

PKF O'CONNOR DAVIES AUDIT RECOMMENDATIONS 30-Oct-20

<u>Status</u>	<u>Description of change</u>		<u>Updated</u>
Done	Town purchasing policy is followed, exception requisitions include general notes explanation of sole provider and reason.	1. <u>COMPLIANCE - PURCHASING - COS-1 Recommendation</u> - We recommend that the Education Department immediately implement procedures to comply with the Town's purchasing policy.	
Done	1.28.21 Meeting with Town Purchasing Director, stated he understood that TBOE has unique purchasing processes and TBOE should state such needs in PO detail.	2. <u>COMPLIANCE - PURCHASING - COS-2 Recommendation</u> - Due to the certain unique aspects of education related purchases, we recommend that the Town and District review the current purchasing policy and update the policy to address specific education related exemptions to the Town's purchasing requirements.	
Done	TBOE is following State Statute. The first transfer of 2020-21 was approved by the Finance Committee at its 2/25 meeting and forwarded to the Board of Education for consideration.	3. <u>COMPLIANCE - BUDGET TRANSFERS – COS-3 Recommendation</u> – We recommend that the District immediately begin complying with State Statutes and their policy regarding budget transfers.	
Done	TBOE is following this procedure starting 20-21.	4. <u>COMPLIANCE - BUDGET TRANSFERS – COS-4 Recommendation</u> – We recommend that if and when the Education Department records the excess cost grant as a credit to expenditures that the credit be posted to the overspend special education budget lines.	
Done	TBOE will show the excess cost grant in the 200 Fund for 20-21.	We also recommend that the excess cost grant be recorded in the grants fund so that all activity is presented gross in the financial statements.	
Done	TBOE is following Town Charter.	5. <u>COMPLIANCE - ISSUANCE OF DEBT – COS-5 Recommendation</u> – We recommend that the Board of Education comply with the Town Charter and obtain proper authorization to issue notes (debt).	
Town	Town Recommendation	6. <u>COMPLIANCE - ISSUANCE OF DEBT – COS-6 Recommendation</u> – We also recommend that the Town consider for the next charter revision updating of Section VI to address all types of debt issuances.	
Done	TBOE is following Town purchasing policy.	7. <u>PURCHASING – PUR-1 Recommendation</u> – <i>This Recommendation was not numbered (page 17)</i> . We recommend that the District immediately implement procedures to comply with the Town's purchasing policy.	
Done	Purchase Order (PO) process. However, we do not record	8. <u>PURCHASING – PUR-2 Recommendation</u> – <i>This Recommendation was not numbered (page 17)</i> . We 9. <u>PAYROLL – PAY-1 Recommendation</u> – We recommend that the Payroll and Insurance Manager be restricted In addition, we recommend that a payroll change report be produced, reviewed and approved by the Human 10. <u>PAYROLL – PAY-2 Recommendation</u> – We recommend that the payroll register be reviewed and approved by	
Done	21-22 Budget approval of position needed-however	11. <u>PAYROLL – PAY-3 Recommendation</u> – We recommend that the District consider filling the vacant position in 12. <u>PAYROLL – PAY-4 Recommendation</u> – We recommend that the Human resources Department process	
Done	TBOE is in the process of implementing Nova Time. 2.5.21	13. <u>PAYROLL – PAY-5 Recommendation</u> – We recommend that the District implement procedures to automate	

		14. <u>HUMAN RESOURCES – HR-1 Recommendation</u> – We recommend that the Human Resources Department	
In Progress	training on the Position Control module. Finding a date	15. <u>HUMAN RESOURCES – HR-2 Recommendation</u> – We recommend that the Human Resources Department We also recommend that the spreadsheet be made available or sent to the Business Office for the purpose of We recommend that request for new positions should only be approved if a funding source is identified.	3/3
In Progress	after Nova Time has been installed and working	16. <u>HUMAN RESOURCES – HR-3 Recommendation</u> – We recommend that the District implement the employee	
In Progress	PR will need to be involved, collections and Insurance AR	17. <u>INSURANCE AND BENEFITS – IB-1 Recommendation</u> – We recommend that the process of billing, collection	
Done	be mailed to Business Office.	18. <u>ACCOUNTS PAYABLE – AP-1 Recommendation</u> – We recommend that all invoices are mailed to the Business	
Done	stamp all invoices before attaching to the check cover.	19. <u>ACCOUNTS PAYABLE – AP-2 Recommendation</u> – We recommend that all invoices be cancelled to prevent the	
Done	be mailed to Business Office.	20. <u>ACCOUNTS PAYABLE – AP-3 Recommendation</u> – We recommend that all invoices that are to be mailed be	
In Progress	reports to record monthly deposit activity. Athletics	21. <u>CASH RECEIPTS – CR-1 Recommendation</u> – We recommend that revenue be recorded, where possible, based	
In Progress	of bank recs is segregated from collections and update of	22. <u>CASH RECEIPTS – CR-2 Recommendation</u> – We recommend that the processing of billing, collections,	
In Progress	Business office should provide receipt books if individual	23. <u>CASH RECEIPTS – CR-3 Recommendation</u> – We recommend that when all monies are transmitted that the	
Done	report is provided to the BOE Finance Committee and	24. <u>FINANCIAL REPORTING – FIN-1 Recommendation</u> – We recommend that the Board of Education be provided	
Done	All Funds are reported (including tie out to Munis Funds Done-reported monthly Done-reported monthly There is no Transportation Fund. All funds are reported monthly.	25. <u>FINANCIAL REPORTING – FIN-2 Recommendation</u> – We recommend that the District comply with the current · School lunch fund · Grant fund · Transportation fund Reports for other funds can be provided on a less frequent basis than monthly but should be no less than	
		26. <u>MUNIS UTILIZATION – MUNIS-1 Recommendation</u> – We recommend that the IT Director have access to the	
Done	have open and ongoing discussions as to who has access	27. <u>MUNIS UTILIZATION – MUNIS-2 Recommendation</u> – We recommend that system rights for all employees be	
In Progress	streamline our chart of accounts. However, when the	28. <u>MUNIS UTILIZATION – MUNIS-3 Recommendation</u> – We recommend that the District review the	
In Progress	Time to implement the automation of employee time	29. <u>NOVA – NOVA-1 Recommendation</u> – We recommend that the district develop a strategy to identify a plan We have made recommendations related to the District's budget practices and related chart of accounts in the Review of Budget Development, Budget Transfers and Actual Expenditures section.	3/4
Done	budget. This includes the amount to be charged to the	30. <u>HEALTH INSURANCE COVERAGE – HIC-1 Recommendation</u> – We recommend that the budget support	3/3
Done	budget. This includes the employees' contributions to	31. <u>HEALTH INSURANCE COVERAGE – HIC-2 Recommendation</u> – We recommend that the budget support	3/3

In Progress	Clarification requested from Joe Centofanti on	32. <u>HEALTH INSURANCE COVERAGE – HIC-3 Recommendation</u> – We recommend that the employee contributions	3/4
In Progress	Asked Human Resources to develop / formalize	33. <u>PAYROLL LUNCHROOM AIDES – PAY-1 Recommendation</u> – We recommend that the District review the use of If these employees are performing tasks for the school principals, that time must be charged to the general fund	3/4
Done	actual 20-21 FTE by location.	34. <u>PAYROLL PARAS – PAY-2 Recommendation</u> – We recommend that the District budget all non teachers related · Extra/substitute paraprofessional work 32.5 hours per week for 39 weeks per year. The estimated payroll for	
Done	actual 20-21 FTE by location. Budget transfers will be	35. <u>PAYROLL for GEN FUND, LUNCH, SPEC REV – PAY-3 Recommendation</u> – We recommend that the District	
Done	actual 20-21 FTE by location. Budget transfers will be	36. <u>PAYROLL CUSTODIANS – PAY-4 Recommendation</u> – We recommend that custodian regular salary budget	
In Progress	payroll line items for possible reduction in number of	37. <u>PAYROLL CUSTODIANS – PAY-5 Recommendation</u> – We recommend that remaining salary accounts in the	3/4
Done	the police budget is deemed sufficient (obj.53301). COVID	38. <u>PAYROLL POLICE– PAY-6 Recommendation</u> – We recommend that the prior year’s actual expenditures (3 year	
Done	actual 3 yr comparison.	39. <u>PAYROLL SECURITY GUARDS – PAY-7 Recommendation</u> – Overtime budget estimates should be properly In addition, overtime should be properly monitored and controlled and if the District’s staffing needs change a	
In Progress	payroll line items for possible reduction in number of	40. <u>PAYROLL MAINTENANCE– PAY-8 Recommendation</u> · Overtime budget estimates should be properly supported. · In addition, overtime should be properly monitored and controlled. If the District’s needs change, a transfer · It is unclear why there are 2 overtime accounts in the maintenance budget that have amounts charged to	3/4
Done	Budgeted amount was based on average of three years actuals.	41. <u>PAYROLL RETIREMENT – PAY-5?? Recommendation</u> – I believe this was numbered incorrectly (page 42). We recommend the District implement procedures to document and track savings in the salary budget due to retirements. This will provide the District the information necessary to be able to properly estimate and budget this amount.	
Done	The Business Office received 2021-22 projections	42. <u>TRANSPORTATION – TRP-1 Recommendation</u> – We recommend that the budget support be developed and	3/3
Done	The Business Office received 2021-22 projections	43. <u>TRANSPORTATION – TRP-2 Recommendation</u> – We recommend that the budget support be developed and	3/3
In Progress	Business Office is having conversations with PPS	44. <u>TRANSPORTATION – TRP-3 Recommendation</u> – We recommend that when the excess cost grant is received	
Done	has established revised parameters for PPS to identifying	45. <u>SPECIAL EDUCATION – SPED Recommendation</u> – This Recommendation was not numbered (page 53). We · Only students who are expected to exceed the State Department of Education minimum threshold amount	
Done	The PPS Admin Asst has developed a SEECG In	· We recommend that a form be developed and implemented to estimate the total cost for identified excess This will create efficiency and eliminate unnecessary accounting and reporting for students who are not expected Using actual estimates vs. amount in excess of the minimum threshold will reduce the risk of over	
Done	PPS and the Business Office have implemented	46. <u>SPECIAL EDUCATION – SPED-2 Recommendation</u> – Below are recommendations regarding the internal control We did not perform any detailed testing of the form and therefore some of the recommendations below may be <u>Review of Excess Cost Reimbursement Reports – We recommend that the Board of Education develop and</u>	

		<ul style="list-style-type: none"> Develop procedures and related forms to ensure that actual costs are reported on the SEECG form. Develop procedures and related forms to properly track costs by student and prepare and update the SEECG Vendors must be required to provide details on the students for which services were performed. Allocation methodologies must be formally documented and reviewed and approved by the Business Costs be reconciled to the general ledger (transportation, supplies, OT/PT, etc.), where appropriate. The tracking forms and related reconciliations and final amounts to be reported on the SEECG form must be
Done	Future TBOE projects and debt issuance will be	47. <u>ENERGY FINANCING AND UTILITIES – EFU-1 Recommendation</u> – We recommend that future projects be We also recommend that the related debt issuance also be formally approved by the Town in accordance with
Done	Redemption of Principal org & object and the Debt	48. <u>ENERGY FINANCING AND UTILITIES – EFU-2 Recommendation</u> – We recommend that the capital projects be This will ensure compliance with generally accepted account principles and provide transparency in reporting
Done	Redemption of Principal org & object and the Debt	49. <u>ENERGY FINANCING AND UTILITIES – EFU-3 Recommendation</u> –We recommend that the District establish a
Done	TBOE is following Town Charter regarding capital	50. <u>EQUIPMENT FINANCING (TD BANK NOTES) – EFTD-1 Recommendation</u> – We recommend that future projects We also recommend that the related debt issuance also be formally approved by the Town in accordance with
Done	Redemption of Principal org & object and the Debt	51. <u>ENERGY FINANCING AND UTILITIES – EFTD-2 Recommendation</u> – We recommend that the capital projects and This will ensure compliance with general accepted account principles and provide transparency in reporting
Done	Redemption of Principal org & object and the Debt	52. <u>ENERGY FINANCING AND UTILITIES – EFTD-3 Recommendation</u> – We recommend that the District establish a
Town	Town Recommendation	53. <u>DEBT SERVICE SCHEDULE – DSS-1 Recommendation</u> – We recommend that the Town properly include the
In Progress	205 Special Revenue expenses (a BOE approved transfer	54. <u>SPECIAL REVENUE FUNDS ANALYSIS – SRF-1 Recommendation</u> – We recommend that the District properly
In Progress	205 Special Revenue expenses (a BOE approved transfer	55. <u>SPECIAL REVENUE FUNDS ANALYSIS – SRF-2 Recommendation</u> – We recommend that the District develop a
Done	recorded in the 200 Grant Fund.	56. <u>SPECIAL REVENUE FUNDS ANALYSIS – SRF-3 Recommendation</u> – We recommend that the Open Choice We also recommend that eligible expenditures be recorded in the grants funds to reduce the pressure on the
In Progress	In Progress	57. <u>SPECIAL REVENUE FUNDS ANALYSIS – SRF-4 Recommendation</u> – We recommend that the District review the <ul style="list-style-type: none"> Whether the program should be reported as a special revenue fund or general fund budget line. Whether funds with positive balances that are not restricted for a particular purpose can be used to address Whether the fund should be recorded in another fund (THS funds).
In Progress	Discussion item - No allocations were made in 2019-	58. <u>SCHOOL LUNCH PROGRAM – CF-1?? Recommendation</u> – <i>This Recommendation was not numbered (page 65)</i> . We recommend that all costs allocated to the school lunch program fund be properly supported by actual costs
In Progress	Ongoing	59. <u>SCHOOL LUNCH PROGRAM – CF-2?? Recommendation</u> – <i>This Recommendation was not numbered (page 65)</i> . We recommend that before charging expenditures to any fund that the fund be reviewed to determine if there
Done	21-22 Budget was created with these talking points, with the 2021-22 budget.	60. <u>BUDGET DEV, BUDGET TRANS, ACT EXP – BD-1 Recommendation</u> – We recommend that the District <ul style="list-style-type: none"> Format Supporting documentation for each significant budget line or category or department. This should include

	consideration for the 2022-23 budget.	<ul style="list-style-type: none"> Department responsibilities for preparation and retention of data provided. Retention, storage and protection of budget data. Requirement to review at a minimum of 3 years of prior year actual expended amounts and require Documentation of budget methodology for each type of expenditure that there is no detailed support. 	
In Progress	TBOE has requested Munis to implement Position Control position control.	61. <u>BUDGET DEV, BUDGET TRANS, ACT EXP – BD-2 Recommendation</u> – We recommend that the District develop We also recommend that the policy specifically address the process, authority and reporting requirements for the	
In Progress	Contacted Tyler Technologies and received a proposal for	62. <u>BUDGET DEV, BUDGET TRANS, ACT EXP – BD-3 Recommendation</u> – We recommend that all District employees	3/3
Done	Transfers will be made at the appropriate time to	63. <u>BUDGET DEV, BUDGET TRANS, ACT EXP – BD-4 Recommendation</u> – Per State Statutes, the Board of Education We recommend that the District and Board of Education comply with State Statutes in managing the education	
Done	No explicit method shared; estimate based on last	64. <u>BUDGET DEV, BUDGET TRANS, ACT EXP – BD-5 Recommendation</u> – We recommend that the District properly We also recommend that the payouts for vested sick-time be budgeted for and accounted for in a separate We do not have any information regarding the impact of the COVID 19 pandemic on teacher and other	
Done	Capital purchases and debt issuance will be recorded in the Capital Project Fund	65. <u>BUDGET DEV, BUDGET TRANS, ACT EXP – BD-6 Recommendation</u> – We recommend that the District properly record capital purchases and debt issuance gross as required by generally accepted accounting principles. This type of activity would be recorded in a capital project fund.	
Done	Adjustments have been made in monthly reporting	66. <u>BUDGET DEV, BUDGET TRANS, ACT EXP – BD-7 Recommendation</u> – We recommend that the District establish The improvements to site account should be used for non-maintenance related improvements to the District’s	
Done	TBOE is following Town purchasing policy.	67. <u>BUDGET DEV, BUDGET TRANS, ACT EXP – BD-8?? Recommendation</u> – <i>This Recommendation was not</i> We recommend that the District implement procedures to ensure that purchases are made in accordance with	
Not Followed	TBOE uses encumbrances to gauge the available	We also recommend that the District review the current policy in requiring all purchases to have purchase orders.	3/4
In Progress	check to ensure compliance.	68. <u>BUDGET DEV, BUDGET TRANS, ACT EXP – BD-9?? Recommendation</u> – <i>This Recommendation was not</i> We recommend that the District implement procedures and training to ensure that transactions are recorded to For fiscal year 2020, the State Department of Education as part of the audit of the EFS Form is requiring auditors	