

## Corrective Action Plan for External Audit

For each deficiency cited by Lumsden McCormick LLP, the District's external auditor, in the District's management letter dated October 15, 2019, the following corrective actions are proposed:

### 1. Fund Balance

**Auditor Recommendation:** General fund balance is 6.5% of 2019 budget, NYS Real Property Tax Law limits the balance to 4%, of the subsequent year's budget.

**Plan of Action:** Additional fund balance was held as a plan to pay off unleveled capital debt in the upcoming two years, in addition we anticipate a large tax certiorari claim that may cost the district upwards of 1.2M in the next three years.

**Implementation date:** The five- year plan outlines the spending of this money over the next three years. This money will be spent in the next three years as appropriated fund balance and partially through funding of the tax certiorari reserve.

**Person(s) Responsible for Implementation:** Assistant Superintendent of Administrative Services

### 2. Capital assets

**Auditor Recommendation:** Due to change in service provider capital asset detail was not in agreement with prior year record due to 2017 vendor change. Industrial appraisal uses replacement value for insurance purposes and not historical values.

**Plan of Action:** We asked Industrial appraisal on two occasions to update the appraisal. They believe that since an appraisal is for insurance purposes and not for auditing purposes it is done correctly. We will ask them again to change this report for the upcoming year.

**Implementation date:** Prior to January 1, 2019

**Person(s) Responsible for Implementation:** Assistant Superintendent of Administrative Services and the Accounting Clerk responsible for inventory record keeping.

### 3. Extra Classroom activities

**Auditor Recommendation:** With no input from the middle school's graduating class club, its remaining funds were transferred to the following year's graduating class.

**Plan of Action:** The Middle school treasurer will be directed to transfer those funds to the class which earned them.

**Implementation date:** October 30, 2019

**Person(s) Responsible for Implementation:** Assistant Superintendent of Administrative Services and the MS and HS secretaries.

**Auditor Recommendation:** five clubs were left open with no activity

**Plan of Action:** two clubs at the middle school had no activity, the person in charge of club funds will transfer the funds to student council, three clubs at the HS had no activity, those funds will be transferred to student council

**Implementation date:** October 30, 2019

**Person(s) Responsible for Implementation:** Assistant Superintendent of Administrative Services and the MS and HS secretaries.

**Auditor Recommendation:** The total of all club balances for the high school extra-classroom activity funds summary of club accounts did not agree to the bank reconciliation as of June 30, 2019. We recommend that this be reconciled in future years.

**Plan of Action:** The Assistant Superintendent met with both central treasurers in August of 2018 to explain and train both parties on the recording and reconciliation process. The Assistant Superintendent will train the central treasures in the reconciliation process again during the year to detect and rectify errors.

**Implementation date:** December 1, 2019

**Person(s) Responsible for Implementation:** Assistant Superintendent for Administrative Services

**Auditor Recommendation:** There were disbursement missing supporting documentation, likewise, there were some disbursements and deposit receipts not properly authorized by students and faculty advisors.

**Plan of Action:** In October of 2018, The Assistant Superintendent for administrative services met with Administrators to explain the expectations of having student leaders on clubs and handed out copies of the Safeguarding, Accounting and Auditing of Extra-classroom Activity Funds policy manual produced by the State Education Department. In August of 2018 the Assistant Superintendent of Administrative Services met with all athletic club advisors and coaches to explain these expectations. Additional training will be provided to building administrators who supervise club advisors. A copy of The safeguarding, Accounting, and Auditing of Extra-classroom Activity Funds Policy manual was distributed electronically to all club advisors. This year we will ask an accounting firm to come and train our club advisors on expectations for the accounting and auditing of club funds. A link to the Accounting and Auditing of Extra-classroom Activity Funds was placed on our website as a staff resource.

**Implementation date:** December 30, 2019

**Person(s) Responsible for Implementation:** Assistant Superintendent for Administrative Services and selected accounting firm