



Westchester Community College

Fixed Assets

Report of Examination

Period Covered:

September 1, 2015 — March 8, 2017

2017M-78



Thomas P. DiNapoli

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State of New York Office of the State Comptroller

Division of Local Government and School Accountability

June 2017

Dear Community College Officials:

A top priority of the Office of the State Comptroller is to help community college officials manage their resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support college operations. The Comptroller oversees the fiscal affairs of community colleges statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and Board of Trustee governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard community college assets.

Following is a report of our audit of Westchester Community College, entitled Fixed Assets. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results are resources for community college officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*

Introduction

Background

Westchester Community College (College) is a two-year college sponsored by Westchester County and the State University of New York located in Valhalla, New York. The College also provides instruction at nine other locations.¹ The College is governed by a Board of Trustees (Board) which is composed of 10 members: five appointed by the Westchester County Legislature; four appointed by the Governor; and a student member who is elected by the students. The Board is responsible for the general management and control of the College's financial and educational affairs. The President of the College is the chief executive officer and is responsible for the College's administration. The Vice President and Dean of Administrative Services (Vice President) is the chief fiscal officer. Both, along with other administrative staff, are responsible for the College's day-to-day management under the Board's direction.

The College has approximately 13,000 full and part time students and 11,000 continuing education students and offers 60 associate and certificate programs. The College's departmental and capital budgets for 2016-17 were \$122.5 million and \$3.8 million, respectively. The Vice President and Chief Financial Officer is responsible for managing the College's fixed assets.

Objective

The objective of our audit was to review controls over the College's fixed assets. Our audit addressed the following related question:

- Are fixed assets properly recorded and accounted for?

Scope and Methodology

We examined the District's fixed assets for the period September 1, 2015 through March 8, 2017.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report. Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

¹ New Rochelle, Mount Vernon, Yonkers, Shrub Oak, Mahopac, Ossining, Port Chester, Peekskill (Center for the Digital Arts) and White Plains (Center for the Arts)

**Comments of
College Officials**

The results of our audit have been discussed with College officials, and their comments, which appear in Appendix A, have been considered in preparing this report. College officials generally agreed with our findings.

Fixed Assets

Fixed assets such as machinery and equipment represent a significant investment of College resources. College officials are responsible for ensuring that fixed assets are protected from loss and records are current and accurate. Officials can fulfill this responsibility by adopting asset policies and procedures that set forth the duties, records and control procedures to safeguard such assets. College officials should establish dollar value thresholds for identifying and tracking fixed assets and ensure that fixed assets are located in the departments of record. No fixed asset should be disposed of without appropriate authorization.

College officials have adopted effective fixed asset policies and procedures. The fixed asset policies and procedures establish the minimum cost to determine when assets should be recorded in the inventory records. The College's policies also identify the individuals responsible for tagging assets, adding them to the inventory records and disposing of the assets.

We conducted the following tests to determine if the College properly recorded and accounted for fixed assets:

- Traced 20 assets worth \$27,013 from the cash disbursement list to the asset list.
- Traced 15 assets worth \$68,840 from the asset list to the asset location.
- Traced 15 assets worth \$54,898 purchased during the audit period from the cash disbursement list to the asset location.
- Traced 10 asset tags for assets worth \$65,402 located on the Valhalla campus to the asset list.
- We examined 20 out of 58 records of asset disposals and determined whether they were properly authorized.

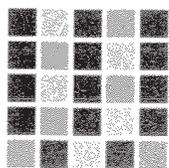
Other than one minor discrepancy that we discussed with College officials, all assets were properly recorded and accounted for.

We commend College officials for establishing effective fixed asset policies and procedures. Establishing and adhering to effective fixed asset policies and procedures ensures the proper recording and accounting for fixed assets.

APPENDIX A

RESPONSE FROM COLLEGE OFFICIALS

The College officials' response to this audit can be found on the following page.



Westchester Community College

State University of New York

June 14, 2017

Tenneh Blamah
Chief Examiner of Local Government and School Availability
Office of the NYS Comptroller
33 Airport Center Drive–Suite 103
New Windsor, NY 12553

Dear Ms. Blamah,

Westchester Community College has received the Report of Examination of its Fixed Asset System issued by the Office of the State Comptroller for the period September 1, 2015–March 8, 2017. We agree with the State’s conclusion that “other than one minor discrepancy, all assets were properly recorded and accounted for.”

The College’s Division of Administrative Services makes great effort to safeguard all assets and resources and to assure compliance with relevant statutes and observance of good business practice. As custodians of public funds, we take our fiduciary responsibility extremely seriously. In addition, we strive to manage all resources as efficiently and effectively as possible.

We thank you for taking the time to examine our records and for recognizing and commending the college for its establishment of effective fixed asset policies and procedures. We also thank the Office of the State Comptroller for its professionalism in dealing with our employees and the conduct of its audit.

Very truly yours,

Pat A. D’Imperio, Jr., CPA
Vice President and Dean of Administration & CFO

cc: Dr. Belinda Miles, President
Dawn Gillins, Controller
Hon. John Nonna, Chairman, Board of Trustees

75 Grasslands Road, Valhalla, NY 10595 • www.sunywcc.edu

Westchester Community College is sponsored locally by the County of Westchester, affiliated with the State University of New York

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

To achieve our audit objective and obtain valid evidence, we performed the following procedures:

- We interviewed College officials to obtain an understanding of fixed asset policies and procedures.
- We reviewed policies and procedures pertaining to fixed assets.
- We judgmentally selected 20 assets worth \$27,013 based on asset type from the cash disbursements list and traced them to the asset list.
- We judgmentally selected 15 assets worth \$68,840 based on asset type and location from the asset list and traced them to the asset location.
- We judgmentally selected 15 assets worth \$54,898 purchased during the audit period based on asset type and location from the cash disbursements list and traced them to the asset location.
- We judgmentally selected 10 asset tags for assets worth \$65,402 located on the Valhalla campus based on asset type and traced them to the asset list.
- We judgmentally selected 20 out of 58 records of asset disposals based on asset type and method of disposal and examined them to determine whether they were properly authorized.

We conducted this performance audit in accordance with generally accepted government auditing standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

APPENDIX C

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