

*FOLLOW UP TO PREVIOUS REPORTS  
ISSUED TO THE BOARD OF EDUCATION*

*OF*



**PLAINVIEW-OLD BETHPAGE CENTRAL SCHOOL DISTRICT**

**AS OF APRIL 2016**

April 2016

The Board of Education  
Plainview-Old Bethpage Central School District  
Plainview, NY 11803

Board of Education:

This report covers the results of our follow up to previously issued reports to the Board of Education. It discusses the status of management's actions on the prior recommendations made in the original reports. The purpose of the follow-up is to verify that the District has implemented the agreed-upon corrective actions to strengthen the control environment. To accomplish this, we returned to the District to interview staff, perform limited tests, and to review new procedures that have been established.

We last performed this evaluation and issued our report to the District in January 2015. This report contains remaining open recommendations from our reports of Personnel and Payroll (November 2009) and Review of Facilities (March 2012), as well as recommendations made from our Review of Online Check Processing (November 2014), Food Services POS System (April 2015), and Review of Benefits (November 2015).

The details of our original findings, as well as management's responses and the current status, are noted on subsequent pages of this report. The format is a table with columns detailing the issue and our recommendation, the control risk surrounding the issue, the risk level, the individual responsible for the corrective action, the District's response to our recommendation, and our valuation and status of the issue and implementation of the recommendation.

We would like to thank the District for its cooperation during our follow-up process. We understand the fiduciary duty of the Board of Education, as well as the role of the internal auditor in ensuring that the proper control systems are in place and functioning consistently with the Board's policies and procedures.

Should you have any questions regarding anything included in our report, please do not hesitate to contact us at (631) 582-1600.

Sincerely,



Cerini & Associates, LLP  
Internal Auditors



Original Management Letter Comment	Control Risk	Risk Level	Responsible Individual	Management's Response	Auditors' Evaluation & Status
<b>REMAINING OPEN ITEMS FROM REVIEW OF PERSONNEL AND PAYROLL (NOVEMBER 2009)</b>					
<p><b>6. Issue:</b> We noted that one employee, who is a 10 month employee of the District, started receiving their salary in July. We discussed this situation with the District who indicated that it was past practice to permit certain 10 and 11 month employees (i.e. principals, and assistant principals), to be paid starting in the July or August since these employees needed to work some days before school started. Essentially, the District is paying these types of employees in advance. It should be noted that this arrangement is not a criteria of the employee's contract agreement. Should the employee resign or be terminated after the start of the school year, the District may not be able to recoup the monies that were paid in July and/or August.</p> <p><b>Recommendation:</b> We recommend that the District decide on the proper payment procedure for those employees who are principals and assistance principals. If the District decides to pay these employees before their first start day of work, then the District should outline that the final payment will include a deduction for the payment received in advance. This procedure should be formally documented and distributed to these employees.</p>	<p>The District could be overpaying employees.</p>	<p>Moderate</p>	<p>Assistant Superintendent For Business</p>	<p>It was recommended that the District decide on the proper payment procedure for those employees who are principals and assistant principals. It was also recommended that the District outline that the final payment will include a deduction for the payment received in advance if the District decides to pay these employees before their first start day of work. The District concurs with this recommendation and is working with the 10 and 11 month administrators to rectify the proper payment procedures during the summer months. The expected completion date is Summer 2014.</p>	<p><b>Prior Evaluation Status:</b> The 10/11 month employee payroll payment issue was worked on by the Business Office approximately 12 months ago. They developed a solution that would delay summer payments beginning during the summer of 2014. It was decided by the Superintendent to not implement and to address this issue during the next round of negotiations.</p> <p><b>Current Status:</b> We were informed that the contract with the principals is still in negotiations.</p> <p><b>We will follow up on this recommendation during our next evaluation period.</b></p>

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<b>REMAINING OPEN ITEMS FROM REVIEW OF FACILITIES (MARCH 2012)</b>					
<p><b>4. Issue:</b> The process for recording and tracking requests is currently done manually, thus increasing the risk of errors. However, the District has purchased FSDirect, a product of SchoolDude, to automate the scheduling of building uses, but it is currently not being utilized in the process.</p> <p><b>Recommendation:</b> We recommend that the District implement using FSDirect, and ensure all the necessary staff people are trained to use the software. In addition, we recommend that restricted access to FSDirect be extended to personnel who are involved in monitoring facility usage (i.e. custodial staff, building principals, Athletics Department). This would create an efficient application process, and it would reduce the risk of errors.</p>	Increased risk of errors due to manual processes.	Moderate	Director of School Facilities & Operations	The district will work to train the appropriate staff members in the automated facilities use schedule module. It is our goal that it will be partially implemented by July 1, 2012 with a full implementation date of Fall 2012.	<p><b>Prior Evaluation Status:</b> We were informed that the District has not been able to fully utilize SchoolDude to track requests for use of facilities at this time.</p> <p>To ensure insurance requirements are being met, the facilities department is currently utilizing the District's insurance carrier to assist with the review of the insurance requirements associated with the use of the facilities. The facilities department is also in the process of developing a training program whereby all users of District facilities are made aware of their responsibilities as well as emergency procedures that are to be followed.</p> <p><b>Current Status:</b> The District is planning on purchasing the USE OF FACILITIES portal from School Dude online. The expected rollout is to begin July 1, 2016.</p> <p><b>We will follow up on the status of this recommendation at our next evaluation period.</b></p>

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<b>STATUS OF RECOMMENDATIONS FROM REVIEW OF ONLINE PAYCHECK PROCESS (NOVEMBER 2014)</b>					
<p><b>1. Issue:</b> One employee did not sign in or out for two out of a ten day pay period reviewed. We were informed that this was a newly hired teacher in the District, and the District immediately sent out a reminder to inform the teacher of District policy. We confirmed the employee had indeed worked that day. Additionally, we noted two teachers who did not sign out for one of the ten days within the tested pay period. We also noted a few instances where the timesheet records only displayed the time in/time out but did not document total hours worked per day.</p> <p><b>Recommendation:</b> The District should ensure that all building attendance records (sign in/sign out sheets) are fully completed by employees before it is signed off by appropriate District management and payment to any employee is made. Employees that are not properly completing attendance or timesheet records should be notified in a timely fashion requesting resolution of their omissions on such reports, and ensure proper supervisory approval of changes. Follow-up support should be documented to ensure the accountability of the employees' time. All employees' time sheets should properly show the time in and out on a daily basis as well as the total hours worked per day.</p>	<p>The District could be erroneously paying employees for time they were not entitled to.</p>	<p>Moderate</p>	<p>Assistant Superintendent For Business</p>	<p>The District agrees with this recommendation and will review at the next Leadership Team meeting the procedures for timesheets. This will ensure that the approving administrators check for completed timesheets by respective employees. The expected completion date is Fall 2015.</p>	<p>We reviewed the attendance sheets at the High School and at Mattlin Middle School for the pay period ending April 1, 2016. For those employees who did not sign in, we verified that they were listed as being absent.</p> <p>We noted one employee who did not sign in or out for one day during this period, but was not listed as being absent or in meetings that day in WinCap (this employee would not require a substitute). We were able to confirm that the employee was in meetings that day.</p> <p>To ensure that employee attendance is being properly tracked, we recommend that the building attendance personnel review the timesheets and indicate the status of an employee who does not sign in on a particular day (e.g., out ill, in meetings, personal day, etc.).</p> <p><b>We will assess the status of this issue during our next evaluation period.</b></p>
<p><b>2. Issue:</b> During our testing, the District could not locate the direct deposit authorization form for 12 of the 31 employees who enrolled in Direct Deposit. It should be noted some of these employees' may have been hired over 10 years ago and</p>	<p>The District is not in full compliance with record retention requirements for direct deposits.</p>	<p>Low</p>	<p>Assistant Superintendent For Business</p>	<p>The District agrees with this recommendation and has already worked to get updated direct deposit authorization forms from the employees noted. The District has put a process in place to ensure</p>	<p>We noted that the District obtained the Direct Deposit form for the 12 employees noted.</p> <p><b>This issue has been resolved.</b></p>

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<p>the District was unaware where the records may be. The retention period for such documents is 3 years after the deduction is no longer in effect or the last deposit is made under the authorization. This retention period ensures the availability of authorizing forms to respond to inquiries concerning their validity. Upon notification, the District issued a memorandum to these personnel, requested them to fill out the District's direct deposit form. As of the date of this report, the District received all completed direct deposit forms.</p> <p><b>Recommendation:</b> We recommend that the District obtain new direct deposit authorization form for those employees noted.</p>				<p>that all future direct deposit forms adhere to the record retention requirement.</p>	
<p><b>3. Issue:</b> We noted two employees had their checks mailed although the employees were salaried teachers assigned to one building. We were informed that these employees had been out on a leave of absence and the code was not changed upon their return. We also noted two salaried 181 day aides who had their checks mailed.</p> <p><b>Recommendation:</b> We recommend that the Payroll department review the paycheck distribution codes for all employees on a periodic basis to ensure that the code is correct and when feasible, recommend Direct Deposit enrollment for such personnel.</p>	<p>Since the paycheck sign-in sheet for employees who have their check mailed is not reviewed by an administrator, there is an increased risk that unauthorized payments can occur (e.g., if the employee was on leave) and not readily detected. Additionally, the District may be needlessly mailing checks.</p>	<p>Low</p>	<p>Assistant Superintendent For Business</p>	<p>The District agrees with this recommendation and has confirmed with the Human Resources Department that when an employee returns from leave that the Payroll Office is notified so we can update the check location.</p>	<p>We confirmed that the employees noted were no longer listed on the mailed check list.</p> <p><b>This issue has been resolved.</b></p>

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<p><b>4. Issue:</b> We noted one employee, a teacher who used to work in multiple locations, was not assigned to a building list during the pay period we reviewed.</p> <p><b>Recommendation:</b> We recommend that the Payroll department periodically check the code "99" employees to see whether building assignments can be designated.</p>	<p>The District could be paying for a salaried employee without verifying attendance records.</p>	<p>Moderate</p>	<p>Assistant Superintendent For Business</p>	<p>The District agrees with this recommendation and the Payroll Department will review with the Human Resources Department on a quarterly basis the code "99" employees to ensure everyone's location is current.</p>	<p>We confirmed that the employee noted was assigned to a specific building code.</p> <p>We did note, however, that the mailed check list is not periodically reviewed. As such, we continue to recommend that the list of employees assigned to building code "99" is periodically reviewed by the Human Resources department.</p> <p><b>We will follow up on this recommendation at our next evaluation period.</b></p>

**STATUS OF RECOMMENDATIONS FROM REVIEW OF FOOD SERVICES POINT OF SALE SYSTEM (APRIL 2015)**

<p><b>1. Issue:</b> Cafeteria daily deposits are not being properly secured.</p> <p><b>Recommendation:</b> We recommend that the money be locked in a safe prior to deposit. This would help minimize the opportunity for misappropriation.</p>	<p>Leaving the cafeteria deposits unsecured can lead to an increased risk of loss or theft.</p>	<p>High</p>	<p>Assistant Superintendent For Business</p>	<p>The Food Service Director agrees with the recommendation and will ensure that the money is always kept in a secured, locked place.</p>	<p>We discussed the cash handling procedures with the Food Service Director and noted that the procedures include keeping the cash in a secured locked draw/cabinet at all times. To further ensure that the cash is kept secure, the District may want to consider installing a safe in the food service offices at each of the buildings.</p> <p><b>This issue has been resolved.</b></p>
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