


Scotia-Glenville School District
Scotia, New York

April 28, 2023

To: Alexa Schaefer

From: Andrew Giaquinto, Business Manager 

Re: Risk Assessment – Corrective Action Plan

Please see below for the District's response to the Risk Assessment Audit findings:

ECAF (MS Fundraising)- Student Council and clubs that have engaged in fundraising activities had advisors at the recent annual training where it was noted that fundraising request forms are to be used. Additionally, despite not having fundraising activities recently, it will be stressed to all advisors about the proper use of fundraising forms.

ECAF (Second signature)- It indicates that the District only requires one signature. It is recommended to the district that two signatures is best practice. The training was clear that one major benefit from ECAF activity is the exposure to funds reconciliation and business practice to school aged children at the secondary level. The Middle School Principal's recollection was/is that student treasurer(s) signed off on reconciliation/deposit forms. He would agree that two signatures on checks would also provide a quality control check, however he would submit that the second signature should be that of a student to increase exposure to business practice. The Business Manager feels that this is not a valid solution. He feels that middle school students are too young to sign the checks and the issue of student turnover every year comes into play. He recommends the principal be the second signer, as is done at the High School.

ECAF- (Auditing)- In response to review of ledgers for cash reconciliations, disbursements, and receipts, the Faculty Auditor received the training materials from the annual training and the Middle School Principal will work with her to ensure she examines the aforementioned items monthly and especially during and after events/functions (for example, the March Drama Club presentation).

Accounts Payable- The checks sent out by Accounts Payable are self-sealing, there is no "stuffing of the checks" by the accounts payable clerk. 90% of these are mailed directly after the Claims Auditor authorizes release. The remaining 10% require the

sealed check to be put in an envelope with other paperwork (remit to slips, contracts, etc.) and then those are mailed in a window envelope with the sealed check enclosed. The checks are sealed immediately upon printing, copies of the checks are audited by the internal claims auditor and the checks are not released until she has signed off. At this point in time, we do not have enough staff to segregate this duty, nor do we feel that under the current procedures that this is a substantial enough of a risk to change.

Payroll- As noted, our new accounts payable clerk has been learning the AP process and has only been able to train on auditing timesheets up to now. She will be running an entire payroll this summer and then will run at least once a year going forward once she learns the process.

Human Resources- As we have previously communicated, Sheri and Drew do both review as per GASB 16.

IT Controls: Disaster Recovery - There is currently no change. The new IT Director was not made aware of a DR plan that exists when he came on board. He will work to determine if there was ever one developed in the district and look to bring it current, if available. If that is not the case, he will look at creating one. It is unlikely that it will be ready for the next audit but something that the district will benefit from once a determination is made what it should look like. It should be noted that our financial system is secure and resilient as it is hosted off-site at the NERIC.

Information Technology: Safe Schools Bond Act - There is currently no change. The new IT Director was under the impression that this was already exhausted and only learned that SG had not utilized it's SSBA funding after speaking with Karen Swain & during the audit interview. Development of a plan for utilizing SSBA is a multi-step process that he will need to familiarize himself with. It is something that will greatly benefit the district when we are able to leverage it.

Information Technology: Phishing simulation emails - This will be an ongoing training item and something that the IT Director is familiar with and has implemented in the past, but it would likely require a purchase. The idea behind it is to "bait" district users into responding to a simulated phishing email. The data that is gathered on who was baited and what was potentially compromised is then used to provide professional development and training on items to look for when receiving emails, calls, texts etc. If info is provided to a potential bad actor, that could be used to "attack" the district. This is something that will be considered for the 24/25 school year.

Please let me know if you require any further information.