GREENBURGH-NORTH CASTLE UNION FREE SCHOOL DISTRICT

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JAMES G. DONLEVY, Ed.D.
Superintendent of Schools

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OFFICE OF THE STATE COMPTROLLER
MANAGEMENT AUDIT

February 26, 2003

Mr. Jerry Barber, Audit Director
State of New York
Office of the State Comptroller
110 State Street
Albany, New York 12236

Dear Mr. Barber:

In response to your letter of December 3, 2002, enclosed please find comments regarding the steps that have been taken by Greenburgh-North Castle School District to implement the recommendations of the final report from the Office of the Comptroller.

Should you require additional information or clarification, please don't hesitate to let me know. I can be reached at 914-693-4309.

Sincerely,

James G. Donlevy, Ed.D.
Superintendent

Comments/Steps Taken to Implement Recommendations

from the
Office of the Comptroller

in

Greenburgh-North Castle School District
71 S. Broadway
Dobbs Ferry, New York 10522

February, 2003

Recommendations to the District
With District Comments/Steps Taken to Implement Recommendations

(The recommendations follow the Comptroller's numbering)

--From Pages 12-13 of the Comptroller's Report

3. Ensure that all costs reported to the Department are allowable pursuant to the Manual.

District Comments/Steps Taken to Implement the Recommendation.

The District is following the recommendations of the Comptroller to ensure that all costs reported to the Department are allowable. The District, with its auditor, has (and will continue to) implemented training sessions on the Reimbursable Cost Manual for District staff. These will be held at regular intervals to assure compliance with the Manual and will allow for consistent application of the Manual guidelines when there is staff turnover in the District.

4. Maintain adequate supporting documentation, including vendor invoices and receipts, for all purchases of goods and services.

District Comments/Steps Taken to Implement the Recommendation.

The District is complying with this recommendation and has implemented improved procedures for documenting purchases. The trainings for District staff, mentioned above, will continue to cover documentation and filing requirements to insure compliance with the Manual. Invoices and receipts are being kept on file and maintained in accordance with the Manual.

5. Use competitive procurement practices, as appropriate, to obtain services, consistent with the provisions of the Manual and the General Municipal Law.

District Comments/Steps Taken to Implement the Recommendation.

The District is complying with this recommendation and has implemented trainings for District staff to insure compliance. Bidding procedures are being followed with appropriate documentation including, as necessary, Board of Education resolutions awarding relevant bids, as appropriate.

6. Formally seek and obtain the written approval of the Department for all capital projects as required.

District Comments/Steps Taken to Implement the Recommendation.

The District will comply with this recommendation.

7. Ensure that all employees prepare and submit time and attendance records as prescribed by the Manual. Ensure that such records are reviewed and formally approved by supervisors and maintained on file.

District Comments/Steps Taken to Implement the Recommendation.

The District is complying with this recommendation and has strengthened procedures to ensure compliance. Employee and supervisor signatures with dates accompany supervisory reviews of all time sheets. These are being maintained on file.

--From Page 17 of the Comptroller's Report

10. Ensure that District staff and/or consultants use the proper methodology to accurately calculate FTE enrollments and that accurate FTE enrollments are reported to the Department.

District Comments/Steps Taken to Implement the Recommendation.

The District and its consultant have received technical assistance from the Department and are following Regulation 175.6 in the calculation and reporting of FTE enrollments.

11. Adjust future bills and/or issue refunds to client districts and agencies commensurate with any tuition rate changes made by the Department resulting from the application of the corrected enrollment figures.

District Comments/Steps Taken to Implement the Recommendation.

As the tuition rates are adjusted by the Department, the District will comply with this recommendation.

--From Page 21 of the Comptroller's Report

12. Establish formal written job descriptions, including areas of responsibility, for all fiscal administration staff.

District Comments/Steps Taken to Implement the Recommendation.

A first draft of revised fiscal job descriptions, with specific areas of responsibility, has been prepared and is being reviewed. It will be revised and finalized under the direction of the chief financial officer. All fiscal staff will receive training in their respective areas of responsibility according to a schedule established by the chief financial officer.

Please note that a new chief financial officer started in January, 2003. This individual has considerable government and school district financial experience and will be overseeing all areas of compliance with the comptroller's recommendations.

13. Establish comprehensive written policies and procedures for all fiscal management functions.

District Comments/Steps Taken to Implement the Recommendation.

The Policies and Procedures Manual adopted by the School Board is being reviewed in light of the job descriptions being established with examination of all areas of responsibility. Any required changes will be presented to the Audit Committee and then finalized, as necessary, by Board resolution. Relevant procedural changes will be kept in a separate department manual for ease of reference by fiscal employees.

14. Develop formal training programs for fiscal administrative staff to ensure that proper policies and procedures are followed.

District Comments/Steps Taken to Implement the Recommendation.

The development of a formal training program for fiscal staff was included in a resolution passed by the School Board in October, 2001. Subsequently, trainings were initiated to review appropriate purchasing, bidding and documentation procedures required by the Manual. Additional trainings, in a formal program, will be held on a quarterly schedule under the direction of the chief financial officer, to insure that fiscal policies and procedures are adhered to by all staff.

15. Develop a formal quality assurance program to ensure compliance with the Manual, including the use of proper policies and procedures for fiscal administration functions and enrollment reporting.

District Comments/Steps Taken to Implement the Recommendation.

The District agrees that a quality assurance program will be of benefit to assure compliance with the Manual. In consultation with its auditor, the District will develop and implement a formal quality assurance program. This program will include all areas of fiscal compliance including enrollment reporting. After review by the Audit Committee, this quality assurance program will be implemented beginning July 1, 2003.

--From Pages 25-26 of the Comptroller's Report

16. Use the most recent Department-approved tuition reimbursement rates to bill client districts and agencies for services provided to students. Issue refunds or adjust future bills for any over-payments made by client districts or agencies because the District billed them incorrectly.

District Comments/Steps Taken to Implement the Recommendation

The District has taken steps to insure that client districts are billed at the appropriate rates. The District will continue to comply with this recommendation as the revised Department-approved tuition rates are received by the District.

17. Issue form 1099s for the consultants and contractors who were paid by the District prior to July 2000. Notify tax authorities as appropriate.

District Comments/Steps Taken to Implement the Recommendation

The District is consulting with a tax specialist and will comply with the recommendation.

18. Issue revised wage reports for employees who were paid overtime that were not processed through the District's payroll system. Notify tax authorities as appropriate.

District Comments/Steps Taken to Implement the Recommendation

The District is consulting with a tax specialist and will comply with the recommendation.

19. Prepare and maintain sufficient documentation for expenses that must be allocated among the District's three educational programs for financial reporting purposes.

District Comments/Steps Taken to Implement the Recommendation

The District prepares such documentation on an annual basis and will prepare and maintain it for each of the three educational programs for interim reporting purposes.

20. Develop and maintain an effective inventory control system for equipment.

District Comments/Steps Taken to Implement the Recommendation

A formal inventory was conducted in June of 2002. The District is reviewing the process and results with the newly hired chief financial officer and will take steps to insure that the management of inventory is effective.