



Chappaqua Central School District

Andrew B. Lennon
Assistant Superintendent for Business

Christine Ackerman Ph.D.
Superintendent of Schools

September 21, 2021

To: Board of Education

CC: Audit Committee
Dr. Christine Ackerman, Superintendent

From: Andrew B. Lennon & Cathy Lynch

Re: Management Response to the Internal Risk Assessment Update

The auditors of Tobin & Co., LLP, the district's internal audit firm have completed their initial risk assessment update for the 2021-2022 school year as required under Chapter 263 of the Laws of 2005 and Section 170.12 of the Regulations of the Commissioner of Education.

Their report cites various positive controls implemented by the District and recommendations for further improvements. Below is the District's response to their recommendations along with the person responsible for and anticipated completion date of any corrective actions.

Benefits

Recommendation: As best practice, billing for benefits can be automated using the District's accounting software, nVision. NVision also gives the District a more effective means of tracking outstanding amounts owed to the District as well.

District response: The District will evaluate the implementation of the nVision Receivables Module as well as alternative procedural updates to determine how best to improve receivables management for benefits and all other areas going forward.

Responsible person(s): Andrew B. Lennon, Assistant Superintendent for Business;

Anticipated Completion date: June 30, 2022.

Payroll

Recommendation: The District should formally document the Payroll Department's duties and responsibilities. In addition to formalizing their everyday functions, a formal calendar



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should be developed providing a clear timeline of start dates and deadlines for various payroll functions.

District response: The responsibilities of the Payroll Department will be formally articulated including day-to-day responsibilities of each member of the department. A payroll manual will be created which further articulates processes, procedures and a calendar of responsibilities/events. This manual will be reviewed and updated annually or more often as needs arise.

Responsible person(s): Andrew B. Lennon, Assistant Superintendent for Business;

Anticipated Completion date: December 31, 2021

Human Resources

Recommendation: The District uses My Learning Plan to register for in-service credits as well as BOCES courses. A large part of My Learning Plan is its ability to track all credits and submit courses for approval.

District Response: The District is interested in further utilizing My Learning Plan to its full potential. The Human Resources Department will assess the ability to implement My Learning Plan to its full capabilities with existing staff or if additional support will be necessary for implementation. A recommendation will be made as part of the 2022-2023 budget development process to support full utilization of My Learning Plan and the labor required to support the transition.

Responsible Person(s): Dr. Tony Sinanis, Assistant Superintendent for Human Resources.

Anticipated Completion date: May 1, 2022

Capital Projects

Recommendation: The District should work with its Accountant to develop monthly financial reports that can be used at construction meetings. This will assist the District in monitoring the budget-to-actual costs at weekly meetings.

District Response: The Assistant Superintendent for Business will meet with the Director of Facilities, the District Treasurer and/or Accountant to review the current financial projections for each capital project on a monthly basis. The Director of Facilities and/or the Assistant



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Superintendent for Business will address any financial concerns with Architect, Contractors and others during subsequent construction meetings as necessary.

Responsible Person(s): Andrew B. Lennon, Assistant Superintendent for Business;

Anticipated Completion date: September 30, 2021

Facilities and Operations

Recommendation: The new gas system for facilities and transportation has the capability of running specialized reports showing fuel usage. This would be beneficial for the District, as it would help track how often fuel is being used and how efficient District employees are with their usage. In addition, reviewing these reports could also indicate where potential problems may be.

District Response: The facilities department will work with Chappaqua Transportation to address system issues to be able to generate and review these reports on a monthly basis.

Responsible Person(s): Joseph Gramando, Director of Facilities

Anticipated Completion date: December 31, 2021

Revenue, Receipts, and Accounting

Recommendation 1: The District should consider reinstating the practice of having an employee other than the Treasurer involved in receiving and processing checks for deposit. In addition, entering invoices (such as Extraclassroom and the Capital Fund) for payment should be done by an individual independent of the Treasurer.

District Response: Due to the elimination of a part time clerk several years ago, the Treasurer took on additional responsibilities pertaining to deposits. The Assistant Superintendent for Business is in the process of evaluating Business Office roles and responsibilities and will identify segregation of duties issues and the presence of or need for compensating controls or adjustments in staff responsibilities. Where necessary, compensating controls will be implemented to address concerns.

Responsible Person(s): Andrew B. Lennon, Assistant Superintendent for Business;

Anticipated Completion date: December 31, 2021



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Recommendation 2: The District should review its outstanding receivables related to facility usage for both accuracy and to determine their collectability.

District Response: The District Treasurer will review outstanding receivables not less than quarterly. In addition, receivables pertaining to facilities usage will be reviewed with the Facilities Department for accuracy and collectability based on actual usage.

Responsible Person(s): Cathleen Lynch, District Treasurer and Joe Gramando, Director of Facilities

Anticipated Completion date: November 30, 2021

Student Activities

Recommendation 1: If feasible, the District should consider adding the position of Faculty Auditor. This position could also review any deposits or payment requests prior to receipt by the District Treasurer. In addition, it could help with any segregation of duties issues as noted below.

District Response: The Assistant Superintendent for Business will review existing Board Policy pertaining to the Extraclassroom Activities fund and make recommendations for adding a Student Activities Faculty Auditor as part of the 2022-2023 budget development process if feasible.

Responsible Person(s): Andrew Lennon, Assistant Superintendent for Business

Anticipated Completion date: May 1, 2022

Recommendation 2: As part of best practice, the District should segregate duties involved with Student Activities.

District Response: The District Treasurer is also the Central Treasurer for Student Activities. The Assistant Superintendent for Business is in the process of requesting written roles & responsibilities from all Business Office staff. There will be a formal review of the Treasurer's duties and segregation issues will be addressed at that time.

Responsible Person(s): Andrew Lennon, Assistant Superintendent for Business



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Anticipated Completion date: December 31, 2021

Food Service

Recommendation: The District should begin using the original monthly point-of-sale reports to ensure meal count information provided to New York State is accurate.

District Response: The District will implement this recommendation as stated.

Responsible Person(s): Alex Djordjevic, Accountant;

Anticipated Completion date: October 15, 2021

Fixed Assets

Recommendation: The Information Technology Department maintains a database of Information Technology related inventory. In addition, Asset Maxx is used District wide to track all fixed assets. On a regular basis, these two databases should be reconciled to ensure accuracy and up-to-date records.

District Response: The District will develop a process for comparing the two databases as recommended and reconcile at least annually.

Responsible Person(s): Mike Trnik, Purchasing Agent;

Anticipated Completion date: March 31, 2022

We thank the staff at Tobin & Co., LLP as well as the district staff and administration for their professionalism and cooperation throughout this audit process.