



CORTLAND ENLARGED CITY SCHOOL DISTRICT
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To: Mr. Michael Hoose, Superintendent
From: Kimberly A. Vile, Director of Business Services
Date: October 8, 2015
Re: Corrective Action Plan for External Audit

The 2014-15 fiscal year external audit was performed by Ray Wager for the Cortland Enlarged City School District. During the audit the items listed below were found as opportunities for strengthening internal controls and operating efficiency. The audit committee responses are stated in italics.

Prior Year Deficiencies Pending Corrective Action

Fiscal condition/Appropriation of Fund Balance and Reserves

The district will continue to closely monitor the 2015-16 revenues and appropriations. Developing reserve guidelines and a long term financial plan will assist in ensuring that future budgets are balanced in the most effective way possible to promote long term fiscal health.

Prior Year Deficiencies Pending Corrective Action

Payroll Processing:

Payroll processing for certain employees results in employees being paid in advance of services. The future payroll calendar will be developed to keep this issue in mind, while also remaining in compliance with the current contract language for each bargaining group. Payments to employees, other than those that are annualized, are not prepaid. For example, substitutes and employees earning extra hours of pay are paid after dates worked. Job duties are being reviewed.

Policies:

The district is reviewing policies.

Documentation of Procedures:

The district will strive to create a procedure manual that will include guidance regarding specific job duties. This will be utilized as a reference to assist with cross training and promote smoother transitions should an employee leave or is not able to perform

Current Year Deficiencies in Internal Control

School Lunch Fund

The district will work with the school lunch manager to ensure we are in compliance with the regulations.

Payroll

The district will review the payroll process and determine effective ways to build in double checks to promote the ability to correct errors prior to processing payroll. When new salary schedules are created they will be reviewed by more than one person prior to processing payroll with the new schedules.

Computer Controls

The business office will develop processes and procedures to ensure change reports are printed and reviewed.

Journal Entries

The business office will develop processes and procedures to ensure journal entries are printed and reviewed.

Other Items

The district is working with a service provider through BOCES to ensure compliance with the ACA look back period, as well as, other requirements. The look back period has been established and was adopted by the BOE again this summer. The policy committee will review the recommendation for a policy to be adopted.

cc: Board of Education