

CHAPPAQUA CENTRAL SCHOOL DISTRICT

P.O. BOX 21, CHAPPAQUA, NEW YORK (914) 238-7200

June 29, 2011

To: Tobin & Company
Internal Auditor

From: John L. Chow

Re: Response to the Internal Audit Report – Intensive Review of Purchasing and
Accounts Payable, June 30, 2011

This is the District response to the findings and recommendations included in your report for the Intensive Review of Purchasing and Accounts Payables. On July 14 auditors from your firm will review the report and our response with the Audit Committee, after which the committee will make a recommendation to the Board of Education.

The Business Office staff met and reviewed this internal audit report and below are our responses to the findings and recommendations. We believe that we have addressed all the issues.

Procedure Deficiencies:

***Finding:** Ability to print checks and not post*

Recommendation

This deficiency is difficult to control without a software support. The auditor agreed that with the Finance Manager (our financial software) upgrade, this problem will be solved.

Response

Responsible: Accounts Payable Clerk, Accountant & Assistant Superintendent for
Business

Action: Although this is a deficiency, the district does have controls in place – accounts payable checks are printed but are not released until the Claims Auditor has reviewed and signed off for payment (similarly payroll checks are printed but are not released until the Accountant has reviewed the changes to payroll and the Assistant Superintendent of Business signs off for payment). Once the financial software is upgraded, the check printing will be processed through the same system and the new software is supposed to have all the necessary controls.

Timeline: Fall 2011

Documentation Deficiencies:

Finding 1: *No documentation of management review of the Ed Data purchase orders*

.

Recommendation

The District uses hash totals to compare the initial approved order to the final purchase orders to ensure agreement. This review should be documented.

Response

Responsible: Purchasing Agent

Action: We will continue to compare the uploaded purchase orders vs. what is input by Ed Data and will make notation of such review.

Timeline: Procedure was implemented immediately

Finding 2: *The District does not require a new vendor to submit a completed W-9, nor does it keep copies on file.*

Recommendation

W-9's should always be obtained and kept on file.

Response

Responsible: Accounts Payable Clerk and District Treasurer

Action: We will begin requiring all vendors to fill out the W-9 forms since this is a new requirement in the future. Currently we obtain all the necessary information, vendor's name, address, social security number/Federal ID number.

Timeline: This will be an ongoing process.