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# Audit Report

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Clinton-Essex-Warren-Washington  
Board of Cooperative Educational Services

for the Period

July 1, 2001 through June 30, 2003

BOC-0403-4

October 26, 2006

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**The University of the State of New York**  
**THE STATE EDUCATION DEPARTMENT**  
**Office of Audit Services**  
**Albany, New York 12234**





**THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234**

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October 26, 2006

Mr. L. Barcomb  
Board President  
Clinton-Essex-Warren-Washington BOCES  
1585 Military Turnpike  
P. O. Box 455  
Plattsburgh, NY 12901-0455

Dear Mr. Barcomb:

The following is our final audit report (BOC-0403-4) on the Clinton-Essex-Warren-Washington BOCES for the period July 1, 2001 through June 30, 2003. The audit was conducted pursuant to Education Law Section 305 and the Board of Regents/State Education Department Strategic Plan – Goal #5 which states: “Resources under our care will be used or maintained in the public interest.”

Ninety days from the issuance of this report, District officials will be asked to submit a report on actions taken as a result of this audit. This required report will be in the format of a recommendation implementation plan and it must specifically address what actions have been taken on each audit recommendation.

I appreciate the cooperation and courtesies extended to the staff during the audit.

Sincerely,

Calvin Spring, CGFM, CIA

Enclosure

c: Commissioner Mills, T. Savo, B. Porter, G. Smith, C. Szuberla, J. Canaday, C. Foster (DOB),  
W. Campbell (OSC), Craig King, District Superintendent, R. Kesper

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# Executive Summary

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## Background and Scope of the Audit

Clinton-Essex-Warren-Washington Board of Cooperative Educational Services (CEWW BOCES) is headquartered in Plattsburgh, New York and serves 17 component districts that have enrollments of approximately 17,000 students. CEWW BOCES had general fund expenditures of \$20 million and was ranked as the 31st largest BOCES in the State, in terms of total general fund expenditures, for the 2001-02 school year.

The objective of the audit was to assess the adequacy of CEWW BOCES' management controls which are designed to help ensure its goals and objectives are accomplished; laws, regulations, and good business practices are complied with; assets are safeguarded; and accurate and reliable data are maintained. The audit focused on management controls and reviewed practices, records, and documentation for the period July 1, 2001 through June 30, 2003. This audit also followed up on recommendations from the previous New York State Education Department (Department) audit.

## Summary of Audit Results

The audit determined that CEWW BOCES had many of the necessary controls in place; however, improvement opportunities exist in certain areas. A summary of our recommendations and findings follows:

- Establish, modify, or update several policies; submit Budget Status Reports to the Board; include additional information on the Treasurer's Report; correctly identify executive sessions and use press numbered pages for the minutes book. (pages 4-7)
  - Use correct account codes on the SA-111; utilize inter-service programs transfers correctly; make the post-closing entries to the books of record; and improve EPE documentation. (pages 8-12)
  - Improve internal controls with respect to segregation of duties; use triplicate receipts books and designate persons other than treasurer who can receive cash; and designate a person to be responsible for each petty cash fund. (pages 13-15)
  - Appoint a purchasing agent; claims auditor needs to approve packets prior to check signing and this must be done in CEWW BOCES' offices; the Director of Personnel should not supervise the payroll clerk; and cross training of key business office functions are recommended. (pages 16-18)
  - Confer with the Department's Facilities Planning Office when contemplating new construction, renovations, or alterations to buildings. (pages 19-20)
  - Designate a person to supervise the keeping of the register of attendance. (pages 22-23)
  - Reevaluate the need to implement the recommendations in our prior audit report. (pages 24-25)
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## **Comments of CEWW BOCES Officials**

CEWW BOCES officials' comments about the findings were considered in preparing this report. Their response to this draft report will be included as an appendix to the final report.

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# Introduction

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## Background

The mission of Clinton-Essex-Warren-Washington Board of Cooperative Educational Services (CEWW BOCES), in partnership with local school districts and their communities, the Board of Regents and the Commissioner of Education, is being a leader in providing quality, cost-effective programs and services that support school districts and their communities to achieve higher standards through enhanced educational opportunities. CEWW BOCES is headquartered in Plattsburgh, New York and serves 17 component districts that have enrollments of approximately 17,000 students. CEWW BOCES had general fund expenditures of \$20 million and was ranked the 31st largest BOCES in the State, in terms of total general fund expenditures, for the 2001-02 school year.

BOCES are organized under Section 1950 of the Education Law to provide shared educational programs and services to districts. These programs and services may include career and technical education for students and adults, alternative education, adult basic education, special education, professional development, technology services, and school library services. Section 305 of the Education Law requires the New York State Education Department (Department) to perform fiscal audits of BOCES at least once every three years, resources permitting.

BOCES are required to collect and report various fiscal and performance data. The data are used to prepare the New York State BOCES Report Card (Report Card) and the Financial and Statistical Outcomes of the Boards of Cooperative Educational Services Report (Chapter 602 Report). The Report Card summarizes program accomplishments and services provided for children and adults. The Chapter 602 Report details certain financial and statistical data such as tuition costs for selected programs, per student cost information, and aggregate expenditure data for BOCES administrative, capital, and service functions.

The Report Card and Chapter 602 Report can be obtained from the following online sources:

- The Report Card is available at <http://www.emsc.nysed.gov/repcrd2003/BOCES/home.htm>
- The Chapter 602 Report is available at [http://www.emsc.nysed.gov/mgtserv/602\\_Report/6020405.htm](http://www.emsc.nysed.gov/mgtserv/602_Report/6020405.htm)

## **Objectives, Scope, and Methodology**

The Office of Audit Services (OAS) reviewed selected management practices, records, and documentation for the period July 1, 2001 through June 30, 2003. The audit used a questionnaire to focus on seven key areas: governance and planning, accounting and reporting, revenue and cash management, purchasing and expenditures, facilities and equipment, student services, and student related data. The questionnaire contains information on key controls in each of these areas and includes the specific criteria or standards used in assessing CEWW BOCES' operations. A copy of the questionnaire is available from OAS.

The objective of the audit was to assess the adequacy of CEWW BOCES' internal controls which are designed to help ensure its:

- goals and objectives are accomplished;
- laws, regulations, and good business practices are complied with;
- assets are safeguarded; and
- accurate and reliable data are maintained.

To accomplish this objective, we reviewed applicable laws, regulations, policies and procedures; interviewed CEWW BOCES management and staff using our questionnaire; examined records and supporting documentation; sampled a limited number of transactions on a non-statistical basis; and reviewed CEWW BOCES' audited financial statements.

Our audit included examining, on a test basis, evidence supporting transactions recorded in the accounting and operational records and applying other procedures considered necessary in the circumstances. The audit also assessed the estimates, judgments, and decisions made by management and

determined the status of the implementation plan submitted for our prior audit report BOC-0797-2. We believe that the audit provides a reasonable basis for our findings, conclusions, and recommendations.

## **Summary of Audit Results**

A BOCES' board and management are responsible for establishing, implementing, and monitoring internal control systems. Internal controls are the policies, procedures, and practices designed and implemented to provide management with reasonable assurance that resources are safeguarded against waste, loss, and misuse; that operations are efficient and effective; that specific management objectives are achieved; that financial reports are reliable; and that the entity complies with applicable laws and regulations. The internal control systems must be built into the business processes to ensure core activities are accomplished effectively, efficiently, and economically.

The audit determined that CEWW BOCES had many of the necessary controls in place; however, some improvement opportunities were identified and are addressed in detail in the body of the report. CEWW BOCES should give careful consideration to the recommendations to further improve its operations and management.

## **Comments of CEWW BOCES Officials**

CEWW BOCES officials' comments about the findings were considered in preparing this report. They agreed with 19 of the 20 recommendations and requested additional information before implementing number 8. Their comments are in Appendix B of this report.

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# Governance and Planning

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A BOCES' board is responsible for the provision of cost-effective programs and services and must provide for the governance and oversight of the BOCES' affairs, personnel, and properties. The audit determined the CEWW BOCES' board of education (Board) addressed many of its governance and planning responsibilities related to the control environment, compliance with legal requirements, fiscal oversight, staffing, and strategic planning. However, the Board could make improvements related to policies and procedures, budget status and treasurer's cash reports, and the Board minutes.

## Policies and Procedures

Internal control has been defined by the Committee of Sponsoring Organizations (COSO) as "a process, effected by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations." COSO identified five key elements of internal control: Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring. Policies and procedures are part of the control environment.

The control environment sets the tone of an organization, influencing the control consciousness of its people. It is one of the five elements of good internal controls. A common term used regarding the control environment is "tone at the top." This is displayed by the policies management adopts, the organizational structure they impose, the assignment of authority and responsibility, hiring practices, the extent of involvement they maintain in operations, and the ethical behavior exhibited.

Written policies and procedures help ensure employees understand their responsibilities, help hold staff accountable, and aid with any staff transitions. For the most part, CEWW BOCES had the necessary policies and procedures in place but could improve existing procedures or develop new procedures in certain areas.

Recommendation 1: Establish, modify, or update, as appropriate, all policies and procedures required by law, regulations, and good business practice.

A review of the Board policy manual and the established procedures found that CEWW BOCES needs to do the following:

- delineate responsibilities and duties for establishing and maintaining the accounting records,
- establish a policy on the accounting, supervision, and collection of student monies,
- establish a policy on the supervision of scholarship and trust funds donated to CEWW BOCES,
- establish written procedures for the return of surpluses to the school districts to include timetables,
- establish written procedures to ensure all miscellaneous revenues are accounted for and deposited in a timely manner,
- establish procedures regarding the resale of consumable supplies,
- establish written procedures for collecting revenue for school lunches,
- establish procedures for use of triplicate treasurer's receipt books,
- include the designation of a cashier for the fund in the petty cash policy,
- update the purchasing policy to include the annual designation of a purchasing agent; a statement explaining and restricting confirming purchase orders; and the preparation of purchase orders and receiving reports,
- establish written accounts payable policies and procedures,
- establish written procedures for time and attendance, as well as the payroll process,
- review the travel policy on an annual basis and update if necessary,
- establish written procedures for the provision of food or beverages at meetings, training, and conferences sponsored by CEWW BOCES,
- establish operation and maintenance (O&M) policies and procedures including broad provisions and guidelines outlining the Board's priorities, responsibilities, and expectations of the O&M program.

## Budget Status Reports

A BOCES board needs accurate and timely budget status reports to monitor the BOCES' financial condition and to ensure timely corrections to the budget plan. The budget status report provides an accounting of budget estimates compared to actual activity and can help ensure that the budget is not overspent. CEWW BOCES could improve upon consistency in presenting the budget status report to the Board.

Education Law Section 1950(4)(j) states that the BOCES Treasurer duties are prescribed in Section 170.2(p) of the Regulations of the Commissioner of Education (Regulations). The Regulations require the treasurer to prepare a budget status report at least quarterly (monthly if budget transfers have been made) for all funds. The format for the report is given in the Regulations and the Department has a sample at the following web site

[www.emsc.nysed.gov/mgtserv/budget\\_status\\_report%20PAGE.htm](http://www.emsc.nysed.gov/mgtserv/budget_status_report%20PAGE.htm). The format shows both revenue and expenditures.

Recommendation 2: Ensure the budget status reports are submitted to the Board at least quarterly or monthly if transfers are made during the month.

The CEWW BOCES' Treasurer produces a monthly budget status report; however, there was no indication that the report was always given to the Board when required.

## Treasurer's Monthly Cash Report

Section 1950(4)(j) of the Education Law states that the duties of the clerk and treasurer of a BOCES shall be the same as those established for clerks and treasurers of union free school districts. Section 170.2(o) of the Regulations requires the treasurer of the union free school district to provide the board with a monthly report for each fund showing the cash balance on hand at the beginning of the month, receipts by source during the month, total disbursements during the month, the cash balance on hand at the end of the month, and reconciliations with bank statements. There is a sample report located on the Department's website at:

<http://www.emsc.nysed.gov/mgtserv/gemsho.htm>

Recommendation 3: Include reconciliations to the bank accounts in the monthly cash report to the Board.

CEWW BOCES treasurer prepared monthly cash reports for the Board; however, the report did not include reconciliation to the bank statements. Therefore, CEWW BOCES is not in full compliance with the Regulations and the Board has less assurance the reported balances are accurate.

## **Board Minutes**

BOCES board meetings are held to conduct official BOCES business including electing board officers, discussing and voting on educational and fiscal policies, and appointing officials. The minutes of the board meetings are the legal and historical record of the actions of the board. The audit reviewed Board meeting minutes and noted several areas for improvement.

Recommendation 4: Identify the purpose of all executive sessions entered into during Board meetings in compliance with Section 105 of the Public Officers Law.

According to the Public Officer's Law, Article 7, Section 105 there are only eight reasons to justify convening to executive session. The Board minutes did not always identify the purpose for the executive session or the reason cited did not appear to encompass any of the eight purposes.

The Department's School Business Management Evaluation Checklist recommends press numbered pages for the minutes book. The integrity of the minutes is protected if the continuity of the pages is obvious to the reader. One way to achieve this is to record the minutes on press pre-numbered pages. The substitution of an altered page for one that is pre-numbered is more difficult and more easily detected.

Recommendation 5: Order press pre-numbered pages for the book containing the official minutes.

CEWW BOCES does not use press numbered pages in the minutes book.

## **Comments of CEWW BOCES Officials**

CEWW BOCES officials' concur with these five recommendations.

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# Accounting and Reporting

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BOCES must have adequate accounting and reporting systems in place to ensure that accurate, timely, and complete financial records are maintained and disclosed in periodic reports to the board, the public, and the State. CEWW BOCES has many of the necessary controls related to financial condition, financial accounting and reporting, auditing, and State aid and grants. However, CEWW BOCES can make some improvements related to financial reporting and the documentation of Employment Preparation Education (EPE) contact hours.

## **Incorrect Account Codes on SA-111**

BOCES are required to prepare and submit to the Department financial statements and other financial information such as *The Annual Financial and Statistical Report of the Board of Cooperative Educational Services (SA-111)*. The SA-111 includes information such as assets and liabilities by fund; and revenue and expenses by program or service. The SA-111 should be complete and should agree to the audited financial statements.

Recommendation 6: Use activity codes from the approved criteria-guidelines.

The audit found some differences between the reporting on the SA-111 and the independent audit's financial statements.

An activity or criteria/guideline is the means by which a BOCES service program is provided to districts. The title assigned to each activity and the standards for approval of each activity are included in BOCES Administrative Handbook 2: "Criteria-Guidelines for Approval of BOCES Services" (Handbook 2). In the case of career and technical education, several activities are included in a single service program. Activities are identified in the budget by a four-digit Uniform System of Accounts code, which is assigned to each title in the Criteria/Guidelines.

BOCES Administrative Handbook 1: "BOCES General Guidelines for CO-SER Preparation", (Handbook 1), states that any service for which a BOCES proposes to submit a CO-SER must be a service for which a Criteria/Guideline has been established in Handbook 2 in accordance with Section 1951(3),

the Uniform Taxonomy for BOCES Services. The Criteria/Guideline for a specific service describes the standards and conditions which must be met for approval and/or aid of the proposed service. The criteria/guideline for each service also determines the activity code in accordance with the Uniform System of Accounts for BOCES and, usually, the range of program serial number used.

CEWW BOCES used calendar years as the Activity Code for most of the Special Aid Fund CO-SERs on the SA-111 instead of the activity codes approved in Handbook 2.

## **Incorrect Federal Revenue Codes**

Federal aid revenue codes should be accurately reported on the Annual BOCES Financial Report (SA-111). For federal and State grants, CEWW BOCES can obtain the correct revenue codes for each project at the Department's Grants Finance unit website (<http://www.oms.nysed.gov/cafe/>) by selecting the "Reports" menu and referring to those listed on the reports for CEWW BOCES.

Recommendation 7: Use the correct federal aid revenues codes to report these revenues on the SA-111.

Federal aid revenues were not reported under the correct revenue code on the SA-111 for CEWW BOCES' federal grants.

## **Interservice Program Transfers**

According to Handbook 1, internal service activities, such as Operations and Maintenance (O&M), whose costs are fully supported by transfers among program budgets, may be accounted for in the 701 – 799 program serial numbering series. Program Serial Number 701, i.e., CO-SER 701, has been reserved for costs associated with O&M. Additional CO-SERs may be filed for each distinct activity such as special education support services, special education administration and supervision, and career and technical education administration and supervision.

The Uniform System of Accounts for BOCES (USA) states that O&M of plant will be accounted for as a separate service program and prorated back to the other service programs. Object .950 will be used with the other service programs to

record these charges. Similarly, prorated charges from Other Service Programs will be accounted for in object .960. The USA designates Program Serial Number 701 for O & M expenses.

Recommendation 8: Budget, account for, and report all O&M activity as a separate service program and pro-rate these costs back to other service programs on an equitable basis.

For the audit period, CEWW BOCES did not record all O&M expenditures in the O&M CO-SER. Instead, some O&M expenditures were directly recorded in program CO-SERS. Therefore, the audit was not able to determine the total amount of O&M expenditures and if they were equitably distributed.

## **Post Closing Journal Entries**

The financial statements and the books of account of an organization should be in agreement in order to conform to generally accepted accounting principles (GAAP) and to determine and demonstrate compliance with financially related legal and contractual provisions. At year-end, as a result of their audit, the independent auditor frequently makes correcting or adjusting journal entries in order for the organization's books of record to be in agreement with the financial statements. Books of account should be maintained on a legal-compliance basis, but should include sufficient additional reports to permit GAAP-based reporting.

Recommendation 9: Make post closing journal entries in order for the books of record and the financial statements to agree.

The audit determined that for the 2001-02 school year, the post-closing adjustments and corrections recommended by the independent auditor were not made.

## **EPE Documentation**

BOCES are eligible to receive aid for EPE programs that provide instruction that leads to a high school or equivalency diploma for students 21 years of age or older, or for students over the age of 21 with a high school diploma that score below a certain grade level in math or reading. The Department provides EPE aid based on the number of contact hours provided to eligible students. The aid must be spent on allowable expenses for EPE-related services. The total amount

of EPE aid awarded cannot exceed total EPE expenditures; therefore, documentation for both contact hours and expenditures is important.

Districts and BOCES generate EPE aid by reporting contact hours and student enrollment on forms SA-160.1 and SA-160.2, EPE State Aid Claim Forms. The Department requires the number of reported contact hours to be clearly documented to ensure that EPE revenues paid to the districts or BOCES are appropriate. Any undocumented or overstated contact hours will be questioned upon audit and revenues will be reduced accordingly.

CEWW BOCES received \$360,823 in EPE aid for the 2001-02 school year, based on reported contact hours. CEWW BOCES generally had adequate systems and processes to claim, track, document, and report expenditures and contact hours properly. However, the audit found improvement opportunities related to database management and the documentation of contact hours.

Recommendation 10: Ensure that data summaries are checked and that all contact hour data are accounted for on the SA-160 forms.

CEWW BOCES claimed over 75,000 EPE contact hours for students enrolled in the EPE programs. The audit verified summary documentation to hours submitted and selected a sample of contact hours to test from the files of 30 students who had 20,000 contact hours claimed. These hours were for occupational education, traditional and non-traditional programs.

The audit found mathematical inaccuracies (errors of 273 and 1,276 hours) when comparing summaries and class attendance reports used by CEWW BOCES to prepare the SA-160 for contact hours. There is a total disallowance of 1,549 hours because of errors in compiling the data.

The audit exceptions, as a result of testing for adequate supporting documentation for contact hours provided, were relatively small. They are: occupational education, 117 hours; non-traditional programs, 675; and traditional programs, 62 hours.

These disallowances were offset by additional hours not submitted in the original State aid claim. The audit found 150

hours for assessment and 600 hours for the Even Start program that were not submitted.

**Calculation of EPE Contact Hour Disallowance**

<b>Reason for Adjustment</b>	<b>(Disallowance) in Hours</b>	<b>Dollar Effect</b>
Occupational Education	(117)	\$(563)
Non-Traditional	(675)	(3,247)
Traditional	(62)	(298)
Discrepancies in summarizing and reporting hours	(1,549)	(7,451)
Additional Hours (Not in original claim):		
Due to assessment	150	722
Even Start	600	2,886
<b>Total audit adjustment for hours</b>	<b>(1,653)</b>	<b>(\$7,951)</b>

Section 168.4 of the Regulations states that EPE program funds may be spent for personal services, employee benefits, equipment, supplies and materials, contractual services, travel expenditures, staff development and training, and other expenditures approved by the Commissioner. These expenditures are to be used only for EPE program purposes.

CEWW BOCES received EPE aid of \$360,823 and submitted \$343,981 in EPE expenditures for the 2001-02 school year. This created an overpayment of \$16,842, which was recovered in future aid payments to CEWW BOCES.

**Auditor’s Note**

Education Law governing EPE does not allow agencies to receive more EPE aid in a fiscal year than expended. The Department is required to reduce the following year's EPE aid by the amount the revenues from all sources exceed the expenditures in a given year. Since the contact hour audit adjustments above are less than this recovery, there is no impact on EPE aid because of the contact hour adjustment.

**Comments of CEWW BOCES Officials**

CEWW BOCES officials’ concur with recommendations 6, 7, 9, and 10. They request additional information in number 8 which will be provided.

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# Revenue and Cash Management

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BOCES collect and invest millions of dollars in revenue each year. They must have adequate controls in place to ensure the funds are collected and deposited, accounted for accurately, and safeguarded. The audit determined CEWW BOCES generally complied with revenue and cash management requirements related to processing cash receipts and investments. However, CEWW BOCES could further improve its controls over cash and check receipts by improving segregation of duties, implementing the use of triplicate treasurer's receipt forms, and designating the persons responsible for the petty cash accounts.

## Segregation of Duties

Segregation of duties is a preventive control primarily designed to prevent fraudulent activity from occurring and remaining undetected. Management can achieve this control objective by dividing work between two or more people. Under proper segregation of duties, no one person should control all key aspects of a transaction or event, and the functions performed by one person may be checked by the functions performed by the other. In general, the transaction approval, accounting, reconciliation, and asset custody functions should be separated among employees whenever possible. In some cases, separation is mandated by statute. When these functions are not or cannot be separated, a detailed supervisory review of related activities should be undertaken by managers or officials as a compensatory control.

Recommendation 11: Review the duties of business office employees to better segregate duties or provide required supervisory reviews where segregation of duties is not possible.

The audit found four individuals whose duties need to be revised in order to comply with the segregation of duties criteria. The employee who opens incoming mail is also responsible for receiving cash, checks, or other monetary payments and responsible for depositing cash receipts.

The two individuals who prepare bills for services provided to components districts and non-component districts, and third parties are not independent of all other general ledger, cash

receipts, or cash disbursements duties. The shared service-billing clerk inputs cash receipts and the non-contract billing clerk receives monies and prepares daily deposits. The individual responsible for maintaining the accounts receivable records is also responsible for reconciling the accounts receivable records to the general ledger.

## Cash and Check Receipts

BOCES must establish strong internal controls over cash collections to prevent mishandling and to safeguard against loss. Good business practices and sound internal controls require the establishment of adequate separation of duties for cash collections, restrictive endorsement for all checks, establishment of a record of all funds received, the use of pre-numbered multiple copy receipt forms, and authorization of individuals to collect cash. CEWW BOCES established many of the necessary controls over cash collections, but improvements could be made related to forms used to record the receipt of cash and checks and the authorization of individuals to collect money.

Section 170.2 of the Regulations requires the BOCES' treasurer to acknowledge receipt of all monies by issuing a pre-numbered receipt form as follows: original to the payer and the copy retained by the treasurer. This section also requires persons other than the treasurer, authorized by the board to receive money, to use a pre-numbered triplicate receipt form. Copies are distributed as follows: the original to the payer, a copy to the treasurer with the money or bank deposit receipt, and a copy retained by the individual authorized to receive money.

Recommendation 12: Establish procedures for the use of triplicate, pre-numbered treasurer's receipts when persons other than the treasurer receive CEWW BOCES' monies.

The audit found that CEWW BOCES did not use the required triplicate pre-numbered receipt forms. While the treasurer uses the duplicate receipt book, there are no triplicate receipt books for persons other than the treasurer who receive CEWW BOCES' monies. Such a practice increases the risk that funds may be misappropriated and not properly accounted for. An adequate audit trail is not established and management is not readily able to verify that all funds collected were given to the treasurer and deposited.

Recommendation 13: Ensure individuals collecting money at various CEWW BOCES locations are authorized by the Board to do so.

The audit also found that some individuals collecting money at various locations were not authorized by the Board, as required by Section 170.2 of the Regulations. The Board's approval of these individuals to collect money would improve controls by letting employees know what is expected of them. It would also make the Board aware of the various collection sites and who is collecting the money.

## **Petty Cash**

CEWW BOCES has no person officially designated by the Board to be responsible for each fund. The Regulations authorize BOCES to establish petty cash funds for the payment of certain materials, supplies, and services. CEWW BOCES had many of the necessary controls over petty cash, but could improve those controls by designating a person responsible for each fund as required by Section 170.4 of the Regulations.

Recommendation 14: Designate a person responsible for each petty cash fund on an annual basis.

## **Comments of CEWW BOCES Officials**

CEWW BOCES officials' concur with these four recommendations.

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# Purchasing and Expenditures

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BOCES purchase thousands of products and services each year. They must have adequate controls in place to ensure purchases are made in compliance with the law and BOCES' policies that result in securing goods and services in the right quantity, at the right time, and for the best price.

The audit determined that CEWW BOCES had procedures for their purchase and payment processes that included the key steps for processing a purchase requisition, issuing a purchase order, verifying receipt of goods or services, approving the claim for payment, and paying for the goods or services in a timely manner. CEWW BOCES could improve these processes by appointing a purchasing agent, changing the process in the internal claims auditor's review of the claims, updating the purchasing policy, and establishing written accounts payable policies and procedures. The last two observations were reported in the Governance and Planning section of this report.

The largest expenditure categories for a BOCES are salary and fringe benefits. As such, each BOCES must establish the necessary controls over payroll and personnel. The audit determined that CEWW BOCES generally implemented the necessary controls, had policies and procedures, and maintained adequate documentation to support payroll and personnel transactions. CEWW BOCES could improve controls by removing the supervision of payroll from personnel and establishing cross training, especially with the payroll function. Establishing written procedures for time and attendance as well as for payroll was reported in the Governance and Planning section of this report.

The audit performed limited testing in this area and found that CEWW BOCES had many of the necessary controls related to purchasing and expenditures including payroll and personnel, but could make improvements in the areas noted above.

## **Appointment of Purchasing Agent**

Education Law Section 1950(4)(k) instructs BOCES to follow the requirements in Section 170.2 of the Regulations concerning the disbursement of moneys and all procedures relating thereto. This section of the regulations requires the

appointment of a purchasing agent to perform the purchasing functions for the organization. The purchasing agent is responsible for approving all purchase requisitions as the BOCES' "officer giving rise to the claim."

In addition, a Department guideline, The School Business Management Evaluation Checklist, provides that the board must designate the person to whom the purchasing function is delegated. The appointment should be by a resolution duly adopted by the board at the annual organizational meeting. Good purchasing procedures require that the purchasing agent exercise full authority as to how, when, and where to purchase and requisitioners should provide input by assisting with specifications and recommending suppliers to the purchasing agent. The responsibilities of the purchasing agent should be included in administrative regulations.

Recommendation 15: Appoint a purchasing agent in accordance with Education Law and Regulations.

For the 2001-02 school year, CEWW BOCES did not designate a purchasing agent.

## **Claims Auditor**

Education Law 1950(4)(k) makes the BOCES claims auditor subject to the laws relating to union free school districts. The appointment of a claims auditor, governed by Section 1709(20)(a) of the Education Law, should be made by the board after careful consideration of the needs of the BOCES. The claims auditor assumes the powers and duties of the board in regard to approving or disapproving claims against the District, and retains that authority unless the board terminates the person in the position. Once a claims auditor is appointed, this portion of their duties is not elective. Section 1724 of the Education Law requires school districts to audit each voucher packet before it is paid.

Good business practices dictate that voucher packets be approved prior to payment and not be removed from the premises in order to accomplish this task.

Recommendation 16: Present the voucher packets to the claims auditor before the checks are signed. Ensure that the claims auditor not remove the packets from the premises.

The audit found that the claims auditor received the warrant with the signed checks and packets and, because of time constraints, brought the packets and checks home for review. In addition, the checks were signed before the claims auditor approved the claim.

## **Segregation of Duties**

As previously noted, segregation of duties is an essential preventative control. CEWW has a serious segregation of duties issue with respect to supervision of the payroll and personnel functions.

Recommendation 17: Separate payroll and personnel supervisory responsibility now held by the same person.

The audit found that the Director of Personnel also supervises the payroll person. The person who authorizes and administers the personnel aspects of salary grades, contracts, promotions, etc, should not supervise the person who compiles and produces the payroll.

## **Cross Training**

It is considered good business practice to have backup for business office staff. An organized plan should be developed whereby staff with similar functions can become familiar with each other's duties and assignments. Then, if a person becomes ill or is otherwise absent for an extended period of time, there will be minimal interruption of the smooth operation of the business office. This is especially important for preparing the payroll, paying bills, and maintaining the accounting records. In all cases, exchanging information will be easier and more effective when cross training has occurred. There should be a specific plan developed that identifies "the substitute" or "backup person" for each of the key positions in the business office. The audit also recommends that the substitutes for key positions in the business office be required to perform the tasks associated with their cross-training at least annually. This could be accomplished as a result of vacations or, if this is not possible, temporarily reassigning the targeted key personnel.

Recommendation 18: Establish cross-training or backup persons for each of the key positions in payroll and personnel.

The audit discovered in an interview that some key functions do not have individuals cross trained to fill these positions on a temporary basis. Payroll for example, could still be performed in the absence of the person normally responsible for that function.

### **Comments of CEWW BOCES Officials**

CEWW BOCES officials' concur with these four recommendations.

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# Facilities and Equipment

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A BOCES must provide adequate facilities and equipment for educating its students and for operating over a large geographical area. In addition, a BOCES must adhere to all requirements related to facilities maintenance and must implement the necessary controls to safeguard assets. CEWW BOCES generally complied with the requirements to provide adequate and safe facilities for educating its students except for one instance where CEWW BOCES made emergency alterations without consulting the Department's Office of Facilities Planning.

## Classroom Alterations

Regulations Section 155.2(b) requires that all “...plans and specifications for the erection, enlargement, repair or remodeling of facilities of school districts, other than in city school districts in cities having one million inhabitants or more, and of boards of cooperative educational services, shall be submitted to the Commissioner when the contemplated construction costs of such work are \$10,001 or more, and for all projects affecting the health and safety of pupils.” Accordingly, all plans and specifications for the erection, repair, enlargement, or remodeling of school buildings in any public school district in the State must be reviewed and approved by the Commissioner. The Office of Facilities Planning performs this function and offers services beyond the approval of plans and specifications. These services include advice and technical assistance to districts, architects and engineers to help them solve their school building needs with consideration of educational and planning efficiency, conservation of natural resources, initial and life-cycle costs and within the context of the most recent State and federal laws.

Recommendation 19: Consult with the Department's Office of Facilities Planning when contemplating alterations to facilities that house students.

The Board approved an emergency resolution authorizing \$44,064 for alterations to existing classroom space to accommodate 60 additional special education students and their needs. The Office of Facilities Planning was unaware of this and, therefore, could not render an opinion as to whether

all State and federal requirements for housing special education students were met.

### **Auditor's Note**

In May 2004, CEWW BOCES filed all of the required paper work with the Office of Facilities Planning and the alteration met all Department requirements.

### **Comments of CEWW BOCES Officials**

CEWW BOCES officials' concur with this recommendation.

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## Student Services

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BOCES provide various services for their students including extraclassroom activities. In addition, BOCES should provide students with a learning environment that is safe and secure.

Extraclassroom activity funds are defined as monies raised other than by taxation or through charges of a board for, by, or in the name of a school or student body. Extraclassroom activity funds are raised and spent by student bodies to promote the general welfare, education, and morale of all students and to finance the normal, legitimate extracurricular activities of the student body. The audit determined that CEWW BOCES followed Department guidelines for the operation of the extraclassroom activity funds, designated a treasurer for the funds, and had the funds audited by an independent auditor.

The audit also found that CEWW BOCES had taken the necessary steps to help ensure a safe and orderly learning environment. CEWW BOCES adopted a comprehensive BOCES school safety plan as well as building-level school safety plans on crisis intervention and emergency response and management. CEWW BOCES also has a student handbook that outlines student rules and expectations.

The audit performed limited testing in this area and found that CEWW BOCES generally complied with laws and regulations concerning extraclassroom activity funds, school safety, and security. It is important that CEWW BOCES continue to comply with applicable laws and regulations.

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## Student Related Data

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BOCES are required to collect and report financial and other statistical data including expenditures, revenue, assets, liabilities, State aid information, attendance, special education placements, and other student and school information. This information is used to prepare the Report Card and the Chapter 602 Report. It is crucial that the data are reliable, accurate, accessible, and timely since the information may be used by BOCES, districts, the Department, and the public.

The Report Card summarizes program accomplishments and services provided for children and adults. It is intended as a tool for the continuous improvement of BOCES programs and services and for providing information to communities. The Report Card displays data about the following programs and services: career and technical education, alternative education, special education, professional development, technology services, the State testing program for all component districts, Regents examinations, and graduation results.

The Chapter 602 Report details certain financial and statistical outcomes, tuition costs for selected programs, per student cost information, and aggregate expenditure data for BOCES for the administrative, capital, and service functions. The Chapter 602 Report also includes prior year data.

The audit determined that CEWW BOCES had adequate documentation to support the financial and statistical information reported to the Department for use in preparing the Report Card and the Chapter 602 Report. CEWW BOCES should continue to maintain supporting documentation for all information reported to the Department.

### **Attendance**

Attendance is a critical factor for student success in school. Consistent school attendance, improved academic performance, and school completion have a positive correlation that can help to ensure that all students reach higher standards established by the Board of Regents. School attendance records must be maintained for compliance with Education Law and for determining average daily attendance used to determine some components of State Aid to component districts. CEWW BOCES generally complied with attendance

requirements except that the Board had not designated anyone to supervise the keeping of attendance regularly.

Recommendation 20: Appoint an individual with the responsibility for supervising the keeping of the attendance register as required by section 104.1(f) of the Regulations of the Commissioner.

The Regulations require each district to appoint an individual responsible for supervising the keeping of the attendance register. The individual should help ensure that attendance record keeping policies, procedures, and practices result in complete and accurate records.

### **Comments of CEWW BOCES Officials**

CEWW BOCES officials' concur with this recommendation.

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# FOLLOW UP - RECOMMENDATION IMPLEMENTATION PLAN

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On August 12, 1998, the Office of Audit Services issued a final report (BOC-0797-2) on management practices, records, and documentation related to select areas of CEWW BOCES. The report contained 12 recommendations to improve operations. CEWW BOCES submitted a Recommendation Implementation Plan for each recommendation on May 10, 1999.

Of the 12 recommendations, CEWW BOCES successfully implemented or otherwise satisfied eight, and partially implemented four. The partially implemented recommendations and audit comments are noted below.

**Recommendation 1:** Improve procedures to ensure that donations, loans, gifts, and personal expenditures are not made using public funds.

Implementation Action(s):

For gifts, a resolution was adopted by the Board amending an administrative directive ceasing the awarding of valuable gifts to retiring employees. For loans and personal expenditures, the Board adopted a policy on expense reimbursement and procedures.

Audit note: CEWW BOCES officials only partially implemented this recommendation because they are still awarding a plaque and certificate of appreciation to employees who retire after ten years. The audit found that the cost of the plaque is more than \$75.00, which is in violation of BOCES Board Policy 1810 and the NYS Constitution Article 8 Section 1.

Implemented                       Partially Implemented                       Not Implemented

**Recommendation 2:** Improve procedures to ensure that adequate documentation is retained for quotes, bids, and credit card purchases.

Implementation Action(s):

The BOCES Board adopted a purchasing policy that requires and ensures that adequate documentation is retained for quotes, bids, and credit card purchases.

Audit note: CEWW BOCES' purchasing policy did not specifically address credit card purchases and documentation required for credit card purchases. CEWW BOCES is drafting a policy that specifically addresses credit cards and credit card purchases.

Implemented                       Partially Implemented                       Not Implemented

**Recommendation 3:** Establish policies for travel and meal expense reimbursement that comply with applicable laws and regulations, and address reasonable and necessary expenditures,

Implementation Action(s):

The BOCES Board adopted an expense reimbursement regulation policy that establishes guidelines and requirements for reimbursement of travel and meal expenses.

Audit note: The audit reviewed the policy and believes it partially addresses the concerns of the prior audit recommendation. CEWW BOCES included in the reimbursement policy what documentation is required for reimbursement. However, it does not mention that receipts should be itemized. An itemized receipt ensures that unallowable expenses (e.g., alcoholic beverages, entertainment, etc.) will not be paid. CEWW BOCES still does not define “reasonable out-of-pocket” expenses in the reimbursement policy. CEWW BOCES did not have established reimbursement rates for lodging and the reimbursement rates for meals were still excessive and far above the federal per diem rates.

Implemented                       Partially Implemented                       Not Implemented

**Recommendation 4:** Establish procedures to ensure that a long-range plan for educational facilities is developed and updated in accordance with Regulations.

Implementation Action(s):

The BOCES has completed a long-range facilities plan for their special education division and are currently working on the completion of a plan for the occupational education division, and instructional services division.

Audit note: The BOCES does not have a long-range facilities plan for their occupational education and instructional services divisions. In addition, the audit reviewed the long-range facilities plan for the special education division and found that it does not address the following items:

- the educational philosophy of the district and grade level patterns/program requirements;
- present and projected enrollment;
- special education pupil projections and classroom needs;
- space use and State rated pupil capacity of existing facilities.

Implemented                       Partially Implemented                       Not Implemented

Contributors to the Report  
Clinton-Essex-Warren-Washington BOCES

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- John Cushin, Auditor in Charge
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**GOVERNANCE AND PLANNING**

**Policies and Procedures:**

Recommendation #1: Establish, modify, or update, as appropriate, all policies and procedures required by law, regulations, and good business practice.

Response: Some of the policies have already been reviewed and updated. The other policies will be reviewed and updated as recommended. Written procedures will also be created for the areas recommended.  
**(See attached detail for status on each item noted-Appendix A)**

**Budget Status Reports:**

Recommendation #2: Ensure the budget status reports are submitted to the Board at least quarterly or monthly if transfers are made during the month.

Response: On a quarterly basis, the Business Office will provide the District Superintendent with a budget status summary for all Co-Sers that will be given to the Board of Education.

**Treasurer's Monthly Cash Report:**

Recommendation #3: Include reconciliations to the bank accounts in the monthly cash report to the Board.

Response: The District Treasurer will modify the monthly Treasurer's Report to include reconciliations to the bank statements. The Internal Claims Auditor will review the report. This was done for the June 2006 through September 2006 Treasurer's reports. (Attachment 1)

**Board Minutes:**

Recommendation #4: Identify all executive sessions of the Board for purposes recognized in Section 105 of the Public Officers Law.

Response: Procedures have been implemented, starting with the September 2006 Board meeting, to provide a numbered list of the authorized purposes for executive sessions on the board agenda. If an executive session is necessary, the board will select the appropriate purpose and it will then be noted in the minutes. This procedure will ensure that all executive sessions of the Board are identified in the minutes for purposes recognized in Section 105 of the Public Officers Law. (Attachment 2)

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Recommendation #5: Order press pre-numbered pages for the book containing the official minutes.

Response: CEWW BOCES has researched and will implement the above recommendation. Press pre-numbered pages will be used and the minutes book will be permanently bound at the end of each fiscal year.

**ACCOUNTING AND REPORTING**

**Incorrect Account Codes on SA-111:**

Recommendation #6: Use activity codes from the approved criteria-guidelines for the Special Aid Fund. (CEWW BOCES used calendar years as the Activity Code for the Special Aid Co-Sers on the SA-111 instead of the activity codes approved in Handbook 2.)

Response: CEWW BOCES was initially set-up with the "year" structure for Special Aid activities at the onset of the program installation. The years were used to track appropriations, expenditures, and encumbrances for grants by the specific program year. Even though a grant may end June 30<sup>th</sup>, expenditures will still occur in the following fiscal year as encumbrances are satisfied, and, we must be able to keep the program years separated for reporting purposes. The software does provide a mechanism to internally identify the activity code as defined in the Uniform System of Accounts for each Special Aid program for reporting on the SA-111 (final year-end report). The use of this feature will be implemented in 2006/2007.

**Incorrect Federal Revenue Codes:**

Recommendation #7: Use the correct federal aid revenue codes to report these revenues on the SA-111.

Response: The codes were obtained from the State Education Department after the initial findings from SED and have been utilized since (example - Attachment 3).

**Interservice Program Transfers:**

Recommendation #8: Budget, account for, and report all O&M activity as a separate service program and pro-rate these costs back to other service programs on an equitable basis.

Response: O&M costs are allocated to programs based on the percentage of square footage utilized. The total O&M expenditures are multiplied by the respective percentages and allocated accordingly. As some costs to improve program spaces were directly attributed to only specific divisions and programs, the allocation of costs were made directly to the

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related programs to prevent the allocation of costs to other programs that did not benefit from the improvements.

If these specific costs were allocated to the O&M budget first and then re-allocated to the specific programs affected, we would have to implement additional steps and budget accounts in the O&M budget for tracking purposes. As this procedure appears cost-prohibitive and provides for more chances to inappropriately allocate costs to programs not affected, we request clarification on why the recommended procedure is necessary.

**Post Closing Journal Entries:**

Recommendation #9: Make the post closing journal entries in order for the books of record and the financial statements to agree.

Response: All post-closing entries that the auditor requested were completed. Due to the large volume of balancing entries that were required, the independent auditor did not feel it cost-effective to perform the entries within our accounting software at the time.

However, we have since incorporated all closing and accrual entries as made by the independent auditors into our accounting system, as of the 04/05 school year. Some entries made by our auditor are strictly for financial statement purposes and are not keyed into our system, with their approval (for example, depreciation).

**EPE Documentation:**

Recommendation #10: Ensure that data summaries are checked and that all contact hour data are accounted for on the SA-160 forms.

Response: CV-TEC has taken a variety of steps since the state audit to ensure that data is checked and all contact hours are accounted for on the SA-160 forms. Their process includes different levels of comparison and review.

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**REVENUE AND CASH MANAGEMENT**

**Segregation of Duties:**

Recommendation #11: Review the duties of the four business office employees mentioned to better segregate duties or provide required supervisory reviews where segregation of duties is not possible.

Response: Review processes and cross checks are in place in most areas of the business office functions. Most transactions pass through at least two individuals and duties are split among staff to ensure one person does not have full control over a process from start to finish. The processing has been kept separate from the general ledger monitoring in most cases. Under the new accountability laws, our internal auditor will be reviewing CEWW BOCES' internal control processes in detail and modifications to staff duties may be done during this process.

**Cash and Check Receipts:**

Recommendation #12: Establish procedures for the use of triplicate, pre-numbered treasurer's receipts when persons other than the treasurer receive CEWW BOCES' monies.

Response: The District Treasurer will create procedures by which each division will designate an individual for collecting money and those individuals will be given the pre-numbered triplicate receipts. The Business Office will implement procedures to account for the numeric sequence given to each location.

Recommendation #13: Ensure individuals collecting money at various CEWW BOCES locations are authorized by the Board to do so.

Response: As required by Section 170.2 of the regulations, CEWW BOCES will authorize the individuals designated for collecting money at the annual re-organizational meeting.

Recommendation #14: Designate a person responsible for each petty cash fund on an annual basis.

Response: This practice has already been implemented since July 2003 and a person is designated annually for each petty cash fund (Attachment 4).

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**PURCHASING AND EXPENDITURES**

**Appointment of Purchasing Agent:**

Recommendation #15: Appoint a purchasing agent in accordance with Education Law and Regulations.

Response: Appointment of a purchasing agent has been made every year since July 2002. The purchasing policy will be updated to require the annual designation of a purchasing agent (Attachment 5).

**Claims Auditor:**

Recommendation #16: Present the voucher packets to the claims auditor before the checks are signed. The claims auditor must not remove the packets from the premises.

Response: Procedures will be implemented in the 2006/2007 school year to have the claims auditor review the voucher packets before the checks are printed and stay on premises while performing the claims audit function. The claims auditor is also a full-time employee with the BOCES, exclusive of her audit responsibilities, and was allowed to take the vouchers home to review after her normal working hours.

**Segregation of Duties:**

Recommendation #17: Separate payroll and personnel supervisory responsibility now held by the same person.

Response: Supervision of the payroll person was transferred to the School Business Manager during the 2005/2006 school year. Other control procedures are being implemented to further segregate duties.

**Cross Training:**

Recommendation #18: Establish cross-training or backup persons for each of the key positions in payroll and personnel.

Response: Cross-training has been ongoing over the past five years for key positions in payroll, personnel, and the business office. A "Back-up" person has also been established for most functions as a result of the cross training. This is an on-going process and we continue to focus on cross training for key areas. Cross training of the payroll function should be completed during the 2006/2007 school year.

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**FACILITIES AND EQUIPMENT**

**Classroom Alterations:**

Recommendation #19: Consult with the Department's Office of Facilities Planning when contemplating alteration to facilities that house student.

Response: All plans and specifications are and will be submitted to the Office of Facilities Planning for review and approval in accordance with regulations Section 155.2 prior to the start of a project of \$10,001 or more.

**STUDENT RELATED DATA**

**Attendance:**

Recommendation #20: Appoint an individual with the responsibility for supervising the keeping of the attendance register as required by section 104.1(f) of the Regulations of the Commissioner.

Response: The Board appointed the Director of Special Education and the Director of CV-TEC, and their designees to supervise the keeping of the register of attendance in accordance with the attendance policy in June 2003 (Attachment 6).

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**FOLLOW-UP PRIOR AUDIT RECOMMENDATIONS**

**Recommendation #1:** Improve procedures to ensure that donations, loans, gifts, and personal expenditures are not made using public funds.

Response: The practice of awarding plaques to retiring employees is a practice that has been discontinued by the Board (Attachment 7). All other purchases are reviewed by the business office to ensure expenditures are not made as referenced above.

**Recommendation #2:** Improve procedures to ensure that adequate documentation is retained for quotes, bids, and credit card purchases.

Response: The expense reimbursement policy was updated at the time of the state audit to address credit card purchases and the acceptable documentation required therein (Attachment 8a). In addition, a credit card policy was also adopted to specify the allowed uses and required documentation (Attachment 9). Documentation for quotes and bids is required with every purchase requisition.

**Recommendation #3:** Establish policies for travel and meal expense reimbursement that comply with applicable laws and regulations, and addresses reasonable and necessary expenditures.

Response: The expense reimbursement policy has been updated twice to require itemized receipts and to more clearly define other allowable expenses with consideration to reasonable and necessary expenditures (Attachments 8a & 8b). Reimbursement rates for meal and lodging were established in cooperation with the Audit Committee after consideration of reasonableness standards and the federal per diem rates to the majority of areas traveled by our staff and faculty.

**Recommendation #4:** Establish procedures to ensure that a long-range plan for educational facilities is developed and updated in accordance with Regulations.

Response: The Five-Year Capital Facilities Plan was completed and is effective for years 2002-2007. CEWW BOCES believes that the required components of the long-range plan have been addressed. A copy can be provided to you if necessary.

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**“APPENDIX A”  
GOVERNANCE AND PLANNING**

**Policies & Procedures – Recommendation #1  
Itemized Status**

- a.) **“delineate responsibilities and duties for establishing and maintaining the accounting records”** – Policy #6600 will be updated to include the position and duties.
- b.) **“establish a policy on the accounting, supervision, and collection of student monies”** – A policy will be created to address collection of student monies and all district monies will include required designation of approved individuals on an annual basis.
- c.) **“establish a policy on the supervision of scholarship and trust funds donated to CEWW BOCES”** – A policy will be created to establish this responsibility.
- d.) **“establish written procedures for the return of surpluses to the school districts to include timetables”** – This procedure has been done and added to the procedures manual (Appendix A-1).
- e.) **“establish written procedures to ensure all miscellaneous revenues are accounted for and deposited in a timely manner”** – Procedures have been documented for collection and submission of monies to the business office and procedures within the business office. The use of triplicate forms by all individuals collecting money on behalf of the District Treasurer has also been initiated and will be implemented during the 2006/2007 fiscal year (Appendix A-2).
- f.) **“establish written procedures regarding the resale of consumable supplies”** – The CV-TEC and Instructional Services division are reviewing their procedures for consumable resale supplies, including an inventory maintenance procedure. These procedures will be completed during the 2006-2007 school year.
- g.) **“establish written procedures for collecting revenue for school lunches”** – Written procedures have been developed (Appendix A-3).
- h.) **“establish procedures for use of triplicate treasurer’s receipt books”** – Procedures have been initiated and will be implemented during the 2006-2007 fiscal year upon Board designation of individuals approved to collect district monies (Appendix A-2).
- i.) **“include the designation of a cashier for the fund in the petty cash policy”** – The policy will be updated to include the necessary designations.

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- j.) **“update the purchasing policy to include the annual designation of a purchasing agent; a statement explaining and restricting confirming orders; and the preparation of purchase orders and receiving reports”** – The policy has been updated and is awaiting board approval for the 2<sup>nd</sup> reading in October 2006 (Appendix A-4). Written procedures for the preparation of a purchase order and handling of receiving reports have been developed (Appendix A-5).
  
- k.) **“establish written accounts payable policies and procedures”** – Written procedures have been developed (Appendix A-6). Please clarify what information would be needed in policy language.
  
- l.) **“establish written procedures for time and attendance, as well as the payroll process, in order to assist employees in performing their duties properly”** – Written procedures already exist in the employee handbook relative to each division’s time and attendance procedures. Procedures for tracking the time and attendance have been developed (Appendix A-7). Procedures to describe the payroll process will be created as part of our payroll cross training.
  
- m.) **“review the travel policy on an annual basis and update if necessary”** – This policy was reviewed and changed in 2003 and again in August 2006. We will modify the policy again to require an annual review of the policy (Attachments 8a & 8b).
  
- n.) **“establish written procedures for the provision of food or beverages at meetings, training, and conferences sponsored by CEWW BOCES”** – Written procedures have been completed (Appendix A-8).
  
- o.) **“establish operation and maintenance (O&M) policies and procedures including broad provisions and guidelines outlining the Board’s priorities, responsibilities, and expectations of the O&M program”** – Would you please provide more guidance and detail about the information you have requested in this policy? If you could provide an example, it would be helpful. How would the procedures differ from the policy?