

CORRECTIVE ACTION PLAN (CAP) TO FISCAL YEAR END JUNE 30, 2025 CURRENT AND PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Dr. Rubie Harris, Assistant Superintendent for Finance and Management Services, will manage the corrective action plan components.

Current Year Comments

Summer Program for School-Aged Students with Disabilities

During the current year audit, in the sample of transactions we tested, we noted that the costs to operate the program were higher than what was verified by the State as available for reimbursement. As a result, those expenditures in excess of the reimbursable amount recorded as a receivable have the potential to not be reimbursed by the State.

***CAP:** The Assistant Superintendent for Finance and Management Services will review and reconcile the program costs reported by the State to ensure accuracy and alignment with District records. If certain expenditures are determined to be non-reimbursable, the Assistant Superintendent will identify appropriate general fund resources to cover the shortfall and adjust financial reporting accordingly.*

Implementation Date: June 30, 2026

Prior Year Comments

Extraclassroom Activity Funds - Transactions

During the prior year audit, in the sample of cash disbursements we tested, we noted that there were some instances where sales tax was not paid, as well as instances where detailed supporting documentation was not present.

During the current year audit, in the sample of cash disbursements we tested, we noted instances where the supporting documentation for cash receipts did not indicate student involvement, and some instances where a cash receipts package did not contain a completed inventory control form for product sales.

***CAP:** Central Treasurers have been directed to remind advisors and students to communicate to vendors that the Extraclassroom Activity Account is funded by non-tax sources (fundraising, parents, students, community, etc.), and that all invoices must include sales tax. The Assistant Superintendent for Finance and Management Services has developed Extraclassroom 101, a training resource for faculty advisors and staff outlining best practices for documentation, inventory controls, and student involvement. This training will be provided annually as a refresher and incorporated into new advisor onboarding.*

Implementation Date: Complete by June 30, 2026

Calculation of Collateral for Deposits with Financial Institutions

During the prior year audit and the current year audit, in the sample of transactions we tested, we noted that the collateral schedule maintained by the District did not reflect the proper required coverage amounts. Our test of the collateral pledged, indicated that the bank pledged adequate collateral to cover deposits.

CAP: The District Treasurer, in collaboration with the Assistant Superintendent for Finance and Management Services, will ensure that the collateral schedule accurately reflects required coverage amounts in accordance with Board policy. The Treasurer has revised the Excel spreadsheet formula to properly account for FDIC insurance coverage when calculating required collateral. These revisions were implemented following the last audit, and further adjustments will be made to ensure ongoing accuracy and compliance.

Implementation Date: Completed by November 30, 2025

Financial Accounting Software Computer Permissions

During the prior year audit and the current year audit, in the sample of transactions we tested, we noted that certain individuals have computer permissions to access areas within the financial accounting software package that are not necessary to perform their job.

CAP: The Assistant Superintendent for Finance and Management Services has worked with the Information Technology Director and relevant staff to identify necessary permissions and remove access to areas of the financial accounting software not required for assigned job functions. The majority of permissions have already been adjusted. Due to current staffing shortages in the payroll and benefits office (two vacancies), certain temporary permissions remain in place for operational continuity. Supervisory oversight has been strengthened and will continue until full staffing allows for complete restriction of access.

Implementation Date: Complete by June 30, 2025

Budget Transfers

During the prior year audit and the current year audit, in the sample of budget transfers we tested, we noted that there were a couple of budget transfers between non-contingent expenditure codes.

CAP: The Assistant Superintendent for Finance and Management Services will continue to closely monitor all budget transfers to ensure compliance with Board policy and NYSED guidelines. Any transfers required between non-contingent expenditure codes will be properly classified as contingent expenditures and submitted for Board of Education approval. The number of non-contingent transfers has been significantly reduced from prior years, and continued monitoring will remain a focus.

Implementation Date: June 30, 2026

Review of Open Encumbrances and Accounts Payable

During the prior year audit, in the sample of transactions we tested, we noted that the District did not have a systematic review process for encumbrances and accounts payable. We proposed an audit adjustment to reduce accounts payable, which approximated \$540,000.

During the current year audit, in the sample of transactions we tested, we noted that the District implemented a system for review of encumbrances and accounts payable. We proposed an audit adjustment to reduce accounts payable, which approximated \$114,000.

CAP: *The Assistant Superintendent for Finance and Management Services has implemented and will continue a structured year-end review process for encumbrances and accounts payable. This process includes collaboration with accounts payable staff to maintain a transparent listing that distinguishes encumbrances from payables, which will be reviewed and provided to auditors annually. This practice has significantly improved accuracy and will be maintained going forward.*

Implementation Date: June 30, 2026

Interfund Receivables and Payables

During the current year audit, in the sample of transactions we tested, we noted that interfund balances are at a high level and repayments had not taken place.

CAP: *The Assistant Superintendent for Finance and Management Services, in coordination with the District Treasurer, will continue quarterly reviews of interfund balances to ensure timely repayment of amounts due between funds. Transfers will be executed as cash flow permits to minimize outstanding balances and maintain compliance with applicable accounting standards. This matter was initially reviewed and discussed in the prior year, and the district will continue these efforts until all outstanding balances are fully reconciled.*

Implementation Date: June 30, 2026