



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

**TO:** The Honorable the Members of the Board of Regents  
Subcommittee on Audits/Budget and Finance

**FROM:** Valerie Grey

**SUBJECT:** Board of Regents Oversight – Financial Accountability

**DATE:** December 2, 2010

**STRATEGIC GOAL:** Goal 5

**AUTHORIZATION(S):**

### **SUMMARY**

#### **Issues for Discussion**

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

1. Office of State Comptroller (OSC) Presentation
2. Review of the Monthly Fiscal Report
3. Revised Regents Budget Priorities – Reappropriation of the \$20.4 Million for Data (Attachment 1)
4. Budget Updates
5. Completed Audits (Attachment II)
6. Proposed Amendment to Establish Committee on Audits/Budget and Finance

#### **Reason(s) for Consideration**

Update on Activities

#### **Proposed Handling**

Discussion and Guidance

## Procedural History

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

## Background Information

1. Office of State Comptroller (OSC) Presentation  
Staff from the Office of the State Comptroller will brief the Subcommittee Members on the role of the Comptroller in audits of school districts, BOCES, and other educational entities.
2. Review of the Monthly Fiscal Report  
The Subcommittee will be updated on the Department State Operations expenditure and revenue projections.
3. Revised Regents Budget Priorities  
Staff will provide an update on the revised Regents Budget Priorities to include a Reappropriation of the \$20.4 Million State Longitudinal Data System (LDS) Capital Projects Appropriation (Attachment 1)
4. Budget Updates
5. Completed Audits  
The Subcommittee is being presented with 21 audits this month. A summary of key audits is attached. (Attachment II)

Audits are provided as follows:

### Office of Audit Services

Center Moriches Union Free School District ARRA Report  
Dunkirk City School District ARRA Report

### Office of the State Comptroller

Berlin Central School District  
Cairo-Durham Central School District  
Catskill Central School District  
East Irondequoit Central School District  
Elmsford Union Free School District  
Hancock Central School District  
Harpursville Central School District  
Hudson City School District  
Lewiston-Porter Central School District  
Long Island Business Institute TAP Audit  
Mahopac Central School District

Morrisville-Eaton Central School District  
New York Institute of Technology TAP Audit  
Northeast Central School District  
Peekskill City School District  
Pine Plains Central School District  
Rhinebeck Central School District  
Sullivan West Central School District  
Wellsville Central School District

6. Proposed Amendment to Establish Committee on Audits/Budget and Finance

The proposed amendment will be presented to the Subcommittee on Audits/Budget and Finance for recommendation and to the Full Board for adoption as an emergency action at the December 2010 Regents meeting.

Recommendation

For item six (Proposed Amendment to Establish Committee on Audits/Budget and Finance) discussion and recommendation to Full Board for adoption is sought. For item three (Revised Regents Budget Priorities) approval of the Subcommittee is sought. For item one (Office of State Comptroller (OSC) Presentation), two (Review of the Monthly Fiscal Report), four (Budget Updates), and five (Completed Audits) no further action is recommended.

Timetable for Implementation

N/A

The following materials are attached:

- Revised Regents Budget Priorities – Reappropriation of the \$20.4 Million State Longitudinal Data System (LDS) Capital Projects Appropriation (Attachment I)
- Summary of Audit Findings Including Audit Abstracts (Attachment II)

## Revised Regents Budget Priorities

### P-12 2011-2012

#### Data System Development:

**Budget Request** – Reappropriation of the \$20.4 Million State Longitudinal Data System (LDS) Capital Projects Appropriation

The 2010-11 State Budget includes a \$20.4 million capital projects appropriation for the development of a State longitudinal data system (LDS), which is an integral component of the State's Race to the Top application. This \$20.4 million appropriation will be used by the Department (\$10.7 million), SUNY (\$8.2 million) and CUNY (\$1.5 million) to:

- Provide increased hardware, software, and contract services necessary to support the collection and reporting of new data elements such as:
  - P-12 college- and career-readiness scores,
  - P-12 student course and teacher information,
  - higher education enrollment and outcomes, and
  - early-warning predictors for at-risk students;
- Increase data system capacity at SUNY and CUNY to collect and report higher education data to the State LDS;
- Build a comprehensive unique student identifier system with necessary security and privacy protections;
- Develop an electronic student records exchange system; and
- Develop an Early Warning system to identify and provide support to at-risk students.

The Department is developing an expenditure plan for submission to DOB so the appropriation can be allocated and MOUs with SUNY and CUNY which stipulate the level of funding to be provided to SUNY and CUNY and the deliverables and reports to be produced by SUNY and CUNY.

Estimated expenditures for the current year are \$6.8 million for increased data collection and reporting capacity and SUNY and CUNY data system development. The Department is requesting that the full \$20.4 million appropriation be reappropriated in the 2011-12 State Fiscal Year.

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Audit	Procurement	Claims Processing	Payroll	Cash	Financial Reporting	Information Technology	Segregation of Duties	Revenue Enhancements	Program (TAP)	Other
<b>Office of Audit Services</b>										
* Center Moriches Union Free School District (footnote 2)										√
* Dunkirk City School District (footnote 2)										√
<b>Office of the State Comptroller</b>										
** Berlin Central School District										
Cairo-Durham Central School District		√		√		√				
Catskill Central School District	√					√				
East Irondequoit Central School District			√							
Elmsford Union Free School District					√					
** Hancock Central School District										
Harpursville Central School District	√									
Hudson City School District								√		
Lewiston-Porter Central School District	√		√							
Long Island Business Institute									√	
Mahopac Central School District								√		
Morrisville-Eaton Central School District		√								
New York Institute of Technology									√	
Peekskill City School District				√		√	√			
Pine Plains Central School District								√		
Rhinebeck Central School District			√	√		√				
Sullivan West Central School District	√									

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Audit	Procurement	Claims Processing	Payroll	Cash	Financial Reporting	Information Technology	Segregation of Duties	Medicaid Revenue Enhancements	Program (TAP)	Other
Webutuck Central School District								√		
* Wellsville Central School District (footnote 1)	√									√
<b>December 2010</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>3</b>

1. District Newsletter
2. American Recovery and Reinvestment Act (ARRA)

\*\* No recommendations

The Department's Internal Audit Workgroup met to review each of the audits being presented this month. The findings were considered of a routine nature and not of enough significance to bring to the Subcommittee. Letters will be sent to the auditees reminding them of the requirement to submit a corrective action plan.

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<b>Office of Audit Services</b>		
<b>Audit</b>	<b>Major Finding(s)</b>	<b>Recommendation/Response</b>
<p><b>Center Moriches Union Free School District</b>  <b>Use of American Recovery and Reinvestment Act (ARRA) funds awarded for the July 1, 2009 - June 30, 2010 school year.</b>  <b>ARRA-0510-16</b>  <b>10th Judicial District</b></p>	<p>The District did not establish an appropriation for the ARRA-ESF accounts. Sincere there was no appropriation made, budgets for the ARRA-ESF accounts were not tracked and available balances of the fund in the accounting system inaccurately appeared as negatives. The district also did not enter payroll expenditures as they occurred.</p> <p>Further, the District did not account for the full FTE of employees being paid from both IDEA 611 and ESF funding. In addition, payroll certifications were not prepared monthly and did not coincide with payroll.</p> <p>It could not be determined if the District exceeded the \$100 threshold for interest earned during 2009-10 because the District did not provide a daily account of revenue received and expenditures incurred for all federal funds despite numerous requests.</p>	<p><b>5 recommendations</b></p> <p>The report's recommendations focused on strengthening the policies and procedures regarding the use of ARRA funds.</p> <p><i>The District agreed with the recommendations and has indicated that they are in the process of implementing corrective action.</i></p> <p><b>The audit identified the District's inability to calculate interest earned on federal funds. As a result, OAS has recommended that the Department put the District on a reimbursement only basis for receiving federal funds.</b></p>
<p><b>Dunkirk City School District</b>  <b>Use of American Recovery and Reinvestment Act (ARRA) funds awarded for the July 1, 2009 - June 30, 2010</b>  <b>ARRA-0710-18</b></p>	<p>It was found that the District claimed more than 90 percent of the approved budget for ARRA-IDEA 619 (preschool).</p> <p>Further, it was found that the District had not posted or directly charged the fringe benefits portion of the claim to the ARRA-ESF expenditure codes.</p> <p>In the quarterly reporting period ending June 30, 2010, the District reported 15 positions saved instead of 21.</p>	<p><b>4 recommendations</b></p> <p>The recommendations focused on strengthening the policies regarding the use of ARRA funds.</p> <p><i>The District agreed with the recommendations and have already implemented corrective</i></p>

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<b>8th Judicial District</b>	Documentation at the District also supports 21 jobs saved.	<i>action.</i>
<b>Office of the State Comptroller</b>		
<b>Audit</b>	<b>Major Finding(s)</b>	<b>Recommendation/Response</b>
<b>Berlin Central School District</b> <b>Internal Controls Over Purchasing</b> <b>2010M-117</b> <b>3rd Judicial District</b>	<p>The District has established comprehensive purchasing policies and procedures that provide appropriate guidance for competitive bidding.</p> <p>Forty claims (totaling \$230,442) were examined, and only minor deficiencies were found, which have since been discussed with District officials. It was determined that the District's internal controls over purchasing were effective.</p>	There were no recommendations.
<b>Cairo-Durham Central School District</b> <b>Internal Controls Over Information Technology and Cash Disbursements</b> <b>2010M-127</b> <b>3rd Judicial District</b>	<p>The District has not developed a formal security plan or written policies and procedures to effectively safeguard information technology (IT) resources.</p> <p>Further, the Treasurer and the Business Manager both have system administrator rights to the District's financial software, while other employees have access to areas of the software that are inconsistent with their job responsibilities.</p> <p>District financial data backup are also not stored at a secure offsite location, and are not periodically restored or tested by District personnel. The District's financial data backups are also not encrypted. District computers also have the ability to install software onto District computers because certain users have local administrative rights. The Board also has not developed a disaster recovery plan.</p> <p>Duties are also not properly segregated over the cash</p>	<p><b>9 recommendations</b></p> <p>The report's recommendations focused on strengthening the policies and procedures regarding the safeguarding of information technology, financial software, financial backups, a formal disaster recovery plan, and properly segregated duties over the cash disbursements and claims processes.</p> <p><i>The District agreed with the recommendations and has indicated that they plan to implement corrective action.</i></p>



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	disbursements process, and the appointed claims auditor was authorizing payments for purchases she had initiated or processed as part of her other duties.	
<b>Catskill Central School District</b> <b>Internal Controls Over Purchasing and Information Technology</b> <b>2010M-139</b> <b>3rd Judicial District</b>	<p>The District did not comply with and enforce the District's purchasing policies for the procurement of goods and services when competitive bidding was not required by law. It was found that \$53,482 in purchases were made without the benefit of price comparisons. Procedures were not in place to monitor compliance with the District's procurement policy and instances of noncompliance were not reported to the Board.</p> <p>District officials do not monitor backups of critical financial electronic data and have not developed a disaster recovery plan.</p> <p>Further, the District does not have procedures to prevent employees and students from downloading and installing potentially malicious software onto their computers.</p>	<p><b>7 recommendations</b></p> <p>The recommendations focused on strengthening the policies and procedures regarding competitive bidding and computer access controls.</p> <p><i>The District agreed with all recommendations except for the two pertaining to secure software storage procedures. They have indicated that they will implement corrective action.</i></p>
<b>East Irondequoit Central School District</b> <b>Health Insurance Buyout Program for Retirees</b> <b>2010M-135</b> <b>7th Judicial District</b>	<p>It was determined that the District could save money if they offered the same health insurance buyout plan to its retirees that it offers to its active employees. It was estimated that if the District allowed current retirees to participate in the plan, they would save approximately \$400,000 over a ten-year time frame.</p>	<p><b>1 recommendation</b></p> <p>It is recommended that the district consider offering an annual payment to eligible retirees to forego health plan coverage.</p> <p><i>The District agreed with the recommendation and has indicated that they plan to implement corrective action.</i></p>

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<p><b>Elmsford Union Free School District</b>  <b>Internal Controls Over Tax Certiorari Reserves</b>  <b>2010M-104</b>  <b>9th Judicial District</b></p>	<p>In 2007, the Comptroller's Office performed an audit of the District and found that the District had improperly encumbered funds for tax certiorari judgments. It was recommended that the District establish a tax certiorari reserve to meet anticipated judgments and claims in the future. In response, the Board established a tax certiorari reserve fund in September 2007 in the amount of \$8,754,000 as of June 30, 2007. The Board increased the reserve by \$792,000 to a total of \$9,546,000 to fund settlements of tax certiorari cases. Later, the Board allocated the \$9,546,000 along fiscal years 2004-05, 2005-06, 2006-07 and 2007-08.</p> <p>The Board lacked authority to establish the tax certiorari reserve funds in 2007-08 retroactively for fiscal years 2004-05, 2005-06, and 2006-07. The 2007-08 tax certiorari was also improperly established because it was established after the 2007-08 tax levy was set.</p> <p>Further, the Board cumulatively overfunded the tax certiorari reserve funds by about \$8.9 million. However, upon counsel's recommendation, the Board reduced the 2007-08 tax certiorari reserve fund by \$1.7 million and returned it to the general fund.</p>	<p><b>2 recommendations</b></p> <p>The report's recommendations focused on strengthening the policies and procedures regarding monies deposited into reserve funds.</p> <p><i>The District agreed with the findings but disagreed with both recommendations.</i></p>
<p><b>Hancock Central School District</b>  <b>Internal Controls Over Payroll</b>  <b>2010M-122</b>  <b>6th Judicial District</b></p>	<p>It was determined that controls over payroll were adequately designed and operating effectively. There were no significant deficiencies in the payrolls that were examined.</p>	<p>There were no recommendations.</p>

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<p><b>Harpursville Central School District</b>  <b>Joint Transportation Facility</b>  <b>2010M-109</b>  <b>6th Judicial District</b></p>	<p>It was found that significant opportunities exist for the District and the Town to save money by building and operating a joint transportation facility. Due to the age and condition of the District's existing transportation facility and the Town's highway building, both local governments would benefit by replacing their buildings with a joint facility. It was found that the District and Town could save local taxpayers between \$2.8 million and \$4.2 million if they jointly built one new facility. Further, a joint facility could save local taxpayers more than \$13,000 in annual heating and electricity costs.</p>	<p><b>1 recommendation</b></p> <p>It was recommended that the District further pursue constructing a joint transportation facility.</p> <p><i>The District agreed with the recommendations and have indicated that they plan to implement corrective action.</i></p>
<p><b>Hudson City School District</b>  <b>Medicaid Revenue Enhancements</b>  <b>2010M-142</b>  <b>3rd Judicial District</b></p>	<p>The contractor processed claims for only 122 of the District's 307 Medicaid-eligible students. It was estimated that the District did not claim eligible services totaling at least \$460,256 which would have resulted in the District receiving about \$115,064 and New York State received \$115,064 in potential Medicaid reimbursement revenue.</p> <p>Further, based on the student sample tested, it was determined that the District's unclaimed revenue amounted to \$33,966 and, based on estimated projections, the District also missed at least an additional \$81,098 of Medicaid reimbursement revenue.</p> <p>The District's classified student eligibility list was also not complete. Twenty-five students were identified who were Medicaid eligible but were not included on the District's eligibility list and 18 of those students received services that could have resulted in the District receiving \$5,170 in Medicaid reimbursement.</p> <p>Additionally, during the 2008-09 school year, parental consent</p>	<p><b>3 recommendations</b></p> <p>The report's recommendations focused on strengthening the policies and procedures regarding Medicaid reimbursement documentation and procedures.</p> <p><i>The District agreed with the recommendations and had indicated that it plans to implement corrective action.</i></p>

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	<p>forms were completed for only 129 of 307 Medicaid-eligible special education students. Due to this documentation deficiency, the District did not claim \$29,159 (25 percent District share) in reimbursement.</p> <p>The District also did not claim for all services it was entitled to. As a result, it received \$1,019 less than it was entitled to.</p>	
<p><b>Lewiston-Porter Central School District</b>  <b>Benefit Trusts and Student Transportation Operations</b>  <b>2010M-92</b>  <b>8th Judicial District</b></p>	<p>District officials did not sufficiently monitor the benefit payment and reimbursement process for two benefit trusts, and as a result, \$52,865 of the \$214,659 in payments made on behalf of the trusts from July 1, 2007 to May 7, 2010, had not been reimbursed.</p> <p>It was determined that the District could also potentially save over \$210,000 in student transportation costs by operating at between 76-85 percent of bus capacity and by more sufficiently monitoring fuel charges from the transportation vendor. Fuel reconciliations provided by the transportation vendor from 2007-2009 showed that the District was billed for more fuel than the District actually used by a total of 10,828 gallons, which is equivalent to \$23,388.</p>	<p><b>9 recommendations</b></p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to the review and approval of benefit payments, the reimbursements process, the segregation of duties, bus capacity, fuel purchasing and inventory.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>
<p><b>Long Island Business Institute</b>  <b>Tuition Assistance Program (TAP) Requirements</b>  <b>2009-T-6</b></p>	<p>It was determined that the Long Island Business Institute (LIBI) was overpaid \$7,500 because school officials incorrectly certified three students as eligible for four TAP awards. These students were incorrectly certified because they were not matriculated, as required by TAP eligibility requirements.</p> <p>LIBI received \$10.3 million in TAP for the three years that ended June 30, 2008.</p>	<p><b>2 recommendations</b></p> <p>It is recommended to the Higher Services Corporation to recover the \$7,500 plus interest from LIBI for its incorrect TAP certifications.</p> <p>It is recommended to the Department to ensure that LIBI</p>

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		<p>officials comply with Department requirements in relation to matriculation and good academic standing.</p> <p>A response has not yet been received from HESC or the Department regarding these recommendations.</p>
<p><b>Mahopac Central School District                  Internal Controls Over Medicaid Reimbursement                  2010M-128                  9th Judicial District</b></p>	<p>The District has not received any Medicaid reimbursement for special education services. The District did not monitor the contractor to ensure that the contractor submitted all claims to the Department of Health (DOH) and did not monitor Medicaid reimbursement claims to ensure that the District received all Medicaid aid to which it is entitled.</p> <p>As a result of inadequate monitoring, the District and State each lost approximately \$39,000 in Medicaid reimbursements for the period July 1, 2008 through June 30, 2009.</p>	<p><b>2 recommendations</b></p> <p>The report's recommendations focused on strengthening the Medicaid documentation and reimbursement policies.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action as soon as possible.</i></p>
<p><b>Morrisville-Eaton Central School District                  Internal Controls Over Selected Financial Activities                  2010M-141                  6th Judicial District</b></p>	<p>The District claims auditor is not reporting directly to the Board, as required by law, and instead is reporting to the Board-designated audit committee. Aside from this finding, no other deficiencies were found.</p> <p>The District's cash disbursement duties are properly segregated, disbursements are audited and approved prior to payment, and the procurement of goods and services are made in accordance with General Municipal Law and the Board's policies.</p>	<p><b>1 recommendation</b></p> <p>It is recommended that the Board instruct the claims auditor to report directly to the Board as required by law.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement</i></p>

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		<i>corrective action to address the finding.</i>
<b>New York Institute of Technology Tuition Assistance Program (TAP) Requirements 2009-T-5</b>	<p>It was determined that New York Institute of Technology (NYIT) was overpaid \$114,830 because school officials incorrectly certified 8 students as eligible for 10 TAP awards.</p> <p>NYIT received \$15.4 million in TAP awards for the three academic years ending June 30, 2008.</p>	<p><b>3 recommendations</b></p> <p>It is recommended that the Higher Education Services Corporation (HESC) recover the \$114,830 plus interest from NYIT for its incorrect TAP certifications, and to ensure that NYIT officials comply with the Higher Education Services Corporation requirements relating to crediting TAP students' accounts.</p> <p>It is recommended to the Department to ensure that New York Institute of Technology officials comply with Department requirements relating to full-time attendance and good academic standing.</p> <p>A response has not yet been received from HESC or the Department.</p>
<b>Northeast Central School District Increasing Medicaid Revenue</b>	District staff did not submit claims for reimbursement for most of their IEP-related services during the school year because District officials did not effectively monitor the Medicaid claims process to ensure that all related eligible services were	<p><b>3 recommendations</b></p> <p>The report's recommendations focused on strengthening the</p>

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<p><b>2010M-140                  9th Judicial District</b></p>	<p>promptly submitted for reimbursement. Medicaid is also withholding reimbursements to recover \$29,404 that the District has improperly claimed and received in the prior year.</p> <p>District officials did not develop written policies and procedures for processing claims. As a result, District staff did not submit claims for reimbursement for most of the IEP services provided to students during the 2008-09 school year.</p> <p>Further, upon review, it was determined that the District had not submitted claims totaling \$53,299 for IEP-related services provided to the students. As a result, the District could realize additional revenue of approximately \$13,325 in Medicaid reimbursements for IEP services by submitting claims for these services.</p>	<p>policies and procedures regarding compliance with new Medicaid requirements, and the timely submission of claims.</p> <p><i>District officials agreed with the recommendations and have indicated that they will implement corrective action.</i></p>
<p><b>Peekskill City School District                  Internal Controls Over Wire Transfers and Computer Security                  2010M-108                  9th Judicial District</b></p>	<p>There is a lack of segregation of duties in the wire transfer process. The District also does not have a comprehensive agreement with each bank or investment company that addresses electronic or wire transfers.</p> <p>The Board has not adopted policies and procedures for granting employees access rights to the District's computerized data. The Assistant Superintendent for Business and three other employees in the Business Office have excessive access rights that are not consistent with their job duties.</p> <p>Finally, the Board has not adopted a Breach Notification Policy, as required by law.</p>	<p><b>6 recommendations</b></p> <p>The report's recommendations focused on strengthening the policies and procedures regarding the segregation of duties over wire transfers, access rights to computerized data, and the adoption of required policies.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>

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<p><b>Pine Plains Central School District                  Medicaid Revenue Enhancements                  2010M-118                  9th Judicial District</b></p>	<p>District officials have not developed written policies to define the responsibilities for collecting Medicaid data and documentation, submitting and reconciling claims, and monitoring reimbursement. The District did not submit claims for \$142,350 for IEP-related services and targeted case management for Medicaid-eligible students, and therefore did not receive its 25 percent potential Medicaid reimbursement of \$35,600.</p>	<p><b>3 recommendations</b></p> <p>The report's recommendations focused on strengthening policies regarding Medicaid Revenue Enhancements.</p> <p><i>The District agreed with the recommendations and have indicated that they will implement corrective action as soon as possible.</i></p>
<p><b>Rhinebeck Central School District                  Internal Controls Over Selected Financial Operations                  2010M-133                  9th Judicial District</b></p>	<p>The Treasurer disbursed \$58.5 million of electronic funds transfers during the audit period. These transfers included both online transfers between accounts at the same bank, and wire transfers of monies from one bank to another. The Treasurer performed these transactions without prior approval, timely review by someone independent of the transaction, or a confirmation from bank personnel.</p> <p>Internal controls over the District's payroll processing are not appropriately designed because the payroll clerk performs virtually every phase of the payroll process, and the Board has not exercised appropriate oversight.</p> <p>Finally, the District did not have adequate internal controls in place for information technology, to include procedures for the assignment of user rights and a disaster recovery plan.</p>	<p><b>6 recommendations</b></p> <p>The report's recommendations focused on strengthening the policies and procedures regarding electronic fund transfers, payroll controls, and internal controls over information technology.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action as soon as possible.</i></p>



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<p><b>Sullivan West Central School District                  Internal Controls Over Fuel Inventory                  2010M-110                  3rd Judicial District</b></p>	<p>There are no physical fuel inventories taken at the town garage or the maintenance shed. The District also has no records for maintenance shed usage because the fueler does not work at that location. Therefore the District does not have adequate information to reconcile fuel inventories at these two locations.</p> <p>Further, District officials do not compare the mileage recorded on the fuel usage logs for each bus to route assignments to verify that the amount of fuel used is within the limits set by the contract. If this procedure was regularly done, it would be known that District fuel was appropriately being utilized.</p>	<p><b>3 recommendations</b></p> <p>The reports' recommendations focused on physical inventories, delivery records and inventory logs, and the periodic review of routing assignments and odometer readings.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>
<p><b>Wellsville Central School District                  Cost Savings Opportunities and Internal Controls Over Financial Consultant Services                  2010M-107                  8th Judicial District</b></p>	<p>The District could save up to \$188,000 over a three year period by providing its newsletter in an electronic format and self-funding for student accident costs.</p> <p>Additionally, the District also paid a consultant \$99,959 to provide financial services without soliciting proposals or entering into a written contract to indicate the scope of services or basis for compensation.</p>	<p><b>7 recommendations</b></p> <p>The recommendations focused on strengthening the policies and procedures pertaining to the District newsletter and student accident insurance, and financial consulting.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>