



**WEST HEMPSTEAD UNION FREE SCHOOL DISTRICT
ADMINISTRATIVE OFFICES**

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CORRECTIVE ACTION PLAN

AUDIT OF 2017

1. Corrective Action Plan – Audit of 2017 – Extra Classroom Activity Fund

Finding:

1. Lack of adequate fundraising accounting and sales tax collections by clubs.

Action Plan to be taken:

The Assistant Superintendent for Business will meet with all faculty advisors of student clubs to discuss the advisory process and provide appropriate guidelines for fundraising and accounting for the clubs as well as the requirements concerning the collection of sales tax by clubs.

Date action to be completed:

Action is expected to be completed by March 30, 2018.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations.

2. Corrective Action Plan – Audit of 2017 – School Food Service (School Lunch) Fund - Excess Fund Balance

Finding:

1. The School District Fund Balance has exceeded the three month's average expenditures limit by approximately \$83,000.

Action Plan to be taken:

In 2017/2018 school year, the District has incurred expenditures totaling \$23,250, replacing various kitchen items. It is also in the process of renovating kitchen stove fire hoods, fire suppressors and reconstructing serving lines at an estimated cost of \$97,500. This expenditure will bring the Fund Balance down to the appropriate level

Date action to be completed:

On going.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations.

Finding:

2. Sales recorded in the General Ledger of the School Lunch Program, compared with the records of the food management company's year-end report, indicated incorrect classification to other cafeteria sales instead of student lunch sales.

Action Plan to be taken:

The District has instituted a requirement that the District Treasurer reconciles on a monthly basis the Food Service Company's record with that of the District. Any discrepancies found will be investigated and properly adjusted.

Date action to be completed:

On going.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations

3. Corrective Action Plan – Audit of 2017 – Federal Grants

Finding:

1. 2015-16 Title 1 Grant FS-10F form was slightly understated by approximately \$16.

Action Plan to be taken:

The District's Business Office will work closely administrators responsible for implementing programs and grant funds utilization to monitor expenditures of the grant funds and the reimbursement methods for accurate reporting.

Date action to be completed:

On going.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations

4. Corrective Action Plan – Audit of 2017 – Capital Assets

Finding:

1. Various equipment purchases that met the capitalization threshold and completed capital projects totaling approximately \$226,000 were not communicated to the appraisal company.

Action Plan to be taken:

The District's Business Office has embarked on communication with CBIZ, the appraisal company, to review all property and equipment purchases that need capitalization. It will enable all parties to be on the same page which will promote accurate recording and reporting of transactions.

Date action to be completed:

On going.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations

Finding:

2. There were projects that that had no activity in 2016-17 school year and the unexpended balances remained in the Capital Project fund as of June 30, 2017. District should review all old capital projects and determine whether they are completed and all required Final Cost Reports have been submitted to the State, and dispose of the unexpended balances accordingly.

Action Plan to be taken:

The District's Business Office has embarked on the review of all capital projects. All projects that are completed will be closed out and any unexpended balances left on the projects will be returned to the funding source. However, the above-referenced project, The Middle School Fire Alarm Project, has been under construction for awhile. SED requested a change in scope of the project, which our architects submitted and are awaiting approval from SED. As soon as the approval is received, the District will move to complete the project.

Date action to be completed:

On going.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations

5. Corrective Action Plan – Audit of 2017 – General Fund

Finding:

1. New York State Real Property Tax Law §1318 limits a School District's General Fund unassigned Fund Balance to an amount not greater than 4% of the upcoming year's budget. As of June 30, 2017, the District's unassigned Fund Balance exceeded the 4% limit.

Action Plan to be taken:

The District intends to be in compliance with New York State Real Property Law §1318 and as such will ensure that it reviews its Fund Balance projections on a regular basis to ensure that its unassigned Fund Balance does not exceed the 4% limitation.

Date action to be completed:

On going.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations

Finding:

2. As of June 30, 2017, the District has not received any reimbursements from the State for its 2015-2016 school year's §4201 cost (net of the District's basic contribution) amounts of approximately \$130,000. The District also recorded a \$143,000 receivable due from the State for 2016-17 school year's §4201 net costs with no payments received from the State yet.

Action Plan to be taken:

The issue was due to delays in sending data and information to the State via the STAC System. The District has hired a consultant, School Aid Specialists, to help train personnel in the Pupil Personnel Office on the input of information into STAC so the District can be appropriately and timely reimbursed by the State to its §4201 programs.

Date action to be completed:

On going.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations

6. Corrective Action Plan – Audit of 2017 – General Fund

Finding:

1. The journal entries within the current year's audit sample all had appropriate documentation of reviews and approvals by the Assistant Superintendent for Business. We recommend that the Assistant Superintendent for Business periodically review Journal Entries report from the accounting system to ensure entries entered are the ones he has approved.

Action Plan to be taken:

On a monthly basis the Assistant Superintendent for Business reviews the journal entries in the accounting system and matches them to signed journal entry forms to make sure the entries in the accounting system are the entries approved by him.

Date action to be completed:

On going.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations

7. Corrective Action Plan – Audit of 2017 – Trust and Agency Funds

Finding:

1. Scholarship awards issued to students at year end exceeded the Scholarship cash balance by approximately \$869. This required the General Fund to provide a temporary interfund loan to the Scholarship Account to cover the deficient funds.

Action Plan to be taken:

The temporary loan provided by the General Fund will be reimbursed by the Trust and Agency Fund from new pledges to the Scholarship Fund. The District's Business Office is working with the School's Guidance Department on monitoring the availability of funds available for scholarships before an award is made. Effective communication between the Guidance Department and the Business Office will alleviate such occurrences in the future.

Date action to be completed:

On going.

Person responsible for Implementing CAP:

Emmanuel Glasu, Assistant Superintendent for Business and Operations