommended that the Department review the disallowances resulting from the audit, make the appropriate adjustments to costs reported in the CFR’s and to the Early Education Center tuition reimbursement rates, and recover the overpayments as appropriate, along with working with the Early Education Center officials to help ensure that only eligible costs are included on their CFRs.</p> <p><i>The Department agreed with the recommendations and will review and make adjustments as noted in the report and recover any overpayment as appropriate, along with providing technical assistance to the provider.</i></p>
<p><b>East Ramapo Central School District</b></p> <p>Audit Follow-Up (2013M-141-F, 2011M-52-F) 2013M-141-F</p> <p>9th Judicial District</p>	<p>The District made limited progress on implementing corrective actions based on the two previously issued Audit Reports.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused on District officials continuing their efforts to fully implement recommended improvements.</p>
<p><b>East Rochester Union Free School District</b></p> <p>Financial Management and Separation Payments 2016M-97</p> <p>7th Judicial District</p>	<p>The Board did not adopt budgets based on historical or known trends. The Board overestimated expenditures between fiscal years 2012-13 through 2014-15, which generated 4.2 million in operating surpluses.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board adopting budgets that reflect the District's actual needs and including realistic estimates based on historical trends or other identified analysis; ensuring that year-end encumbrances relate to the fiscal year that they are recorded in and avoid recording invalid encumbrances that result in circumventing the fund balance.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>East Syracuse-Minoa Central School District</b></p> <p>Financial Software Access Rights 2016M-41</p> <p>5th Judicial District</p>	<p>District officials have established a formal process for assigning and reviewing user access rights for conflicting duties, as recommended by previous audits. However, District officials have not addressed the conflicting duties regarding the payroll access rights adequately.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring that employees are not authorized to have incompatible duties within the financial software; and that financial software upgrades do not alter the approved user access rights.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>East Williston Union Free School District</b></p> <p>Extra-Classroom Activities 2016M-103</p> <p>10th Judicial District</p>	<p>District officials did not ensure that the cash receipts process for extra-classroom activity funds were administered in accordance with District guidelines and those of the Commissioner of Education</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring that the Central Treasurer issues pre-numbered receipts to clubs at the time funds are placed in custody; and ensuring that all receipts are deposited in a timely manner.</p> <p><i>District officials generally agreed with the report's recommendations and indicated that they plan to take corrective action.</i></p>
<p><b>Eastchester Union Free School District</b></p> <p>Financial Management 2016M-59</p> <p>9th Judicial District</p>	<p>The District's' budgets over the last five fiscal years did not include estimated amounts for refunds of real property taxes or amounts to fund them. In addition District officials issued debt to pay for refunds of real property taxes.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on District officials ensuring all estimated appropriations and revenues be included in the budget; and considering using appropriated funds to finance refunds of real property taxes.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>



**Audit Report Abstracts  
 Regents Subcommittee on Audits/Budget and Finance  
 September 2016**

<p><b>Edgemont Union Free School District</b></p> <p>Procurement of Professional Services                  2016M-126</p> <p>9th Judicial District</p>	<p>The Board did not adopt comprehensive procurement policy or procedures for staff to follow because they did not address the procurement of professional services; the use of competition; or maintaining documentation of decisions made.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials amending their purchase policy and developing policies and procedures for procuring professional services, including soliciting competition, obtaining written and verbal quotes, and maintaining appropriate documentation.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Edwards-Knox Central School District</b></p> <p>Transportation State Aid and Reserve Funds                  2016M-151</p> <p>4th Judicial District</p>	<p>The District did not apply for all the transportation State aid to which it was entitled for new bus purchases in a timely manner. In addition, District officials were unable to provide documentation for the establishment of reserves that are overfunded.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials implementing an independent review of the preparation, submission and receipt of transportation State aid documentation and an annual reconciliation of transportation State aid; and adopting and implementing a comprehensive policy for establishing, funding and using reserve funds.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Extra-Classroom Activities (Deposit, Dryden, Greene, Ithaca, Laurens, and Livingston Manor Central School Districts)</b></p> <p>Extra-Classroom Activities                  2015-MR-5</p> <p>3rd &amp; 6th Judicial District</p>	<p>The audit examined six school districts and found that although Boards had either adopted or implemented policies, the Boards and District officials did not ensure that policies were being followed or that procedures were adequate to ensure cash receipts and disbursements were properly accounted for.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials enforcing policies and procedures for extra-classroom funds; and ensuring appropriate accounting records are maintained.</p> <p><i>District officials agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p><b>Falconer Central School District</b></p> <p>Financial Management 2016M-146</p> <p>8th Judicial District</p>	<p>The District did not prepare accurate budgets for fiscal years 2012-13 through 2014-15. The District overestimated appropriations and did not use funds appropriated to fund balance to help finance operations. In addition, unrestricted fund balance has exceeded the legal limit annually.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing realistic estimates of appropriations and the use of fund balance in the annual budget; and ensuring the amount of unrestricted fund balance is in compliance with the statutory limit, and developing a plan to use excess fund balance in a manner that benefits residents.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Fayetteville-Manlius Central School District</b></p> <p>Claims Audit Process 2016M-196</p> <p>5th &amp; 6th Judicial Districts</p>	<p>District Officials have established adequate procedures over the claims processing function to ensure that claims are adequately documented and supported, are for appropriate purposes and are audited and approved prior to payment.</p>	<p>There were no recommendations.</p>
<p><b>Franklin Square Union Free School District</b></p> <p>Fund Balance 2016M-129</p> <p>10th Judicial District</p>	<p>The Board and District officials did not maintain a reasonable amount of unrestricted fund balance. Unrestricted fund balance has exceeded the 4 percent statutory limit for the last three completed fiscal years by an average of 11.9 percentage points.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the Board ensuring the amount of unassigned fund balance complies with the statutory limits and reducing the amount of surplus fund balance in a manner that benefits District residents.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Garrison Union Free School District</b></p> <p>Financial Condition 2016M-108</p> <p>9th Judicial District</p>	<p>The District overestimated appropriations annually from 2010-11 through 2014-15, resulting in an operating surplus exceeding the 4 percent legal limit.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board adopting budgets with realistic estimates of appropriations; ensuring that the District's unrestricted fund balance is in compliance with statutory limits and reducing the amount of fund balance in a manner that benefits taxpayers.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Gorham-Middlesex Marcus Whitman Central School District</b></p> <p>Multiyear Planning 2016M-177</p> <p>7th Judicial District</p>	<p>District officials have not developed multiyear plans that adequately detail their intentions for accumulating, maintaining and using reserve funds as a financing source for future needs.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused primarily on Board and District officials developing and adopting a multiyear capital plan for a three to five-year period that addresses the anticipated timeline for completion of capital improvements; and adopting a reserve fund plan that addresses the accumulation, use and maintenance of reserve funds.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Granville Central School District</b></p> <p>Fund Balance 2016M-114</p> <p>4th Judicial District</p>	<p>The District did not comply with its policy and the law by retaining unrestricted fund balance between 20.2 to 22.6 percent of the ensuing year's appropriation exceeding statutory limit.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused on the Board and District officials ensuring the unrestricted fund balance is in compliance with statutory limits and the fund balance policy reduces the amount of unrestricted fund balance in a manner that benefits District residents.</p> <p><i>District officials generally agreed with the report's recommendation and have indicated that they plan to take corrective action.</i></p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p><b>Great Neck Union Free School District</b></p> <p>Fuel 2016M-82</p> <p>10th Judicial District</p>	<p>The Board did not adopt a policy for fuel inventory accountability and there were no written procedures to provide guidance to employees. In addition officials did not investigate variances identified on the fuel inventory reconciliations</p>	<p style="text-align: center;"><b>9 recommendations</b></p> <p>The report's recommendations focused on the Board ensuring policies and written procedures are in place to adequately control the District's fuel assets; and requesting review of fuel reconciliations on a periodic basis.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Greater Amsterdam School District</b></p> <p>Financial Condition 2016M-110</p> <p>4th Judicial District</p>	<p>The Board consistently developed and adopted realistic budget estimates but did not properly manage the District's fund balance and reserves.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on District officials maintaining the general fund and unrestricted fund balances within the legal limit and reducing the amount of excess fund balance in a manner that benefits taxpayers.</p> <p><i>District officials agreed with the recommendations and have indicated that they will take corrective action.</i></p>
<p><b>Greenburgh-Graham Union Free School District</b></p> <p>Financial Condition 2016M-159</p> <p>9th Judicial District</p>	<p>District officials adequately monitor its financial condition. However, District officials have issued Revenue Application Notes (RAN) each year despite the District's stable cash position.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused on the Board issuing a RAN only when the District needs to improve short-term cash flow.</p> <p><i>District officials generally agreed with the report's recommendation and have indicated that they planned to take corrective action.</i></p>
<p><b>Greenwich Central School District</b></p> <p>Claims Auditing 2016M-37</p> <p>4th Judicial District</p>	<p>The District needs to improve its claims auditing process to ensure that all claims have been audited and approved by the claims auditor before payment is made. Specifically, the audit found that the claims auditor did not consistently audit all claims related to the capital fund prior to payment.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused primarily on the Board ensuring that the claims auditor audits all claims prior to payment, unless they are statutorily exempt.</p> <p><i>District officials generally agreed with the reports recommendation and have indicated that they plan to take corrective action.</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Hamilton Central School District</b></p> <p>School Lunch Fund Financial Condition 2016M-136</p> <p>6th Judicial District</p>	<p>The Board and District officials have not adequately managed the school lunch fund’s financial condition. The District’s number of meals per labor hour (MPLH) is significantly lower than industry standards and the average cost to produce a meal exceeds the revenue earned.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report’s recommendations focused on District officials taking action to bring the MPLH closer to industry standards; and completing a cost-per-meal analysis and exploring methods for increasing revenues and decreasing expenditures to a level that allows the fund to be self-sustaining.</p> <p><i>District officials agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Hauppauge Union Free School District</b></p> <p>Overtime 2016M-70</p> <p>10th Judicial District</p>	<p>District officials are not properly monitoring employee overtime to ensure that the District is incurring only necessary overtime costs. While the District’s payroll instructions state that employees must obtain supervisory approval before working overtime hours, the District does not have adequate procedures in place to ensure overtime is preapproved.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on District officials implementing policies and procedures to control and monitor overtime by approving and providing justification for overtime and receiving approval prior to the work being performed.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to initiate corrective action.</i></p>
<p><b>Hawthorne-Cedar Knolls Union Free School District</b></p> <p>Internal Controls Over Wire Transfers 2016M-183</p> <p>9th Judicial District</p>	<p>The Board and District officials have not adopted policies and procedures addressing electronic banking transactions or wire transfers; and there is a lack of segregation of duties within the wire transfer process.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report’s recommendations focused on the Board and District officials adopting policies and procedures for electronic banking and wire transfers; and ensuring duties are properly segregated.</p> <p><i>District officials agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Herkimer-Fulton-Hamilton-Otsego BOCES</b></p> <p>Claims Audit Process 2016M-185</p> <p>4th, 5th &amp; 6th Judicial Districts</p>	<p>BOCES officials have established adequate procedures over the claims processing function to ensure claims were adequately documented and supported, were for appropriate purposes, and were audited and approved prior to payment.</p>	<p>There were no recommendations.</p>
<p><b>Katonah-Lewisboro Union Free School District</b></p> <p>Procurement of Professional Services 2016M-193</p> <p>9th Judicial District</p>	<p>The District has not sought competition when procuring services from service providers.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused on the Board using competitive methods when procuring professional services in compliance with its adopted policy.</p> <p><i>District officials agreed with the report's recommendation and have indicated that they plan to take corrective action.</i></p>
<p><b>Lake Placid Central School District</b></p> <p>Claims Auditing 2016M-84</p> <p>4th Judicial District</p>	<p>District claims were generally supported by adequate documentation and were for appropriate purposes, however, they were not always audited and approved prior to payment.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the Treasurer only printing signed checks after claims have been audited and approved by the claims auditor; and ensuring that no claims against the District other than those allowable by law be paid prior to approval by the claims auditor.</p> <p><i>District officials generally agreed with the recommendations and have initiated corrective action.</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Lancaster Central School District</b></p> <p>Financial Condition 2016M-101</p> <p>8th Judicial District</p>	<p>District officials used budgeting practices to appropriate fund balance and reserves that were not actually used. The District routinely overestimated expenditures and as a result, did not use an equivalent amount of appropriated fund balance and reserves as budgeted.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing realistic estimates of appropriations and the use of fund balance and reserves in the annual budget; and ensuring that the amount of unrestricted fund balance is in compliance with the statutory limit and develop a plan to use excess funds in a manner that benefits taxpayers.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Levittown Union Free School District</b></p> <p>Reserve Funds and Extra Classroom Activity Fund 2016M-174</p> <p>10th Judicial District</p>	<p>The Board and District officials did not appropriately establish and maintain reserve funds. In addition, extra-classroom activity club officials did not maintain adequate supporting documentation for cash collections.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring reserve funds are governed by Board resolutions or policies that include the reasons why the money is being set aside, the financial objectives for the reserves, optimal funding levels, and conditions under which each reserve fund will be utilized; and documenting the source, date, amount, composition, and purpose of cash collections.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Lindenhurst Union Free School District</b></p> <p>Credit Cards 2016M-179</p> <p>10th Judicial District</p>	<p>District officials need to improve the procedures established to govern the issuance and use of District credit cards. While the credit card policy is extensive, it does not require employees to acknowledge receiving the policy or address cash advances available with the general purpose cards. In addition, District officials did not always follow the District's credit card policy and procedures.</p>	<p style="text-align: center;"><b>9 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials amending its credit card policy to address the number of credit cards to be maintained and requiring users to acknowledge receiving the policy.</p> <p><i>District officials agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p><b>Lisbon Central School District</b></p> <p>Cafeteria Cash Receipts 2016M-149</p> <p>4th Judicial District</p>	<p>The Board has not adopted policies and District officials have not developed procedures governing cafeteria cash receipts, or segregate incompatible Financial duties.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The report's recommendations focused on District officials adopting detailed policies and establishing written procedures for collecting and accounting for cafeteria cash receipts; and requiring the food service manager to review the cashier's daily reconciliations and verifying that the amounts collected agree with deposits on the bank statements.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Locust Valley Central School District</b></p> <p>Competitive Quotes 2016M-131</p> <p>10th Judicial District</p>	<p>District officials did not consistently enforce the purchasing policy's requirements for obtaining and documenting verbal and written quotes prior to purchasing goods whose costs exceeded policy thresholds.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the Board ensuring District officials and staff comply with the District's purchasing policy, procedures and regulations.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action</i></p>
<p><b>Long Lake Central School District</b></p> <p>Payroll 2016M-90</p> <p>4th Judicial District</p>	<p>District officials did not establish adequate procedures for processing payroll. The School Business Official's duties were not adequately segregated and are performed without sufficient oversight.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on District officials and the Superintendent implementing compensating controls to address lack of segregation within the payroll process; and comparing payroll registers to payroll source documents to ensure validity.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Lyncourt Union Free School District</b></p> <p>Financial Condition 2016M-62</p>	<p>The Board and District officials did not adequately manage the District's financial condition to ensure the general funds unrestricted fund balance was within statutory limits.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the Board ensuring that the amount of the District's unrestricted fund balance is in compliance with the Real Property Tax Law statutory limits and reducing the amount of unrestricted fund balance in a manner that benefits taxpayers.</p> <p><i>District officials generally agreed with the report's recommendations</i></p>



**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

5th Judicial District		<i>and have indicated that they planned to take corrective action.</i>
<p><b>Lyndonville Central School District</b></p> <p>Financial Condition 2016M-143</p> <p>7th &amp; 8th Judicial Districts</p>	<p>The Board did not adopt realistic budgets or ensure that reserves were reasonably funded. District officials consistently overestimated appropriations in the general fund budget during the 2012-13 through 2014-15 fiscal years. In addition, The District used the operating surpluses to fund various reserves.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing realistic estimates of appropriations and the use of fund balance and reserves in the annual budget.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Malverne Union Free School District</b></p> <p>Fund Balance 2016M-120</p> <p>10th Judicial District</p>	<p>District officials for the last three years, adopted overly conservative budgets that, as a result, included the use of fund balance that was not needed and maintained a reserve that was overfunded.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on District Officials closely monitoring the level of unrestricted fund balance to ensure that it complies with the statutory limit; and adopting budgets with more realistic expenditure estimates based on prior years' actual results and anticipated operations.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Manchester-Shortsville Central School District</b></p> <p>Procurement of Professional Services 2016M-157</p> <p>7th Judicial District</p>	<p>The Board adopted an administrative regulation outlining the requirements for obtaining proposals for professional services. However, the regulation did not provide sufficient detailed requirements or guidance for seeking competition when procuring professional services.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on Board and District officials revising the regulation to include specific dollar thresholds for when RFPs are required to obtain professional services and address procedures to be followed when professional service costs fall below a threshold.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Manhasset Union Free School District</b></p> <p>Separation Payments 2016M-150</p> <p>10th Judicial District</p>	<p>The Board did not ensure that District officials developed written procedures for processing or approving separation payments and there was no adequate independent review of the calculations to ensure they were accurate.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The report’s recommendations focused on Board and District officials adopting written policies and procedures for processing and approving retirement incentives and vacation payouts; and ensuring that someone independent of processing retirement incentive payments and vacation payouts reviews the payment calculations.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Middle Country Central School District</b></p> <p>Financial Management 2016M-121</p> <p>10th Judicial District</p>	<p>The Board has not adopted reasonable and structurally balanced budgets. The Board annually adopted budgets that overestimated expenditures, appropriated fund balance and reserves, and did not use reserves to fund operations.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board developing realistic estimates of appropriations and use of fund balance; and using the surplus fund balance in a manner to benefit taxpayers.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Monroe 1 BOCES</b></p> <p>Procurement of Professional Services 2016M-176</p>	<p>The Board has developed a purchasing policy and BOCES officials have developed corresponding regulations, However, they do not indicate when or at what monetary threshold it is appropriate to use written requests for proposals or written or verbal quotes; they also do not outline the specific documentation</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report’s recommendations focused primarily on the Board providing guidance as to how competition should be solicited for professional services, including the appropriate use of written RFPs, written quotes, and verbal quotes.</p> <p><i>BOCES officials generally agreed with the report's recommendations</i></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p>7th Judicial District</p>	<p>requirements to be used during the solicitation process, including documentation for the decisions made. In addition, the BOCES do not seek competition for all providers.</p>	<p><i>and have indicated that they planned to take corrective action.</i></p>
<p><b>Montauk Union Free School District</b>  Financial Condition 2016M-168  10th Judicial District</p>	<p>Board and District officials overestimated appropriations in adopted budgets from 2012-13 through 2014-15 resulting in a \$1 million cumulative operating surplus. In addition, the District's unassigned fund balance exceeded the statutory limit each year.</p>	<p style="text-align: center;"><b>6 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials using surplus funds; and developing and adopting comprehensive multiyear financial and capital plans to address the use of capital project funds and manage unassigned fund balance and reserve funds.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Mount Markham Central School District</b>  Reserve Funds 2016M-73  5th Judicial District</p>	<p>The District did not have documentation to support its reserves being formally established and did not have a written reserve policy</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on properly establishing all District reserves, which includes documenting the rationale, objective and funding level for each reserve.</p> <p><i>District officials generally agreed with the recommendations and have indicated they planned to take corrective action.</i></p>
<p><b>Nassau BOCES</b>  Claims Auditing 2016M-164  10th Judicial District</p>	<p>Except for minor issues that were discussed with BOCES officials, the audit found that claims were properly authorized, approved and audited before payment, appropriately supported and for BOCES purposes.</p>	<p>There were no recommendations.</p>
<p><b>New Hartford Central School District</b></p>	<p>The District developed a policy to address the procurement of goods and services not subject to competitive bidding. However, the policy did not specify</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused on the Board updating the procurement policy to clearly identify when and how District officials will seek competition for professional services.</p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p>Procurement 2016M-153</p> <p>5th Judicial District</p>	<p>the frequency of seeking competition for professional services.</p>	<p><i>District officials generally agreed with the report's recommendation and have indicated that they plan to take corrective action.</i></p>
<p><b>New York Mills Union Free School District</b></p> <p>Financial Management 2016M-107</p> <p>5th Judicial District</p>	<p>The Board and District officials did not develop reasonable budgets or effectively manage the District's financial condition. The District appropriated an average of approximately \$1.4 million in fund balance annually, which was not needed to fund operations due to operating surpluses.</p>	<p style="text-align: center;"><b>6 recommendations</b></p> <p>The report's recommendations focused on the Board developing realistic estimates of expenditures and the use of fund balance; and returning money improperly placed in the debt service fund to the general fund.</p> <p><i>District officials generally agreed with the recommendations and have indicated that they will take corrective action.</i></p>
<p><b>North Greenbush Common School District</b></p> <p>Budgeting 2016M-112</p> <p>3rd Judicial District</p>	<p>District officials did not effectively manage the District's financial condition by ensuring budget estimates were reasonable and based on historical costs and trends. From fiscal years 2012-13 through 2014-15, the District overestimated expenditures resulting in an operating surplus.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board adopting budgets that include realistic expenditure estimates; and discontinuing the practice of adopting budgets that result in the appropriation of fund balance not used to finance District operations.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>North Rose-Wolcott Central School District</b></p> <p>Financial Management 2016M-22</p>	<p>District officials have not adequately managed the District's financial condition by maintaining reserve fund balances at reasonable levels and developing long-term plans. Additionally, there is no written plan that details the appropriate and necessary levels for reserve funds and prescribes how the reserve fund balances</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials adopting a comprehensive reserve fund plan to address the purpose, accumulation, and use of reserve funds; and developing a sustainable multiyear financial and capital plan.</p> <p><i>District officials generally agreed with the recommendations and have</i></p>

**Audit Report Abstracts  
 Regents Subcommittee on Audits/Budget and Finance  
 September 2016**

<p>7th Judicial District</p>	<p>are to be monitored, analyzed and maintained.</p>	<p><i>indicated that they plan to take corrective action.</i></p>
<p><b>North Syracuse Central School District</b>                   Payroll Access and Certification                  2016M-178                   5th Judicial District</p>	<p>The District has not adequately restricted user access and transaction rights on the computerized payroll system based on job responsibilities, which compromises the segregation of duties and could permit improper payroll changes. In addition, the District's payroll certification procedures do not require the accountant to trace the payroll amounts to source documents.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused primarily on District officials reviewing the access rights granted to current users and ensuring that all users' access rights are limited to those functions needed to perform their job duties; and ensuring payrolls are certified by an assigned employee by comparing payroll register information to payroll source documents.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Northeastern Clinton Central School District</b>                   Payroll                  2016M-76                   4th Judicial District</p>	<p>During the 2014-15 fiscal year, the Board outsourced the District's payroll function to BOCES. District procedures for day-to-day payroll processing did not clearly define the respective payroll responsibilities of BOCES and the District; resulting in procedures not adequately performed or not performed at all.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on District officials and the Superintendent adopting policies and procedures for payroll processing and comparing payroll registers to source documentation prior to certifying.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
		<p style="text-align: center;"><b>6 recommendations</b></p>

**Audit Report Abstracts  
 Regents Subcommittee on Audits/Budget and Finance  
 September 2016**

<p><b>Oakfield-Alabama Central School District</b></p> <p>Budgeting 2016M-172</p> <p>8th Judicial District</p>	<p>The Board and District officials did not prepare accurate budgets for the 2011-12 through 2014-15 fiscal years. While the District appropriated fund balance and reserves to help finance operations, it was not needed because the District's budgeting practices produced operating surpluses in three of the four fiscal years reviewed.</p>	<p>The report's recommendations focused on Board and District officials developing realistic estimates of appropriations and the use of fund balance in the annual budget.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Odessa-Montour Central School District</b></p> <p>Financial Condition 2016M-71</p> <p>6th Judicial District</p>	<p>The Board and District officials did not adequately manage the District's financial condition. They overestimated general fund appropriations when preparing and adopting budgets, which resulted in operating surpluses.</p>	<p style="text-align: center;"><b>8 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials adopting budgets that represent the District's actual needs based on available current information and historical data; and adopting a comprehensive reserve policy.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
		<p style="text-align: center;"><b>3 recommendations</b></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Office of General Services and the New York State Education Department</b></p> <p>Preferred Source Contracting 2014-S-77</p>	<p>The audit found that the Office of General Service (OGS) is appropriately fulfilling its current responsibilities under the Preferred Source Program. The audit also found that some organizations are providing services under the auspices of the Program that have been specifically excluded by the Procurement Council. In addition, the audit found that the State Education Department (SED) has assigned New York State Industries for the Disabled (NYSID) authority to oversee individual contract compliance, and has done little to oversee or monitor the activities of NYSID itself. SED officials stated they do not have the resources available for this purpose. As a result, NYSID has been functioning with limited monitoring and oversight for years.</p>	<p>The report's recommendations focused on OGS officials providing clear definition of preferred source offerings for purchasing agencies to ascertain approval; the Department implementing stronger internal controls for monitoring and oversight of NYSID officials; and the Department requiring NYSID to limit detailed information provided to members/partners in advance of quality reviews.</p> <p><i>OGS and Department officials agreed with the report's recommendations and will work to take corrective action.</i></p>
<p><b>Oneida City School District</b></p> <p>Controlling Access to the Student Information System 2016M-53</p> <p>5th &amp; 6th Judicial Districts</p>	<p>The audit found questionable activity and unnecessary permissions granted for changing student grades, modifying Student Information Systems (SIS) permissions, assuming accounts or identities and viewing Personal, Private Student Information (PPSI). The audit also found District officials failed to review SIS audit logs on a regular basis, properly manage accounts and permissions and establish effective policies and procedures.</p>	<p style="text-align: center;"><b>11 recommendations</b></p> <p>The report's recommendations focused on the Board requiring documentation be retained to show authorized grade changes which include justification; and establishing policies and procedures for managing and monitoring access.</p> <p><i>District officials generally agreed with the recommendations and have indicated that they will take corrective action.</i></p>
<p><b>Oxford Academy and Central School District</b></p>	<p>The Board and District officials did not ensure that the unrestricted fund balance and the capital reserve fund balance were reasonable.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board ensuring that the District's unrestricted fund balance is in compliance with statutory limits and beneficial to taxpayers.</p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p>Financial Management 2016M-6  6th Judicial District</p>		<p><i>District officials generally agreed with the report recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Pembroke Central School District</b>  Financial Management 2016M-31  8th Judicial District</p>	<p>The Board and District officials have not properly managed four reserves that appear to be overfunded or contain funds that are improperly restricted by approximately \$7.6 million, which is approximately 35 percent of 2015-16 budgeted appropriations.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing realistic estimates of appropriations; developing policies for when funded reserves will be used.</p> <p><i>District officials generally agreed with the recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Potsdam Central School District</b>  Payroll 2016M-161  4th Judicial District</p>	<p>District officials established adequate procedures to ensure employees were paid their approved salaries or wages.</p>	<p>There were no recommendations.</p>
<p><b>Prattsburgh Central School District</b>  Tax Collection 2016M-122  7th Judicial District</p>	<p>The Board did not provide the Tax Collector with a warrant prior to the start of the tax collection process.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused primarily on the Board preparing and presenting a warrant to the Tax Collector prior to the start of collection process.</p> <p><i>District officials agreed with the report's recommendation and have indicated that they will take corrective action.</i></p>
<p><b>Pulaski (Academy) and Central School District</b></p>	<p>The Board consistently overestimated appropriations in the District's adopted budgets. The Board adopted budgets which included appropriated fund balance and</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing policies for the reserve fund; developing realistic estimates of appropriations; and ensuring that reserve funds are</p>



**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p>Financial Condition 2016M-81</p> <p>5th Judicial District</p>	<p>reserves that were not needed as funding sources because the Board and District officials overestimated appropriations by an average of 8.8 percent over the last three fiscal years.</p>	<p>maintained at reasonable levels.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Putnam Valley Central School District</b></p> <p>Financial Condition 2016M-135</p> <p>9th Judicial District</p>	<p>The Board and District officials need to improve the budget process to ensure reserves and fund balance are maintained at reasonable levels in accordance with statutory requirements. For four years of the five year audit period (2010-11 through 2014-15), the Board adopted budgets incurring an operating surplus.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board developing a plan to use surplus fund balance in a manner to benefit taxpayers; discontinuing the practice of adopting budgets with appropriation of fund balance that is not used to fund operations; and including transfers to the debt service fund in annual budgets.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Rockville Centre Union Free School District</b></p> <p>School Lunch Fund Financial Condition 2016M-139</p> <p>10th Judicial District</p>	<p>The Board and District officials could improve their management of the school lunch fund's financial condition. Although the school lunch fund had surpluses in 2012-13 and 2013-14 totaling almost \$25,000, the fund realized a deficit of more than \$26,000 in 2014-15, resulting in a 75 percent decrease in fund balance.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials completing a cost-per-meal analysis and exploring methods for increasing revenues and decreasing expenditures to levels that allow self-sustaining funds.</p> <p><i>District officials generally agreed with the reports recommendations and have indicated that they plan to take corrective action.</i></p>
		<p style="text-align: center;"><b>4 recommendations</b></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Rush-Henrietta Central School District</b></p> <p>Financial Management and Separation Payments 2016M-49</p> <p>7th Judicial District</p>	<p>The Board did not adopt realistic budgets based on historical or known trends. The Board appropriated fund balance and reserves averaging \$5 million each year from fiscal year 2012-13 through 2014-15, which should have resulted in operating deficits and reduced fund balances, instead the budgets generated operating surpluses.</p>	<p>The report's recommendations focused on the Board adopting budgets that reflect realistic estimates for revenues, expenditures, and fund balance based on historical trends; and approving all transfers to reserves prior to being made.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated they planned to take corrective action.</i></p>
<p><b>Rye City School District</b></p> <p>Payroll and Leave Accruals 2016M-169</p> <p>9th Judicial District</p>	<p>District staff did not ensure the payroll clerk's work was reviewed or that supervisors verified employees had enough accruals prior to approving leave requests.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on District officials ensuring that entries made by the payroll clerk are reviewed for accuracy; and ensuring leave times earned and used are accurate.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Sackets Harbor Central School District</b></p> <p>Financial Condition 2016M-89</p> <p>5th Judicial District</p>	<p>District officials overestimated appropriations in its adopted budgets by 9 percent for the last three fiscal years (2012-13 through 2014-15).</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring that fund balance is in compliance with statutory limits; and formulating a long-term, multiyear operational and capital plan for the use of excess unassigned fund balance to benefit taxpayers.</p> <p><i>District officials agreed with the recommendations and indicated that they plan to initiate corrective action.</i></p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p><b>Saint Regis Falls Central School District</b></p> <p>Fund Balance 2016M-141</p> <p>4th Judicial District</p>	<p>The District did not comply with Real Property Tax Law (RPTL) and retained unrestricted fund balance for the 2012-13 through 2014-15 fiscal years exceeding the statutory limit by \$1.9 million.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused primarily on ensuring that the amount of the District's unrestricted fund balance is in compliance with RPTL statutory limits.</p> <p><i>District officials generally agreed with our recommendation and have indicated they planned to take corrective action plan.</i></p>
<p><b>Saratoga Springs City School District</b></p> <p>Fund Balance 2016M-99</p> <p>4th Judicial District</p>	<p>The District's reported unrestricted fund balance for the past three years was understated due to the District incorrectly restricted funds for the future payments of other post-employment benefits (OPEB).</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused primarily on District officials discontinuing the practice of restricting a portion of its fund balance for its future OPEB liability to ensure the amount of the unrestricted fund balance is in compliance with the Real Property Tax Law limit.</p> <p><i>District officials generally agreed with the report's recommendation and have indicated that they planned to take corrective action.</i></p>
<p><b>Sauquoit Valley Central School District</b></p> <p>Financial Condition 2016M-88</p> <p>5th Judicial District</p>	<p>District officials have not developed a long-term financial plan to maintain financial stability. The District has experienced operating deficits totaling \$686,600 from the 2012-13 through the 2014-15 fiscal years.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on District officials developing a long-term financial plan to decrease expenditures and increase revenues.</p> <p><i>District officials generally agreed with the recommendations and indicated they plan to initiate corrective action.</i></p>
<p><b>Schuylerville Central School District</b></p> <p>Fund Balance</p>	<p>District officials have not effectively managed the fund balance of the general fund. As a result, the fund balance exceeded the statutory limit for the fiscal years ending June 30, 2014 and 2015.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the District ensuring that the unrestricted fund balance is in compliance with the statutory limits and reducing the amount of unrestricted fund balance in a manner that benefits taxpayers.</p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p>2016M-113 4th Judicial District</p>		<p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Sharon Springs Central School District</b>  Financial Condition 2016M-39  3rd, 4th &amp; 6th Judicial District</p>	<p>The Board appropriated more fund balance than needed, in adopting budgets for the three year period (2012- 13 through 2014-15) resulting in operating surpluses.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials adopting accurate budget estimates; and developing a plan to use the surplus fund balance to benefit taxpayers.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Shenendehowa Central School District</b>  Claims Processing 2016M-137  4th Judicial District</p>	<p>District officials have established appropriate procedures over the claims processing function to ensure that claims were properly itemized and supported, the goods or services had been received and were for proper purposes and the claims were audited and approved prior to payment.</p>	<p>There were no recommendations.</p>
<p><b>Somers Central School District</b>  Fixed Assets 2016M-74  9th Judicial District</p>	<p>Although the District has procedures specific to the maintenance of IT inventory, the Board has not adopted an asset policy establishing capitalization or tagging thresholds, controls over assets or how to maintain records for these assets.</p>	<p style="text-align: center;"><b>7 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials adopting policies and procedures for capitalization and tagging thresholds, controls over assets, how to maintain records for assets, as well as the timely, complete, and accurate tracking of inventory.</p> <p><i>District officials generally agreed with the recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>South Huntington Union Free School District</b></p>	<p>The Board and District officials did not ensure that budget estimates and reserves were reasonable. They</p>	<p style="text-align: center;"><b>6 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials adopting budgets that represent the actual needs; and</p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p>Financial Condition 2016M-132</p> <p>10th Judicial District</p>	<p>overestimated general fund appropriations when preparing and adopting budgets, which resulted in operating surpluses from the 2011-12 through 2014-15 fiscal years.</p>	<p>reducing the amount of unrestricted fund balance and use the excess funds in a manner that benefits District residents.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>South Kortright Central School District</b></p> <p>Retiree Health Insurance Contributions</p> <p>6th Judicial District</p>	<p>District officials did not appropriately segregate duties or implement compensating controls related to the duties of the business manager.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on segregating duties and implementing compensating controls.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>South Lewis Central School District</b></p> <p>Financial Condition 2016M-83</p> <p>5th Judicial District</p>	<p>The District's unassigned fund balance exceeded the 4 percent legal limit for the years (2012-13 through 2014-15), resulting in operating surpluses.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board ensuring the unassigned fund balance is in compliance with statutory limits; and using State aid as the best estimate when determining revenue to raise through local real property tax levies.</p> <p><i>District officials generally agreed with the report's recommendations.</i></p>
<p><b>South Mountain-Hickory Common School District</b></p> <p>Cash Disbursements 2016M-109</p>	<p>The Trustee and Treasurer ensured that disbursements were for proper District purposes and were adequately supported.</p>	<p>There were no recommendations.</p>

**Audit Report Abstracts  
 Regents Subcommittee on Audits/Budget and Finance  
 September 2016**

<p>6th Judicial District</p> <p><b>South Orangetown Central School District</b></p> <p>Claims Processing 2016M-104</p> <p>9th Judicial District</p>	<p>District officials have established effective procedures to ensure that claims are adequately documented and supported, are for legitimate District purposes and are approved prior to payments.</p>	<p>There were no recommendations.</p>
<p><b>Stamford Central School District</b></p> <p>Fund Balances 2016M-106</p> <p>3rd &amp; 6th Judicial District</p>	<p>The District over appropriated funds resulting in surpluses over a five-year period (2011-12 through 2015- 16).</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on developing a plan to reduce the amount of unrestricted fund balance in a manner that benefits District residents; and discontinuing the practice of adopting budgets with the appropriation of unexpended surplus funds that will not be used.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>State Education Department</b></p> <p>Compliance With the Safe Schools Against Violence in Education Act 2016-F-2</p>	<p>During the follow-up, the audit determined the Department made significant progress in addressing the problems identified in the initial audit. Of the initial report's five audit recommendations, four were implemented and one was partially implemented.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused primarily on compliance with the provisions of the SAVE Act; and corresponding regulations.</p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>The Alcott School and State Education Department</b></p> <p>Compliance With the Reimbursable Cost Manual 2015-S-97</p> <p>9th Judicial District</p>	<p><b>\$70,999 adjustments (1.6% of \$4.3 million reported in reimbursable costs on the CFR for the years audited)</b></p> <p>The audit identified \$55,969 in ineligible costs that Alcott reported on its CFR. In addition the audit identified \$15,030 in potentially unreimbursable salary expenses for a marketing position that SED disallowed during its desk review of Alcott's CFR costs.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>It is recommended that the Department review the disallowances resulting from the audit, make the appropriate adjustments to costs reported n the CFR's and to The Alcott School tuition reimbursement rates, and recover the overpayments as appropriate, along with working with The Alcott School officials to help ensure that only eligible costs are included on their CFRs.</p> <p><i>The Department agreed with the recommendations and will review and make adjustments as noted in the report and recover any overpayment as appropriate, along with providing technical assistance to the provider.</i></p>
<p><b>The College of Westchester</b></p> <p>Audit of the State Financial Aid Program 2015-T-5</p> <p>9th Judicial District</p>	<p><b>\$13,872 adjustments (15% of the sampled \$91,645)</b></p> <p>College officials used proper procedures to certify students for state financial aid. However, audit testing identified nine awards, totaling \$13,872, which school officials certified in error. Of the total amount, \$2,532 of this amount was returned to the Higher Education Services Corporation (HESC) by Westchester officials prior to the completion of the audit.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on College officials recovering the \$11,340, plus applicable interest, from the school for its incorrect State financial aid certifications that were not previously paid back to HESC.</p> <p><i>College officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Town of Webb Union Free School District</b></p>	<p>District officials over estimated expenditures during the past three fiscal years (2012-13 through 2014-15) and</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing a plan to reduce the amount of unrestricted fund</p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p>Fund Balance 2016M-140  5th Judicial District</p>	<p>the unrestricted fund balance exceeded statutory limit.</p>	<p>balance in a manner that benefits District taxpayers.  <i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Ulster BOCES</b>  Internal Controls Over Purchasing 2016M-158  3rd Judicial District</p>	<p>BOCES policy and procurement guidelines do not require the use of competition, such as request for proposals (RFP), in procuring professional services.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused on the Board revising its policy to require the use of an RFP process or other appropriate method of soliciting competition in the procurement of all professional services.  <i>BOCES officials generally agreed with the recommendation and have indicated that they will take corrective action.</i></p>
<p><b>Union Springs Central School District</b>  Retiree Health Insurance Contributions 2016M-75  7th Judicial District</p>	<p>District officials ensured that retiree health insurance contributions were properly billed, collected and deposited. However, although officials have a process in place to identify deceased retirees, they could increase controls to ensure they are identified in a timely manner.</p>	<p style="text-align: center;"><b>1 recommendation</b></p> <p>The report's recommendation focused primarily on District officials enhancing procedures to monitor the status of all retirees and their spouses/dependents for eligibility.  <i>District officials generally agreed with the report's recommendation and have indicated that they planned to take corrective action.</i></p>
<p><b>Uniondale Union Free School District</b>  Procurement 2016M-195  10th Judicial District</p>	<p>District officials did not attach sufficient supporting documentation to claims for purchases not subject to competitive bidding. In addition, purchases were made before the purchasing agent issued an approved purchase order.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on District officials ensuring sufficient documentation is attached to claims; and ensuring purchases are not made until the purchasing agent has issued an approved purchase order.  <i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>



**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Union-Endicott Central School District</b></p> <p>Financial Management 2016M-100</p> <p>6th Judicial District</p>	<p>The Board appropriated more fund balance than needed resulting in an estimated net budget variance of \$20.6 million from 2011-12 through 2015-16.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials discontinuing the practice of adopting budgets with appropriations that will not be used; and reducing the amount of unrestricted fund balance, as appropriate, and using the excess funds in a manner that benefits District residents.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Valley Stream Union Free School District #30</b></p> <p>Purchasing 2016M-171</p> <p>10th Judicial District</p>	<p>The District procured goods and services in accordance with its policy and the statutory requirements.</p>	<p>There were no recommendations.</p>
<p><b>Van Hornsville-Owen D. Young Central School District</b></p> <p>Financial Condition 2016M-63</p> <p>4th, 5th &amp; 6th Judicial District</p>	<p>The Board and District officials did not effectively manage the District's financial condition by ensuring budget estimates were reasonable and based on historical costs and trends and that fund balance was maintained at the statutory limit.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board adopting budgets that reflect actual needs based on realistic revenue and appropriation estimates; ensuring that unrestricted fund balance is in compliance with statutory limits; and developing a plan to reduce unrestricted fund balance to benefit taxpayers.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
		<p style="text-align: center;"><b>2 recommendations</b></p>

**Audit Report Abstracts  
Regents Subcommittee on Audits/Budget and Finance  
September 2016**

<p><b>Victor Central School District</b></p> <p>Information Technology 2016M-117</p> <p>7th Judicial District</p>	<p>The Board and District officials have not implemented appropriate IT policies and procedures related to personal, private and sensitive information (PPSI) classification or data backups.</p>	<p>The report's recommendations focused on the Board and District officials adopting policies and procedures to address the classification of PPSI and to address data backups.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
<p><b>Watertown City School District</b></p> <p>Financial Condition 2016M-85</p> <p>5th Judicial District</p>	<p>The District has overestimated appropriations in adopted budgets by about an average of 14 percent annually over the past three years. In addition, the District's tax certiorari reserve is overfunded by approximately \$567,000 and, based on historic costs, the unemployment insurance reserve has enough funds to cover 37 years of expenditures.</p>	<p style="text-align: center;"><b>5 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring fund balance is in compliance with statutory limits, developing policies and procedures for reserve fund, and evaluating claims to determine appropriate amounts needed in the tax certiorari reserve.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Watkins Glen Central School District</b></p> <p>Health Insurance Cost Savings 2016M-144</p> <p>6th Judicial District</p>	<p>District officials achieved health insurance cost savings by changing health insurance carriers and offering employees a buyout incentive. From July 1, 2013 through June 30, 2016, the cost savings will total approximately \$3.9 million.</p>	<p>There were no recommendations.</p>
<p><b>Weedsport Central School District</b></p> <p>Financial Management 2016M-94</p>	<p>District officials used fund balance and interfund transfers to finance general fund operations. Because of this practice, the District's 2014-15 unrestricted fund balance decreased to 1.2 percent of 2015-16 budgeted appropriations.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused primarily on reducing the District's reliance on non-recurring revenue.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

7th Judicial District		
<p><b>West Canada Valley Central School District</b></p> <p>Access to the Student Information System 2016M-96</p> <p>5th Judicial District</p>	<p>The Board does not have comprehensive written policies and procedures for managing student information system (SIS) accounts and permissions and reviewing SIS audit logs. Additionally the District granted unnecessary permissions for changing student grades, assigning accounts and identities, and viewing personal, private and sensitive information (PPSI).</p>	<p style="text-align: center;"><b>8 recommendations</b></p> <p>The report's recommendations focused on establishing written procedures for adding users to the SIS, assigning permissions, modifying permissions, removing users and monitoring user activity; and communicating the Student Grading Information Systems policy to all District employees and providing training as needed to clarify roles and responsibilities.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>West Hempstead Union Free School District</b></p> <p>Financial Condition 2016M-116</p> <p>10th Judicial District</p>	<p>The District officials have effectively managed the District's financial condition; however, since the District does not have long-term financial plans to reduce expenditures or raise additional revenues, the District's fund balance will continue to decline.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on continuing to develop multiyear long-term financial plans, including projecting funding levels and use of reserve funds and update these plans periodically.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Westhill Central School District</b></p> <p>Procurement 2016M-182</p> <p>5th Judicial District</p>	<p>The District complied with competitive bidding requirements and adopted a purchasing policy. However, the policy did not include guidance for procuring professional services.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on Board and District officials revising the purchasing policy to ensure that it provides guidance for soliciting competition when procuring professional services.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>

**Audit Report Abstracts  
 Regents Subcommittee on Audits/Budget and Finance  
 September 2016**

<p><b>Wheelerville Union Free School District</b></p> <p>Fund Balance 2016M-9</p> <p>4th Judicial District</p>	<p>District officials have not effectively managed the general fund's fund balance, and the District has not correctly recorded and reported the composition of its fund balance. In addition, the District appropriated fund balance that was not used and funded the capital reserve with no established plans.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials ensuring unrestricted fund balance is in compliance with Real Property Tax Law limits; reducing unrestricted fund balance to benefit taxpayers; and developing a plan for future funding of the capital reserve fund.</p> <p><i>District officials generally agreed with the report's recommendations and plan to take corrective action.</i></p>
<p><b>Whitesboro Central School District</b></p> <p>Claims Auditing 2016M-115</p> <p>5th Judicial District</p>	<p>The District's claims were for appropriate purposes and were adequately supported, audited and approved prior to payment.</p>	<p>There were no recommendations.</p>
<p><b>William Floyd Union Free School District</b></p> <p>Payroll 2016M-156</p> <p>10th Judicial District</p>	<p>District officials did not adequately segregate payroll duties or establish sufficient compensating controls over the payroll process.</p>	<p style="text-align: center;"><b>2 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials segregating payroll processing duties or implementing compensating controls.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>
		<p style="text-align: center;"><b>2 recommendations</b></p>

**Audit Report Abstracts**  
**Regents Subcommittee on Audits/Budget and Finance**  
**September 2016**

<p><b>Williamson Central School District</b></p> <p>Procurement of Professional Services 2016M-55</p> <p>7th Judicial District</p>	<p>Although the Board has developed a purchasing policy and District officials have developed corresponding regulations, they do not provide guidance for seeking competition when procuring professional services. In addition, policy and regulations do not outline the specific documentation requirements to be used during solicitation including decisions made.</p>	<p>The report's recommendations focused on the Board providing guidance on how competition should be solicited for professional services; providing guidance for documentation requirements; and entering into written agreements with professional service providers.</p> <p><i>District officials generally agreed with the recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Willsboro Central School District</b></p> <p>Financial Condition 2015M-362</p> <p>4th Judicial District</p>	<p>The District has accumulated unrestricted fund balance that exceeds the statutory limit by approximately \$977,000 (nearly 12 percentage points) and has levied more taxes than were needed to fund operations during the 2013-14 through 2015-16 fiscal years.</p>	<p style="text-align: center;"><b>4 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials adopting budgets that include realistic estimates for appropriations; ensuring the amount of unrestricted fund balance is in compliance with statutory limits; and developing a multiyear financial plan.</p> <p><i>District officials generally agreed with the recommendations and indicated that they planned to take corrective action.</i></p>
<p><b>Wilson Central School District</b></p> <p>Reserves and Fuel Accountability 2016M-44</p> <p>8th Judicial District</p>	<p>The Board has not properly managed reserves or sufficiently followed the District's reserve policy and regulations. Additionally, District officials did not provide adequate oversight of fuel and cannot be certain that all fuel purchased by the District was used for District purposes.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials reviewing requirements for reserves in the District's related policy and regulations; and reviewing all reserves at least annually to determine if the amounts reserved are necessary and reasonable.</p> <p><i>District officials generally agreed with the report's recommendations and have indicated that they planned to take corrective action.</i></p>
<p><b>Windsor Central School District</b></p>	<p>District officials have taken actions to reduce the school lunch fund's dependence on the general fund to support operations by becoming a federally funded</p>	<p>There were no recommendations.</p>

**Audit Report Abstracts  
 Regents Subcommittee on Audits/Budget and Finance  
 September 2016**

<p>Cafeteria Operations 2016M-130</p> <p>6th Judicial District</p>	<p>Summer Food Service Program provider and increased in-house catering.</p>	
<p><b>Wyoming Central School District</b></p> <p>Financial Management 2016M-67</p> <p>8th Judicial District</p>	<p>Board and District officials annually appropriated portions of fund balance toward the subsequent year's budget that were not used because they consistently overestimated appropriations exceeding statutory limits.</p>	<p style="text-align: center;"><b>3 recommendations</b></p> <p>The report's recommendations focused on the Board and District officials developing realistic estimates of appropriations and the use of fund balance in the annual budget; and ensure that unrestricted fund balance is in compliance with the statutory limit and developing a plan to use excess funds in a manner that benefits District residents.</p> <p><i>District Officials agreed with the report's recommendations and have indicated that they plan to take corrective action.</i></p>