
Audit Report

Madison-Oneida
Board of Cooperative Educational Services

for the Period

July 1, 1998 through June 30, 1999

BOC-1299-6

March 5, 2004

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





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March 5, 2004

Ms. Ellen Murray
Board President
Madison-Oneida BOCES
PO Box 168
4937 Spring Road
Verona, New York 13478-0168

Dear Ms. Murray:

The following is our final audit report (BOC-1299-6) of the Madison-Oneida Board of Cooperative Educational Services (BOCES) for the period July 1, 1998 through June 30, 1999. The audit was conducted pursuant to Sections 305 and 1950 of the Education Law in pursuit of Goal #5 of the Board of Regents/State Education Department Strategic Plan: "Resources under our care will be used or maintained in the public interest."

Ninety days from the issuance of this report, BOCES officials will be asked to submit a report on actions taken as a result of this audit. I appreciate the cooperation and courtesies extended to the staff during the audit.

Sincerely,

Michael Abbott, CPA

Enclosure

cc: Commissioner Mills, T. Savo, J. Kadamus, B. Porter, T. Sheldon, J. Canaday, J. Stevens,
C. Szuberla, C. Foster (DOB), J. Dougherty (OSC), Jacklin G. Pexton, District
Superintendent

Executive Summary

Background and Scope of the Audit

Madison-Oneida BOCES ranked as the 20th largest BOCES in the State, in terms of total general fund expenditures, for the 1998-99 school year.

The audit examined management practices, records and documentation related to summarizing and reporting data used in the BOCES Report Card and the Chapter 602 Report and the Employment Preparation Education (EPE) Program was reviewed for the period July 1, 1998 through June 30, 1999. This audit also followed up on findings and recommendations from the previous audit. The objectives were to: evaluate the adequacy of management controls over data reported to the Department and obtain reasonable assurance that the data is valid and reliable; determine how BOCES use data to monitor the performance of the schools within its supervisory district; determine how BOCES use data to monitor student outcomes; evaluate the wide ranges of costs identified in the Chapter 602 report and understand the reasons for the variances; and determine if Employment Preparation Education (EPE) claims are adequately documented.

Audit Results

Presented below is a summary of the significant audit findings developed in response to the audit's objectives.

- EPE contact hours eligible for aid were overstated by 1,630 hours for a total of \$7,806 in excess EPE aid. (pages 3-12)
 - Procedures for reporting information for Adult Education students for the Report Card need improvement. (pages 13-15)
 - Tuition rates reported on the Chapter 602 report were not reported in accordance with the instructions. (pages 16-17)
 - Documentation to support the enrollment information on the Report Card and the Chapter 602 Report was not maintained (pages 18-21)
 - Opportunities to improve management processes exist in the areas of travel reimbursement for meals and lodging and transaction classification to comply with generally accepted accounting principles (GAAP). (pages 22-26)
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Introduction

Background

New York State's issuance of Report Cards for school districts and Boards of Cooperative Educational Services (BOCES) has turned public and legislative attention to student data. Chapter 436 of the Laws of 1997 made BOCES Report Cards available to the public on April 16, 1999. Graphically presented, the Report Cards summarize program accomplishments and services BOCES provide for children and adults.

In addition, Chapter 602 of the Laws of 1994 added Section 215-b to the Education Law to require the Commissioner of Education to prepare and submit to the Governor, the President Pro Tem of the Senate, and the Speaker of the Assembly, an annual report beginning January 1, 1996. The Chapter 602 Report details certain financial and statistical outcomes of BOCES, tuition costs for selected programs, per pupil cost information and aggregate expenditure data for BOCES' administrative, capital and service functions. The Chapter 602 Report includes changes from the year prior to the report year for all data.

BOCES are organized under Section 1950 of the Education Law. Chapter 474 of the Laws of 1996 amended Section 305 of the Education Law to require the New York State Education Department (Department) to perform fiscal audits of BOCES at least once every three years.

Madison-Oneida BOCES is headquartered in Verona, New York and serves nine component districts which have enrollments of more than 19,000 students. Madison-Oneida BOCES ranked 20th largest in the State, in terms of total general fund expenditures, for the 1998-99 school year.

Objectives, Scope and Methodology

Pursuant to Sections 305 and 190 of the Education Law, we audited management practices, records and documentation related to the data contained in the BOCES Report Card and the Chapter 602 Report and the Employment Preparation Education (EPE) Program for the period July 1, 1998 through June 30, 1999. We followed up on the status of prior recommendations made in audit report number BOC-1296-6. The objectives were to:

- Evaluate the adequacy of management controls over data reported to the Department and obtain reasonable assurance that the data are valid and reliable.
- Determine how BOCES use data to monitor the performance of the districts within their supervisory district.
- Determine how BOCES use data to monitor student outcomes.
- Evaluate the wide ranges of costs identified in the Chapter 602 Report and understand the reasons for the variances.
- Determine if Employment Preparation Education (EPE) claims are adequately documented.
- Follow up on the findings and recommendations from the previous audit and determine whether timely and adequate corrective actions were implemented.

To accomplish our objectives, we reviewed applicable laws, regulations, policies and procedures; interviewed Department and BOCES management and staff; examined records and supporting documentation; sampled transactions on a non-statistical basis; and reviewed Madison-Oneida BOCES' audited financial statements.

We conducted the audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting records and applying other audit procedures considered necessary in the circumstances. An audit also includes assessing the estimates, judgments and decisions made by management. We believe that the audit provides a reasonable basis for our findings, conclusions, and recommendations.

Comments of Madison-Oneida BOCES Officials

Madison-Oneida BOCES officials generally agreed with the recommendations contained in this report. Their final comments are included as Appendix B to this report.

Employment Preparation Education

Madison-Oneida BOCES operates an Employment Preparation Education (EPE) Program. This categorical aid program serves students 21 years of age or older who have not received a high school or equivalency diploma. EPE aid is generated by reporting contact hours and student enrollment on EPE State Aid Claim Forms SA-160.1 and SA-160.2. Section 168.5 of the Regulations states that BOCES are required to maintain appropriate attendance records to support contact hours reported on Form SA-160B.

Part 168.4 of the Regulations of the Commissioner of Education (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.

Madison-Oneida BOCES received a total of \$840,722 in EPE aid for the period July 1, 1998 through June 30, 1999, based on reported contact hours. Education Law 3602 states that when total revenue received exceeds the entire cost of such program, State aid payable in the following year will be reduced by the amount of such excess. This means that Madison-Oneida BOCES must refund the larger of revenues disallowed or expenditures disallowed, but not both. The audit report will be used by the Department to adjust future aid received by Madison-Oneida BOCES.

The audit found that Madison-Oneida BOCES had no written policies and procedures for the recording and maintenance of EPE attendance. Without adequate attendance documentation, the BOCES and the audit have less assurance that it is properly reporting and claiming EPE contact hours. The audit found 1,630 contact hours ineligible for State aid which totals \$7,806 in EPE aid (see Attachment 1). Madison-Oneida BOCES was asked to recalculate the EPE contact hours for Non-Traditional EPE programs using Department guidelines and submit them with the response to the Preliminary Findings Report. However, Madison-Oneida BOCES did not provide this recalculation. This information is being referred to the Department's EPE office for follow-up as deemed appropriate.

Contact Hour Documentation

To ensure that EPE revenues paid are appropriate, the number of reported contact hours must be clearly documented. Any

undocumented or overstated contact hours will be questioned upon audit and revenues will be reduced accordingly. A BOCES must maintain classroom attendance rosters of all students who attend EPE programs. Documentation must clearly support reported contact hours and compliance with requirements regarding maximum class size (20) and the maximum number of class hours per week (20). All variances must be approved annually in writing by the Department's Office of Workforce Preparation and Continuing Education (OWPCE).

Part 168.2 of the Regulations of the Commissioner of Education (Regulations) states that a contact hour for EPE means 60 minutes of instruction given by a teacher in approved program component areas.

The audit reviewed EPE attendance documentation for the month of April 1999 and for the 1998-1999 school year for a sample of 20 students. The audit found the documentation maintained for EPE contact hours was not always adequate, consistent, and/or complete. For example, necessary information was not always recorded on supporting documentation, some original attendance records were not maintained, and in several instances the teachers incorrectly added up contact hours.

Below is a summary of the EPE contact hour adjustments for the sample based on the conditions found:

	SA-160.1	SA-160.2	Total	EPE Aid Based on Hours
Claimed	8,049	8,842	16,891	\$80,908
Verified by audit	7,547	8,574	16,121	77,222
Difference	502	268	770	\$3,686

Source: *BOCES records and audit workpapers. [See Attachment 1 for a summary of all adjustments to claimed EPE contact hours.]*

Work Experience Contact Hours

According to the instructions included with the 1998-99 EPE State Aid Program (Continuation Only) application for the Basic Work Experience Program Model, total program hours equal classroom instruction hours plus Work Experience hours. (Classroom instruction must comprise 30 percent of total program hours.)

Though Madison-Oneida BOCES did not have a Basic Program Model the audit used this formula for the Community Work Experience Program (CWEP) they operated.

The Madison-Oneida BOCES did not always provide classroom instruction that represented 30 percent of total program hours for Work Experience hours claimed. They did not appropriately prorate the Work Experience hours claimed that should have been prorated. The audit did not note any instances of on-site visits for the students in the sample mentioned above where Work Experience contact hours were claimed. The audit found hours claimed after six months for the Work Experience programs where participation is limited to six months.

Based on the conditions found, the audit made the following adjustments to claimed EPE Work Experience contact hours.

The audit disallowed 860 contact hours for Work Experience equaling \$4,120 in total EPE aid to be refunded. The audit found that all but nine of the hours disallowed based on the 30 percent rule, were due to one class (WEJ570). This class is for students in prison and Madison-Oneida BOCES claimed these hours for six students.

For these six students, Madison-Oneida BOCES claimed 1,855 program hours, 271 were non-Work Experience program hours and 1,584 were Work Experience hours. For three of the six students, Madison-Oneida BOCES did not claim any non-Work Experience program hours. For the remaining three, they claimed very few non-Work Experience program hours. See Attachment 1 for a summary of all adjustments to claimed EPE contact hours.

Non-Traditional EPE Contact Hours Were Not Correctly Calculated

Contact hours for non-traditional programs are based on professional staff hours expended and number of active enrollees. For each person actively enrolled, providers are limited to no more than 30 minutes (.5 hour) per week of professional staff time.

To document the number of actively enrolled students, teachers are required to maintain program logs/records and student folders of work. Active enrollment for programs is defined as a log record showing a contact within a certain period. Contacts may be in person, by telephone, or by submission of completed work packets depending on the type of program. For packet-based programs like Giving Rural Adults a Study Program (GRASP), the standard contact period is four weeks. An active student is defined as someone who receives and returns a packet of work which represents 12 hours of student work every two weeks.

It has become an accepted practice of using the number of packets to generate contact hours instead of active enrollment in packet-based

programs. However, BOCES are still required to compare the number of packets to the number of hours of professional staff time and using the lesser of the two amounts to claim contact hours.

For the first two packets handed out, Madison-Oneida BOCES may claim 12 hours for each packet whether or not the packets are returned. For all subsequent packets, 12 contact hours can be claimed only for those packets that are returned completed. However, if the teacher's hours are less than active enrollment for the period times .5, contact hours are equal to the actual teacher's hours times 12.

The Madison-Oneida BOCES only determines active status in non-traditional programs by whether or not a student has been contacted. Six hours are recorded for each week a student is active. If the teacher is not able to successfully contact the student for ten consecutive weeks, then the student is no longer considered active. During this ten-week period, Madison-Oneida BOCES would claim 60 contact hours, although no contact is made with the student. As a result, Madison-Oneida BOCES is not calculating EPE contact hours for non-traditional programs in accordance with Department guidelines. Consequently, the EPE contact hours are not correct.

Madison-Oneida BOCES was asked to recalculate the EPE contact hours for Non-Traditional EPE programs using the guidelines above and submit them with the response to the Preliminary Findings Report. However, Madison-Oneida BOCES did not provide this recalculation.

Student Folders

Part 168.3 of the Regulations requires that every student in an EPE Program have an individual student folder that is easily accessible to the student and the teacher, and includes information concerning registration, attendance, testing and individual program needs. At a minimum, registration information must include the student's name, class attendance, the student's date of birth or age, and the student's diploma status. Beginning in 1995-96, each folder is also required to contain an Individual Education and Employment Preparation Plan (IEEPP).

To comply with the Regulations, BOCES should establish policies and procedures indicating what documentation should be included in the student's folder and provide guidance as to how the folder should be organized.

The audit reviewed 20 student folders and found the following:

- In 8 of the folders there was no evidence of testing and in 10 of the folders there was no copy of an IEEPP.
- For five of the folders there was insufficient documentation to determine whether the student had a high school or equivalency diploma. In many instances, documentation dated before the audit year indicated that the student did not have a high school or equivalency diploma. However, the student could have received a GED in the period after the document date but before the current school year.
- There was evidence of attendance in all 20 student folders. However, Madison-Oneida BOCES did not include attendance documentation for all of the classes that it claimed EPE contact hours for the student.

Madison-Oneida BOCES does not have a standardized IEEPP form that clearly addresses all information required by Regulations. In addition, Madison-Oneida BOCES does not have any policies or procedures that specify what information should be included in the students' folders or how the folders should be organized.

The audit found the student folders disorganized and instances where documentation was not dated. Therefore, the audit could not determine what school year the documentation was for without properly recorded dates.

Madison-Oneida BOCES believes that if a student is not in a program where the objective is to get a GED, the student does not need to be tested and does not need to have an IEEPP. However, according to OWPCE:

- all students should either be tested or have some manner of assessment and the results of the testing or assessment should be included in the student's folder.
- all students should have an IEEPP that was developed based on testing or some sort of assessment.

Therefore, Madison-Oneida BOCES did not comply with the Regulations for the testing of students and for IEEPPs. Without the required IEEPPs, it is difficult to determine if a student is receiving

necessary services, or if the services provided are in line with the student's stated goals, etc.

The audit also found that written policies and procedures are not in place to verify the student's diploma status each year. Without such policies or procedures, Madison-Oneida BOCES does not have sufficient assurance that the student is EPE eligible. If the student has obtained a high school diploma or equivalency since Madison-Oneida BOCES last inquired and they are not aware of it, they may be claiming EPE hours for an ineligible student.

Madison-Oneida BOCES could prepare and include an updated form for each student at the beginning of each year noting whether a student has obtained a high school diploma or equivalency since the last update form from a prior year. Furthermore, they could establish a checklist for when a new folder is established or when a student enrolls. At the end of each year, the student's folder could be reviewed to ensure that documentation required is included.

Lack of Waivers for Classes

Per Regulation §168.3(b)(5), classes should operate at least 6 but not more than 20 hours per week, unless otherwise approved by the Commissioner. To meet the requirement of the Regulation, OWPCE issues waivers to operate classes with less than 6 but not more than 20 hours per week. However, the provider must request a waiver.

Madison-Oneida BOCES obtained waivers from OWPCE to operate classes with less than 6 hours a week for traditional classes in conjunction with the Oneida Nation and with more than 20 hours a week for traditional classes.

Initially, the audit used the EPE contact hours on the attendance registers to determine how many hours of instruction the student is offered each week. The audit then decided to compare these hours to the printout from the Adult Education computer database and found discrepancies between the two. When Madison-Oneida BOCES was asked if the computer database was correct, they did not know. The audit requested Madison-Oneida BOCES to provide a list of classes with the correct scheduled class times, which was provided (Class List 1998-99).

The Class List for 1998-99 did not differ much from the hours in the computer database. The audit used the Class List for 1998-99 to determine how many hours of instruction were offered.

There were 25 classes for the 20 students in the sample. Of the 25 attendance registers reviewed in the EPE student sample, there were three registers where less than six hours per week were provided and 16 registers where more than 20 hours per week were provided.

One of the three classes with less than six hours per week was a Vocational Education class. The Class List for 1998-99 did not list scheduled class times or days for the VOC216 code so the audit had to rely on the attendance register to determine how many hours were offered. Madison-Oneida BOCES did not have a waiver for Vocational Education classes.

The other two classes were Traditional Life Skills-Life Management classes, one at the Madison County Jail and one at the Rome Access Site. It is not clear if the classes were offered in conjunction with the Oneida Nation.

Of the 16 classes with more than 20 hours per week offered, 13 were traditional classes which were addressed by waivers. However, no waivers were obtained for the three Vocational Education classes.

Because waivers were not obtained for all classes that were operated less than six hours per week or more than 20 hours per week, Madison-Oneida BOCES is not in full compliance with the Regulations.

Lack of Waivers for Classes with Enrollment in Excess of 20 Students

Per Regulation §168.3(b)(4), no class register can exceed 20 students. OWPCE issues waivers that authorize providers to operate classes with enrollment that exceeds 20 students. However, providers must request a waiver. Madison-Oneida BOCES obtained such waivers from OWPCE for Traditional classes.

Enrollment refers to the number of students on an attendance register for a given month and not the actual attendance. Therefore, if there are 30 students on the register but only 10 students attend class at any given time, Madison-Oneida BOCES must obtain a waiver.

The audit found that 16 of the 25 classes in the sample had class registers exceeding 20 students. Of these 16 classes, 14 were traditional classes. The remaining two classes were Vocational Education classes for which no waivers were obtained.

As a result, Madison-Oneida BOCES is not in full compliance with Regulations requiring waivers for all classes where enrollment exceeds 20 students.

Information in the Computer Database Needs Improvement

Section 168 of the Regulations and Department policy govern the determination of contact hours eligible for EPE. Hours claimed by Madison-Oneida BOCES must be for eligible students and adequately documented. An October 1995 Department memo states that to ensure that EPE revenues paid to the BOCES are appropriate, the number of reported contact hours must be clearly documented. Any undocumented or overstated contact hours will be questioned upon audit and revenues will be reduced accordingly. Documentation must clearly support reported contact hours.

Madison-Oneida BOCES uses a computer database to track information on all Adult Education students. The audit obtained a copy of the computer database and compared the information in the computer database to information either given to the audit by Madison-Oneida BOCES or reported to the Department by them.

The audit found Madison-Oneida BOCES was approved to operate 17 different Adult Occupational Education courses for 1998-99. However, they did not segregate EPE contact hours in the Adult Education computer database for Vocational Education classes. There is only one class code, VOC216. Because the contact hours are lumped together under one code in the Adult Education computer database, it is difficult to trace claimed EPE contact hours to supporting documentation.

The audit also found that the database is not updated when Madison-Oneida BOCES has been notified that a student has received his/her GED to prevent EPE contact hours from being claimed. This causes Madison-Oneida BOCES to claim EPE contact hours for students who are no longer EPE eligible.

The way the database is currently configured, a student is either EPE eligible for the whole year or not EPE eligible for the whole year. There is no means available to classify contact hours as not EPE eligible for part of the year such as when Madison-Oneida BOCES receives notification that the student has received his/her GED.

Recommendations

1. Improve policies and procedures to ensure EPE contact hours are adequately documented, and that attendance documentation is complete and includes necessary information.
2. Ensure that only actual contact hours are reported to the Department for EPE aid.
3. Improve policies and procedures to ensure that non-Work Experience hours will represent 30 percent of program hours for those Work Experience programs that require it. (The 30 percent requirement is determined before proration, e.g., 10 hours of work by a student would require 3 hours of classroom instruction even though only 5 hours will be claimed for Work Experience.)
4. Establish policies and procedures to ensure that all Work Experience contact hours that should be prorated will be. (Starting with the 2002-03 school year, all approved Work Experience programs must be prorated at 50 percent.)
5. Improve policies and procedures to ensure that Work Experience contact hours after the six-month period has elapsed are not claimed.
6. Ensure that Non-Traditional EPE contact hours are calculated in accordance with Department guidelines.
7. Recalculate contact hours for non-traditional EPE programs using the guidelines mentioned in this report and resubmit final reports.
8. Establish procedures to test all students for whom EPE contact hours are claimed.
9. Ensure that all student folders include required IEEPPs and establish written policies or procedures establishing a standardized IEEPP and the information to include.
10. Establish procedures to verify that students have not received a diploma since they attended in a prior school year.
11. Establish written policies or procedures that specify what information should be included in student folders and how it should be organized, including all required attendance documentation.

12. Obtain waivers for all classes that operated less than six hours per week or more than 20 hours per week and for all classes with enrollments of more than 20 students.
13. Establish procedures to ensure that the EPE contact hours for Vocational Education will be properly segregated in the database.
14. Change the current Adult Education computer database so that EPE contact hours cannot be claimed for a student who is no longer EPE eligible (i.e., after Madison-Oneida BOCES is notified that a student has received his/her GED).
15. Make and document manual adjustments as necessary to the Adult Education computer database EPE contact hour totals for ineligible EPE contact hours before submission of EPE contact hours to the Department.

Comments of Madison-Oneida BOCES Officials

Madison-Oneida BOCES Officials generally concur with these recommendations.

Report Card

New York State's Board of Cooperative Educational Services (BOCES) Report Cards required by Chapter 436 of the Laws of 1997, were made available to the public on April 16, 1999. Graphically presented, the report cards summarize program accomplishments and services BOCES provide for children and adults. They are intended to be used as a tool for the continuous improvement of BOCES programs and services and for providing information to communities.

Data included in the Report Cards must be valid and reliable in order to be used effectively. BOCES officials are given the opportunity to review the Report Card before its release.

The 1998-99 Report Cards show information on the following programs and services: Career & Technical Education, Alternative Education, Adult, Career & Technical Education, Special Education, Professional Development, Technology Services, State Testing Program for All Component Districts, Regents Examinations, Graduation Results, and 1997-98 Expended Budget.

The audit found the following concerns with the Adult Education section of the Report Card for employment statistics.

Adult Education Section – Employment Statistics

Madison-Oneida BOCES maintains a computer database to track the Adult Education students. This database is used to prepare the Adult Basic and Adult Secondary Education Program Report, which is sent to OWPCE. This report is then used by the Department to compile the information reported on the Adult Education section of the BOCES Report Card.

The audit found that Madison-Oneida BOCES does not always update the computer database when students obtain employment. One job developer maintained a computer database for her students. However, the information from her database was not incorporated into the computer database maintained in the main Adult Education office.

At the end of 1997-98, a BOCES employee in the main office printed out a list of students by class from the computer database. This list included the field that showed employment status.

NOTE: In the original engagement letter, the audit requested information on 1997-98 Report Card but later changed the scope of the audit to the 1998-99 Report Card since that Card was released during the audit. The audit decided to review some 1997-98 records in addition to 1998-99 records. Therefore, in this case Madison-Oneida BOCES was referring to 1997-98 data. However, Madison-Oneida BOCES used the same procedure for the 1998-99 Report Card.

For those students without any employment information, the Madison-Oneida BOCES employee followed up with the job developers and/or students. This employee manually tracked the information she obtained on the list. However, the information that this employee obtained was not entered in the computer database. Madison-Oneida BOCES believes that this information was not added to the computer database because the form needed to update the computer database was not filled out and the data entry clerk will not update the computer database without the form. The Adult Education Director said that this information would be added to the computer database in the future.

Madison-Oneida BOCES has no written policies or procedures in place establishing a minimum period of employment to determine successful employment of students. Once a student reports to Madison-Oneida BOCES that they have found employment, they stop tracking the student's employment status. This could result in including students who are employed for only a day, as a successful employment.

Madison-Oneida BOCES noted that certain funding sources (such as EDGE) require minimum employment periods in order to receive funding. These students would probably have longer employment lengths. However, no criterion was established by Madison-Oneida BOCES for the rest of the Adult Education students.

The audit also found there are no written policies or procedures in place concerning the maintenance of the Adult Education database and there is no method in place to ensure employment statistics are updated. Since the database is used to report this kind of information to the Department, a written policy or procedure should be instituted to ensure that the database is updated in a timely manner.

When employment data collected for Adult Education students for Madison-Oneida BOCES Report Card are not valid or reliable, the Report Card cannot effectively be used as a tool for the continuous improvement of BOCES programs and services, or used to provide reliable information to communities.

Recommendations

16. Establish written policies and procedures to ensure that all employment information for Adult Education students will be recorded in the Adult Education computer database in a timely fashion.
17. Establish written policies or procedures to establish a minimum length of employment in order to determine successful employment by students.

Comments of Madison-Oneida BOCES Officials

Madison-Oneida BOCES Officials generally concur with these recommendations.

Chapter 602 Report

Chapter 602 of the Laws of 1994 added Section 215-b to the Education Law to require the Commissioner of Education to prepare and submit to the Governor, the President Pro Tem of the Senate, and the Speaker of the Assembly, an annual report beginning January 1, 1996. The report is also provided to all school districts and BOCES.

The report is compiled by the Department's BOCES and School District Organization (BSDO) unit. The information used by BSDO comes primarily from the SA-111 and "Data Collection Forms" submitted by Madison-Oneida BOCES. The report details certain financial and statistical outcomes of BOCES, tuition costs for selected programs, per pupil cost information, and aggregate expenditure data for BOCES administrative, capital and service functions. In accordance with the statute, the report includes changes from the prior year to the report year for all data.

An objective of this audit was to evaluate wide ranges of costs identified in the Chapter 602 report and understand reasons for the variances. There were large variances in the distance learning CO-SER

Distance Learning CO-SER Per Course Tuition Rate

When calculating a per course tuition rate for the Distance Learning CO-SER (426), Madison-Oneida BOCES deducts the equipment purchases. If the equipment purchases were included, the rate would be 33% higher (\$5,160 vs. \$6,865) but still significantly less than the average for all BOCES of \$21,308.

When Madison-Oneida BOCES calculated the tuition rate, they divided the net expenses [after deducting equipment] by the number of participating schools (4.83) times seven possible periods per day. This method does not result in a reasonable per course tuition rate. It also assumes that participating schools are exclusively using distance learning for all seven periods per day for the whole year and Distance Learning is being used solely for the courses.

The audit believes Madison-Oneida BOCES should not be deducting the cost of equipment and should base the tuition rate on the actual hours of usage of Distance Learning.

Madison-Oneida BOCES Officials believe that the equipment costs are not relevant to the course cost and would cause large fluctuations if

included in the tuition rate. The officials also state the equipment is purchased on behalf of specific districts. This represents a one-time cost for shared equipment to implement the capacity to deliver shared programming through distance learning. Therefore, it is not an ongoing cost to deliver instruction and should not be included in the total cost for purposes of determining the tuition rate for the distance learning service.

Auditor Note

Without the equipment, there would be no service. For overall consistency, all BOCES need to include total costs including equipment. The rate reported to the Department is not supposed to reflect the rates billed to the components. The rate is supposed to reflect the cost of providing the service. This means that all costs of the service, including equipment purchases, should be divided by the number of classes provided (prorated if not all classes use the Distance Learning equipment equally).

Because Madison-Oneida BOCES deducted equipment expenditures, the expenses and resulting per course tuition rate are artificially low. In addition, since Madison-Oneida BOCES assumed the components used the Distance Learning classroom at full capacity and does not attribute any of the usage to any other activity, the tuition rate may be artificially low. Consequently, the reported per course tuition rate cannot be relied upon to make meaningful comparisons with other BOCES.

Recommendations

18. Establish procedures to include equipment expenditures when calculating the per course tuition rate for Distance Learning.
19. Establish procedures to use actual usage to determine the per course tuition rate for Distance Learning.

Comments of Madison-Oneida BOCES Officials

Madison-Oneida BOCES Officials generally concur with these recommendations.

Report Card and Chapter 602 Report

Madison-Oneida BOCES must be able to document the source of the enrollment and completers reported for the Report Card and the 602 Report. The documentation can consist of one of the following:

- For lists prepared by hand, Madison-Oneida BOCES must maintain a listing of student names with relevant information such as course name, student ID, etc., and the date of the list.

- For lists generated from a computer database (Student Information System), Madison-Oneida BOCES must document the computer database used, the criteria used to generate the list from the computer database (for example the date range, type of student, course names, etc.) and the date.

If hard copies of student lists generated from the computer database are used, Madison-Oneida BOCES must document how the information from the report was used to determine enrollment or completers.

The audit found that Madison-Oneida BOCES was not able to provide any original supporting documentation for the enrollment reported for the Report Card or the Chapter 602 Report.

Insufficient Documentation for Career & Technical Education Enrollment and Completers

Madison-Oneida BOCES said that the employees who gathered the enrollment data for the Report Card and Chapter 602 Report were no longer employed. They did not know where the former employees got the enrollment information.

Consequently, Madison-Oneida BOCES had to re-create the enrollment information. The documentation provided to the audit for enrollment was generated from the Madison-Oneida BOCES Student Information System (SIS) in May of 2000. Since Madison-Oneida BOCES is using a computerized database to track student enrollment and completions, the audit would expect few or no discrepancies. However, the audit reviewed this enrollment information and found many discrepancies as detailed below.

1998-99 Report Card
Enrollment

	10/1/97			10/7/98		
	1 st yr. Students	2 nd yr. students	Total	1 st yr. Students	2 nd yr. Students	Total
Reported	289	254	543	261	245	506
Per List Provided	297	233	530	279	207	486
Difference	(8)	21	13	(18)	38	20

In addition, the enrollment/pupil count used by Madison-Oneida BOCES when preparing the tuition on the 1998-99 Data Collection Forms for the Chapter 602 Report is 24 less than the supporting documentation provided to the audit.

It may be a coincidence that the amounts above are close. In some instances on the SIS-CLR, there were a lot of fluctuations in enrollment from one marking period to the next (mostly for first year students). If Madison-Oneida BOCES used a different marking period, the result could have been significantly different. Therefore, Madison-Oneida BOCES and the audit have less assurance that the reported enrollment is accurate.

1998-99 Report Card Completers:

Because Madison-Oneida BOCES did not have a copy of the list of names that was used to compile the 1997-98 and 1998-99 completers reported on the 1998-99 Report Card, Madison-Oneida BOCES had to re-create the data. There were differences between this data and the number reported of 23 and 30 students respectively.

Madison-Oneida BOCES and the Department cannot be certain that the list provided would correspond with the list originally used to report the completers for the Report Card, so there is less assurance that the reported number of completers is accurate.

Madison-Oneida BOCES did not address the difference of 57 (222 versus 279) for the 1996-97 completers on the 1997-98 Report Card. This information was requested several times. Consequently, the audit has little assurance that the reported 1996-97 completers on the 1997-98 Report Card are accurate.

Career & Technical Education - Attendance and Computer Database Needs Improvement

Computer systems used to track and account for student enrollment and attendance should not allow students to be added more than once. Unique identifying numbers should be assigned to each student and only one number should be assigned to each student.

To adequately document attendance, Madison-Oneida BOCES needs to clearly show what, where, when, and how services were provided and who received the services.

According to Madison-Oneida BOCES officials, attendance for students should be recorded on the outside sleeve of the student's folder, although no written policies or procedures were provided.

The audit reviewed the student folders and attendance documentation for a sample of 110 students whose enrollment was included on the 1997-98 and/or 1998-99 BOCES Report Cards.

The computer database used to track enrollment does not have the ability to prevent Madison-Oneida BOCES from entering the same student on the system more than once. They also do not have any written policies or procedures in place to ensure that the same student is not added to the computer database more than once.

Madison-Oneida BOCES provides enrollment data to the components after the beginning of the school year in September so the components can check for errors. Any errors reported to Madison-Oneida BOCES by the component districts are corrected on the computer database by December 1.

However, errors can and do exist (although the audit only found one instance in the sample) in the database for the October measurement date used for the Report Card. Since Madison-Oneida BOCES claims the SIS is the official record, they need to establish procedures to ensure that students are not entered more than once.

Documentation in the student folders was not always dated including enrollment and attendance documentation. Attendance documentation was not present or complete in all student folders. For 47 of the 105 student folders provided (44.76 percent), the audit found no attendance was recorded on the outside of the student folder as required. The audit also found that there was little or no attendance documentation inside these 47 folders.

The enrollment reported on the Report Card and used for the Chapter 602 Report may have been artificially inflated. Consequently, the tuition rate may be artificially low. When documentation in the student folders, such as enrollment and attendance data, is not dated, Madison-Oneida BOCES and the Department do not have reasonable assurance as to which year the documentation pertains. This makes it difficult to determine if Madison-Oneida BOCES complies with laws and regulations.

Without appropriate attendance documentation, Madison-Oneida BOCES and the audit do not have sufficient assurance that students actually attended or students are enrolled on a specific date used for enrollment purposes.

Recommendations

20. Maintain the original supporting documentation or document the criteria used to extract reports from a computerized database for:
 - The enrollment reported for Career & Technical Education for the Report Card,
 - The enrollment used to prepare the Career & Technical Education “Data Collection Forms” used by the Department to prepare the 602 Report, and
 - The completers reported on the Report Card.
21. Improve procedures so that SIS cannot allow students to be entered more than once.
22. Ensure procedures are improved so that all documentation in student folders are properly dated (i.e., includes the day, month and year).
23. Ensure that attendance documentation is properly recorded and/or maintained.

Comments of Madison-Oneida BOCES Officials

Madison-Oneida BOCES Officials generally concur with these recommendations.

Opportunities to Improve Management Processes

The Guide, Volume 2, Subsection 11.0101, states that effective internal control systems are designed to ensure management that all resources entrusted to their care are used in accordance with all laws, regulations, policies and sound business practices, where applicable. In addition, all resources should be safeguarded against waste, loss, and misuse.

An effective internal control system can be composed of several elements: safeguarding assets, segregating duties, establishing written procedures, and employing supervisory controls over operations. Safeguarding assets is important to prevent the loss or misuse of assets; segregating duties restricts one employee from having too much control over a particular process as too much control increases the risk of loss for that area; written procedures help ensure management's intent is carried out; and supervisory controls are necessary to ensure that processes are monitored effectively.

Travel Reimbursement Guidelines

A component of an effective internal control structure is "Control Procedures," that is, established policies and procedures. Good internal controls include monitoring the reimbursement for meals and lodging to ensure that reimbursement is not made in excess of rates allowed by the Internal Revenue Service.

General Municipal Law Section 77c states that the BOCES can adopt per diem meal allowance for business-related travel that does not exceed the standard meal allowance adopted or prescribed for federal income tax purposes.

Madison-Oneida BOCES does not use federal per diems for meal and lodging for employees who travel overnight. BOCES employees and Board members may receive reimbursement for meals and lodging that exceed federal rates. Their policy on travel only addresses meal costs. By not addressing lodging in its policy, Madison-Oneida BOCES is not providing enough controls to prevent excessive lodging costs.

Generally Accepted Accounting Principles (GAAP)

According to the Uniform System of Accounts for Boards of Cooperative Educational Services, page 1, financial statements must be presented in conformity with generally accepted accounting principles (GAAP). According to GAAP, all transactions must be valid, properly classified, properly measured, recorded in the proper accounting period, and be presented properly in the financial statements. An appropriate internal control structure ensures that GAAP is being followed. The elements of proper recording consist of completeness, valuation, classification, and timing. The proper recording of transactions also allows the Department to do meaningful comparative analysis with other BOCES throughout the State.

Classifying Equipment

According to the Uniform System of Accounts for BOCES, there are only two instances where equipment expenditures can be claimed under the Capital Fund:

- 1) The equipment was purchased for a Capital Project or
- 2) The equipment purchased has to be purchased with money set aside for Technology Equipment (H878) as authorized by Section 1950 of the Education Law.

Madison-Oneida BOCES reported General Fund equipment expenditures under the Capital Fund on the SA-111 and the audited financial statements, even though it did not meet the stated criteria.

Incomplete Transactions

Madison-Oneida BOCES reports its revenues, expenditures and balance sheet transactions to the Department on the SA-111. Consequently, the SA-111 is a part of the accounting records. The audit noted Madison-Oneida BOCES did not include the BOCES aid received on behalf of the components on the SA-111. However, the BOCES aid received on behalf of the components was included in the financial statement.

Improper Classification of Transactions

According to Madison-Oneida BOCES, revenues received in excess of expenditures incurred in the Special Aid Fund are recorded as Due to Other Governments. [Madison-Oneida BOCES reported \$2,116,061

as Due to Other Governments in the Special Revenue (Special Aid) Fund].

If these funds are not expended, normally they are due back to the appropriate state or local government. However, Madison-Oneida BOCES normally expends these funds in the subsequent fiscal year. The expended funds are recorded as revenue at that time. An example would be where several grants have project periods that overlap fiscal/school years and employee benefits are not fully expended until the close of the project.

The amount of the revenue received in the current year that is due to expenditures in the following year should be reported as deferred revenue on the financial statements. The amount that is not expected to be earned (based on the following year's expenditures) in the following year should be reported as a liability (i.e., Due to Other Governments).

Special Aid Fund Salaries

During the course of the school year, Madison-Oneida BOCES made significant changes to the budgets of several CO-SERs in the General Fund. According to Madison-Oneida BOCES, a portion of the changes is due to its practice of including budgeted salaries in the General Fund for positions that it expects to be funded by grant monies.

Madison-Oneida BOCES does this because this funding is not always guaranteed. When the grant money is finally received, a refund is made to the General Fund.

The audit believes salaries related to the Special Aid Fund should not be budgeted for in the General Fund. These salaries should be transferred to the General Fund only after it has been reasonably determined that grant monies are not going to be available.

Classifying Grant Transactions

Madison-Oneida BOCES made adjusting entries to the accounting records after preparing the SA-111 at year-end. The audit believes Madison-Oneida BOCES probably correctly classified the transactions in the accounting records during the year and that the amounts reported on the SA-111 are also probably correct. However, the audit did not review the transactions to determine if the transactions were correctly coded in the first place.

Madison-Oneida BOCES made the adjusting entries so that the expenses in the accounting records match the categories the expenses were reported under on the FS-10F Final Expenditure Report for Grants.

The classifying and recording of transactions should be based on the underlying nature of the expense and not based on how it is reported to a governmental agency.

Classifying of Revenue

Madison-Oneida BOCES operates generators located on its campus. They received money from a company to support the operation of these generators. According to their transaction files, most, if not all, of the expenditures related to the generators are charged to budget code 701-8010-300-980, which is an account for supplies.

When Madison-Oneida BOCES received the money, they debited cash and credited budget code 701-9500-990-877, which is a transfer to Special Aid Fund account. However, no revenues or expenses were actually transferred to or from the Special Aid Fund.

Madison-Oneida BOCES should have credited 701-8010-300-980 since the monies received were directly related to these expenditures. They claim that budget code A701-9500-990-877 was credited because 700 series [Internal Service Activity] CO-SERs cannot receive direct revenue in revenue accounts.

Therefore, some revenue and expenditure transactions were not properly recorded in accordance with GAAP. If enough transactions are not properly recorded, this can result in the financial statements not being in conformity with GAAP. Without proper recording of transactions, the Department cannot do comparable analysis among BOCES.

Recommendations

24. Implement procedures and policies to prevent travel reimbursement in excess of the federal per diems.
25. Establish written travel reimbursement guidelines for lodging costs incurred by BOCES employees and board members while travelling on BOCES business.

26. Ensure that all transactions will be properly recorded in conformance with GAAP and the Uniform System of Accounts for BOCES.

Comments of Madison-Oneida BOCES Officials

Madison-Oneida BOCES Officials disagree with recommendations 24 and 25 stating that they do not use per diem rates and only reimburse actual and necessary expenses. Officials concur with recommendation 26.

Audit Note: The audit believes that federal per diem rates should be used as a guide in establishing a reasonable per diem allowance. This can help control costs.

Data Collection and Use

BOCES have been asked five questions regarding data collection and use as part of the audit scope. The questions are being asked to ascertain best practices that might be shared among the BOCES. The following are the responses of Madison-Oneida BOCES to questions concerning data collection and use.

Question 1. What data do you collect and how do you use the data to help component schools increase their performance within your supervisory district? What specific data do you use? Where do you obtain the data? Are there any other data you wish you had?

Response (per Program Information and Improvement Services):

Performance of component schools is largely defined in terms of student performance on state assessments at Grades 4, 8, and the High School (Regents) levels, as well as follow-up on high school graduates. Data are primarily collected through efforts of the Mohawk Regional Information Center. Data on grade 4 and 8 state assessments are collected at the student level and programmed into an interactive reporting and analysis system (Cognos PowerPlay Web). These data are used to organize and prioritize staff development and improvement efforts for component schools. Significant training and support is provided to component school personnel on the access and analysis of these data to help plan instructional improvements. Additionally, item analysis of state assessment information is used to identify strengths and weaknesses of instructional programs.

An additional effort is made on the part of the component schools to collect high school student performance data to develop a regional database of secondary student performance information. Each school extracts and submits a performance file to the Regional Information Center, which then builds a common BOCES wide database. Currently this database is used to conduct ad-hoc analysis of instructional phenomenon within the component schools, as requested by the component districts. If the State Education Department required submission of high school Regents scores on an individual student basis (like they do currently with K-8 assessments), this regional database effort would be greatly enhanced.

Question 2. What data do you collect and how do you use them to help component schools improve student outcomes in your supervisory district? What specific data do you use? Where do you obtain the data? Are there any other data you wish you had?

Response (per Program Information and Improvement Services).

It seems that the answer provided to number one above should address this question as well.

Question 3. What data do you collect and how do you use them to improve BOCES student outcomes? What specific data do you use? Where do you obtain the data? Are there any other data you wish you had?

Response.

The data and information gathered by the instructional divisions of the BOCES are directly related to our four standards of excellence that define the mission of organization anticipation, collaboration, resources, and outcomes. The goal of our data collection is based on the premise that the data collected will have a direct usefulness in helping staff make service related decisions based upon student outcomes. Data is collected formally and informally in both aggregated and non-aggregated form. The data collected maintains a fundamental place in the ongoing process of self improvement and student focus.

All of the instructional programs are long-time participants in the Excellence and Accountability Program (E&AP). E&AP is a self-assessment process for instructional programs that encourages the use of data to align activities with organizational critical success indicators. Each E&AP team meets to analyze that data from the current year and to project new goals for the upcoming year. Each division's E&AP team meets with all divisional members periodically; annually oral and written presentations are then given to the Board of Education for review and feedback.

BOCES-wide data and reporting methods rely on key reports from the New York State Education Department. Key reports generated by the BOCES include: the Regional Report Card, the BOCES Report Card, the Annual Report on the BOCES, and the 655 Report. The BOCES also looks at data generated by each instructional division.

Examples of data collected, where it is obtained, and how it is used to improve BOCES student outcomes were provided.

Other data that we would like to consider in the future:

- Student participation in AIS [Academic Intervention Services]
- Types of participation – academic vs. support
- Number of hours and its relationship to student achievement

Question 4. How would you like to see the BOCES Report Cards changed, if possible? Do you think it fairly and accurately represents your BOCES performance?

Response:

Ideas:

1. Match the applicable data on the report card with the 602 report. (Business office suggestion)
2. Add student attendance statistics. Separate the data about 2 year sequence programs for the 1-year program. (Secondary Programs suggestion)

3. Under the Adult Basic Education category, the total count of students should be only those who participated in actual literacy programming, not the unduplicated total which may include people in life skills, welfare diversion programs, etc. For example, in the 97-98 Report Card, the Adult Basic Education count is 3097 individuals. A more accurate count would be 1523.

Under Improved Literacy Results, the current baseline for a person to be included in this report is 12 hours. That baseline should be raised for people in the 0-8.9 reading level and ESOL levels I & II. 50 hours may be a more accurate benchmark. [98-99 Report Cards states 100 hours.]

Under Selected results, the Local High School Diploma Awarded should be considered a category for inclusion. [Is already included on 97-98 & 98-99 Report Cards.]

There are no data that conform to work with vocational areas or business and industry training. Perhaps a discussion as to what would be fair data results in these areas could be initiated. (Employment generated from BOCES vocational programs for those students who attended wishing to gain employment or update skills may be such an indicator.)

Employment in the literacy area assumes all people enrolled in literacy programs who are unemployed are seeking employment. This is not always the case. Some are there for literacy outcome due to their life circumstances, not necessarily employment outcome. (Continuing Education suggestions)

4. Show the technology training data provided by the Regional Computer Centers separately from the training statistics accomplished by curriculum and staff development divisions. (Staff and Curriculum Division suggestions.)
5. Page 4 of the report card.
 - Can the language be updated? “When placing students, districts select among classrooms with different student/staff ratios consistent with each students cognitive, physical and/or social, emotional needs.”
 - Can there be a more accurate description of classes – 8:1:1 and 12:1:4?
 - There should probably be an explanation that the 8:1:1 tuition includes part time counseling services at the elementary and middle school level and full time counselor services at the high school level.

Page 5 of the report card.

- The last sentence in the top section is in error. BOCES does not offer resource rooms and consultant teachers (at this point). This sentence is inconsistent with explanation at the top of page 4.
- What are the “Services Other Than Special Classes?” Should they receive a general explanation?
- At the bottom could it read? “354 students of the 387 school age students served by BOCES are served in a public school setting; 28 were served in a BOCES or other building ... 5 in home or hospital” It may be easier for the public to understand. (Special Education Division suggestions)

Question 5. What data would you like to see added, deleted, or modified, if possible, in the Chapter 602 Report?

Response.

Try and make sure that the 602 Report questions are not duplicative of data asked for on other reports like the Uniform Cost Report.

FOLLOW UP - RECOMMENDATION IMPLEMENTATION PLAN

On December 29, 1997, the Office of Audit Services issued a final report on management practices, records and documentation related to selected areas of Madison-Oneida BOCES. The report contained 25 recommendations to improve operations. Madison-Oneida BOCES submitted a Recommendation Implementation Plan for each recommendation on May 5, 1998.

Madison-Oneida BOCES successfully implemented, or other wise satisfied 23 recommendations. Two recommendations were partially implemented.

Recommendation

1. Obtain Department approval and required building permits before commencing any future construction.

Implementation Action(s)

The BOCES said it would obtain Department approval and required building permits before commencing any future construction.

Status: Fully Implemented

Recommendation

2. Obtain required voter approval for all construction projects.

Implementation Action(s)

The BOCES said it would obtain required voter approval for all construction projects.

Status: Fully Implemented

Recommendation

3. Submit required data to apply for a certificate of occupancy.

Implementation Action(s)

The BOCES has indicated it has obtained a certificate on 4/13/98.

Status: Fully Implemented

Recommendation

- 4. Comply with General Municipal Law when purchasing goods and services.

Implementation Action(s)

The BOCES provided a copy of policy 4051 and regulation 4051.1 (adopted 7/10/97 by the Board) which addressed the problems noted in the prior audit.

Status: Fully Implemented

Recommendation

- 5. Establish procedures to retain all public records pertaining to construction, as required by the Regulations of the Commissioner of Education, Appendix I.

Implementation Action(s)

The BOCES said it has implemented the recommendation and that it is maintaining all records that pertain to construction.

Status: Fully Implemented

Recommendation

- 6. Ensure that documentation with bid quotes is retained for review.

Implementation Action(s)

The BOCES said the recommendation has been implemented. The BOCES included a copy of purchasing regulation 4051 (which addressed the finding).

Status: Fully Implemented

Recommendation

- 7. Submit amended SA-111 forms for 1995-96 and 1996-97 school years to exclude construction costs from CO-SERs eligible for BOCES aid.

Implementation Action(s)

The BOCES stated it was working with Department staff to resolve this.

Audit note: The BOCES provided a letter to the Department's State Aid unit with the adjustments.

Status: Fully Implemented

Recommendation

8. Ensure that all applicable administrative costs are included in subsequent administrative budgets. (Costs of the business officer, business office functions and administration support functions were not included.)

Implementation Action(s)

The BOCES said that the recommendation has been implemented and that the allocation of administration budget costs had been approved by the SED for fiscal year 1997-98.

Status: Fully Implemented

Recommendation

9. Ensure that only students over 21 years of age are claimed for EPE aid.

Implementation Action(s)

The BOCES is using a new management system. The system is designed to accurately sort and report student information. An additional 'age' field has been added to the paper intake form as a double check on student age. As a check and balance, EPE reports are hand-checked to help ensure that students under the age of 21 are not included.

Audit note: The audit reviewed a sample of students and found that the system used by the BOCES excludes students under 21 years of age.

Status: Fully Implemented

Recommendation

10. Establish procedures to ensure the correct calculation of contact hours. (The BOCES had a computer program that did not recognize fractional hours. The computer program automatically gave a student three hours for each day attended.)

Implementation Action(s)

The BOCES is using a new computer program that allows actual hours of attendance to be entered. Instructors will report actual hours of attendance in 15-minute units to data entry staff.

Status: Fully Implemented

Recommendation

11. Improve procedures to ensure that only expenditures for EPE Program purposes are claimed for aid.

Implementation Action(s)

The BOCES said the Continuing Education Director and Business Official have reviewed State Education guidelines for coding of EPE related expenses. The Director reviews and approves EPE related purchase orders, which are then reviewed by the Business Official.

Status: Fully Implemented

Recommendation

12. Establish procedures to ensure that expenditures charged to the EPE Program are accurately identified, segregated and accumulated. (This condition was also found by the independent auditors. The BOCES indicated that written criteria for coding EPE related expenses will be developed and used by the BOCES)

Implementation Action(s)

The BOCES said the Continuing Education Director and Business Official have reviewed State Education guidelines for coding of EPE related expenses. The Director reviews and approves EPE related purchase orders, which are then reviewed by the Business Official.

Status: Fully Implemented

Recommendation

13. Improve inventory controls over equipment purchased with EPE aid. (Seven of 48 computers could not be found.)

Implementation Action(s)

The BOCES indicated they would meet the inventory requirements delineated in NYCR 170.3.

In adult education, equipment which is not assigned to a specific classroom on an ongoing basis will be assigned to storage locations by the Director of Continuing Education. Staff must sign out such equipment for use. In addition, equipment leaving any site or classroom for job fairs, expos, etc., will be signed out with the Director of Continuing Education. All staff have been informed of these procedures.

Status: Fully Implemented

Recommendation

14. Consider recent trends with actual expenditures in the preparation of the BOCES annual budget.

Implementation Action(s)

Since 1995, as directed by the Commissioner, BOCES officials meet with each component district in October to accurately estimate service purchase expectations for the current year. BOCES officials will encourage the components to be as accurate as possible.

The BOCES budget reflects incurred expenditures to supply specifically requested and contracted services. Client contracts for services drive the budget. All requests for services are done by districts by May 1 or with a component board approved adjustment to increase its contract with BOCES for added services after May 1. On an ongoing basis, subsequent BOCES budget details reflect additions and deletion made by the school districts for services provided by the BOCES. Matching revenue to an accurate budget and reflecting costs equal to the incurred expense allows BOCES to more accurately judge its solvency and efficiency at any particular time. The budgeted distribution and allocation of resources are based on actual services contracted with the BOCES.

The Madison-Oneida BOCES also provides computer services through a RIC to three other BOCES. The Madison-Oneida BOCES will encourage the three BOCES to use the purchased computer services data from the previous year to more accurately provide the Madison-Oneida BOCES and the Commissioner a more accurate estimate of the BOCES computer services to be purchased by their respective component school districts.

Audit note: Considering the fact that the BOCES billing rates results in significant year-end refunds, the audit believes there must be a reasonable method of establishing billing rates that would not result in large year-end refund. In the 98-99, the BOCES refunded \$1,298,663 to components. The BOCES may consider adjusting billing rates mid-year to reflect the increase or decrease in service requests.

Status: Partially Implemented

Recommendation

15. Establish written policies to govern the personal use of cellular telephones, telephone calling cards and long distance telephone calls by employees.

Implementation Action(s)

The BOCES established Regulation 4034.1 on July 10, 1997 (prior to the issuance of the prior audit report) and promulgated it to all staff.

Status: Fully Implemented

Recommendation

16. Ensure that only necessary and reasonable travel expenditures are reimbursed. (The BOCES paid for travel and conference expenses for administrators and superintendents from other school districts to attend a conference. The BOCES stated that the conference was to assist school superintendents and administrators in the performance of their duties, was in the administrative budget, had the approval of the Board and was designated as administrative training.)

Implementation Action(s)

The BOCES established Regulations 4033, 4033.1, and 4033.2, "Expense Reimbursements" on July 10, 1997 (prior to the issuance of the prior audit report) and promulgated it to all staff.

Audit note: These regulations do not address payment for travel and conferences for non-employees.

Status: Partially Implemented

Recommendation

17. Ensure that the correct amount for assets is listed on financial records. (The BOCES only included on its inventory records \$374,513 of the \$4,309,430 equipment purchased in 95-96 for the Regional Information Center CO-SER and much of the equipment was not tagged. The BOCES said that all RIC equipment was inventoried but not all was tagged.)

Implementation Action(s)

The BOCES provided a copy of its policy for equipment inventory dated 12/12/96. The language of the policy complies with Section 170.3 of the Regulations.

Status: Fully Implemented

Recommendation

18. Establish procedures to ensure that a comprehensive physical inventory of the assets is performed annually. (The BOCES said it has not conducted a comprehensive physical inventory of their assets in several years. Instead, they rely on Industrial Appraisal Company to do it. The BOCES said all personal property purchased as of 7/1/97 with a useful life greater than 1 yr. will be inventoried and all personal property with a resale value greater than \$500 will be inventoried once annually and all other personal property at least once every 2 years.)

Implementation Action(s)

The BOCES implemented the recommendation on 7/10/97.

Status: Fully Implemented

Recommendation

19. Ensure that proposals or quotes are obtained and documentation maintained when required. (Two purchases requiring written quotes did not have adequate documentation.)

Implementation Action(s)

The BOCES said current procedures require that quotation forms be attached to purchase orders before the purchasing agent signs them. The BOCES said it would institute procedures to ensure compliance with policies and general municipal law.

Quotes are maintained in the vendor file.

Status: Fully Implemented

Recommendation

20. Ensure that confirming purchase orders are used only for emergency situations. (The BOCES routinely issued purchase orders after an order had already been placed with a vendor. The BOCES acknowledged the practice and has modified their internal policy to include control procedures for the delineation and verification of the need for emergency purchases. The BOCES will have the business manager review this policy with program administrators and staff.)

Implementation Action(s)

The BOCES said Policy 4051, Procurement of Goods and Services: C.1, 2, clearly defines strict conditions when confirming purchase orders may be used.

Status: Fully Implemented

Recommendation

21. Establish measures to ensure competitive bidding requirements are followed and proper documentation is maintained for procuring goods and services.

Implementation Action(s)

The BOCES adopted a policy regarding competitive bidding.

Status: Fully Implemented

Recommendation

22. Ensure that proper documentation is retained for all purchases.

Implementation Action(s)

The BOCES implemented the recommendation on 7/10/97 adopting a policy that deals with maintenance of documentation.

Status: Fully Implemented

Recommendation

23. Ensure that expenses for travel of spouses are not paid. (The BOCES had no policy restricting employees from using the BOCES credit cards to pay for their spouse's travel expenses. The BOCES recognized the need to revise their conference request form process and that all future expenses for guests will be charged to the individual's personal credit card.)

Implementation Action(s)

The BOCES said Policy 6022.2 with form 4048 "Conferences" limits all expenses to those incurred by the employee solely and may not include any expense due to the attendance of a guest/spouse.

Status: Fully Implemented

Recommendation

24. Conduct training conferences at locations that promote economic use of resources. (The BOCES did not provide training in the most economical manner.)

Implementation Action(s)

The BOCES said it has a standard practice of monitoring expenses related to training conferences and staff development to assure economic use of resources.

Audit note: The BOCES should establish a policy to address BOCES sponsored conferences. The policy should require that requests for proposals be obtained from at a minimum at least two, if not three, different places. The BOCES should also make sure the geographic location of the conference does not add undue costs. For example, having the conference locally would eliminate lodging and meal costs. The BOCES should also consider using BOCES facilities whenever possible.

Status: Fully Implemented

Recommendation

25. Establish written policies and procedures governing the use of vehicles. (The primary responsibility of custody of vehicles lies with the receptionist. Only overnight use requires approval of the Deputy District Superintendent. No prior approval is required for day use. The BOCES recognized the need to improve supervisory review of vehicle use and have developed written procedures that outline a policy of adequate supervisory oversight.)

Implementation Action(s)

The BOCES established Regulation 1010.4, "Use of BOCES Vehicles" and promulgated it to all staff.

Status: Fully Implemented

Madison-Oneida BOCES (MOB)
7/98-6/99
Summary of EPE Contact Hour Adjustments

	EPE Contact Hours	EPE Aid
Total EPE contact hours claimed	175,516	\$840,722
Audit adjustments:		
For the sample of 20 students:		
Hours not claimed that were found by audit	144	\$691
Hours disallowed for ineligible student	(348)	(1,667)
Hours not supported by documentation	(126)	(602)
Work Experience hours disallowed for student in sample because 30% of program hours provided were not Non-Work Experience hours, and wages were received for jobs obtained	<u>(440)</u>	<u>(2,108)</u>
Total adjustments for student sample	(770)	(\$3,686)
Disallowance due to not providing at least 30% classroom instruction for Work Experience programs	(718)	(\$3,438)
Disallowance based on appropriate proration of Work Experience contact hours (e.g., .5 or .75 proration)	<u>(142)</u>	(682)
Total adjustments for Work Experience	<u>(860)</u>	<u>(\$4,120)</u>
Total adjustment to EPE contact hours/aid	<u>(1,630)</u>	<u>(7,806)</u>
Net audited EPE contact hours/aid	<u><u>173,886</u></u>	<u><u>\$832,916</u></u>

Guidelines for Non-Traditional EPE Programs

For non-packet programs like GED on TV or Learn to Read, the standard contact period is one week.

Records should include telephone contacts that show the name, date and lesson completed. Leaving a message, an inquiry as to whether the student is working on the material, or a call in which the student indicates they have not worked on the materials should not be used to consider the student active.

For Electronic Data Processing Program, the standard contact period is one week.

If a student does not stick to the schedule, the teacher is required to contact the student and if a student does not follow the schedule, they are not considered active.

If the instructor does provide in-person tutoring during the hours allotted for the approved non-traditional programs, no additional EPE may be claimed.

For example: An instructor is hired for 15 hours to serve 30 active students. When a student visits for a tutorial during those 15 hours, no “class of one” EPE may be claimed. However, if the teacher provided the one hour tutoring session in addition to the 15 hours devoted to the non-traditional program, then the agency may claim one additional contact hour per student for every instructional hour provided.

Madison-Oneida BOCES
Contributors to the Report

- Calvin Spring, Audit Manager
- John Cushin, Associate Auditor (Auditor-in Charge)
- Louise Costello, Senior Auditor

cc: [unclear], [unclear]

MADISON-ONEIDA

BOARD OF COOPERATIVE EDUCATIONAL SERVICES

"Enabling Learners to Excel"

EDWARD A. SHAFER
District Superintendent
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Phone 315-361-5510, Fax 315-361-5517

May 28, 2003

Mr. Dan Tworek, Director
Office of Audit Services
The State Education Department
Albany, New York 12234

Dear Mr. Tworek:

Enclosed is the response to the draft 1998-1999 audit submitted to the Madison-Oneida BOCES on April 22, 2003 for review.

If you have a question, please do not hesitate to contact me; Paul Seversky, the Deputy; or Teresa Fobare, the Business Official.

Sincerely,



Edward A. Shafer
District Superintendent



Response to Audit Recommendations 1 - 17

The following actions have been implemented in response to the audit recommendations relating to the Employment Preparation Education Program.

- Procedures for student record keeping in Employment Preparation Education programs are consolidated into a written booklet. This booklet is given to all instructors and staff working in an EPE program. This booklet is cross-referenced with the State Education Department EPE Manual of July 2002. In addition, specific sections of the SED EPE Manual are distributed to instructors based upon their areas of responsibility.
- The SED endorsed ALIES data system will be implemented in July 2003. It is our understanding that this system has additional capacities not present in the existing data system which will help ensure accurate reports and tracking of student data.
- A Student Folder Check List requires instructors to monitor and verify that students in a Work Experience program are enrolled in a literacy instruction that totals at least 30% of their total hours of participation. According to the SED EPE Manual of July 2002, no specific guideline references a six month limitation on Work Experience (Section 205, Section 304, Section 402.07, Section 407.02, or Section 408.09).
- Waivers are obtained in accordance with the SED EPE Manual of July 2002. In addition, after the initial audit findings (1998-99), vocational education EPE contact hours are recorded under separate class codes from literacy contact hours. Also, upon notification that a student receives the GED, contact hours are discontinued.
- National Reporting System guidelines have established definitions for successful employment and employment retention by students. These guidelines are followed in the student tracking procedures used by the BOCES.

The above actions have been put into practice. It must be noted that this extensive SED audit questioned less than 1% of the EPE funds received by the BOCES before the actions outlined above were implemented.

Response to Audit Recommendations 18 - 19

The 602 report directs that a "per course tuition" be calculated and recorded. There are no other SED directions on the survey form or in an accompanying SED instructions memo to the 38 BOCES.

Equipment costs are an approvable part of the coser. When equipment is purchased that will benefit all of the client districts in the coser in an ongoing fashion, the cost of the equipment will be included in the "per course tuition".

Response to Audit Recommendations 20 - 23

All enrollment reports including the Career & Technical Education Report Card data, CTEDS, and the completers reports are generated using data from one source, the Access database. The data are reviewed on a regular basis. One-to-one cross reference checks are made to SIS information for critical report dates including BEDS day, billing dates, and end-of-the-year reports.

In an effort to ensure that student information is not duplicated and is accurate in the Access database, the Regional Information Center has created a way to download the student information as an import table in Access. It is then reviewed against the student data resident in Access. This process is also checked by hand verification on a number of occasions throughout the year including grade reporting periods, attendance sorts by class, and verification sheets sent to the districts in the fall each year. All changes are made by one support staff, and reports are reviewed by the CTE administration, the school nurse who acts as the attendance monitor, and student services personnel regularly to decrease the likelihood of errors.

To improve the accuracy of the permanent record folder where grades and attendance are recorded, a spreadsheet is developed each year (see attached) in the summer with the dates pre-labeled, and days when school is not in session grayed out for ease of recordkeeping. Teachers are encouraged to keep a point of contact record using this spreadsheet either electronically or manually. Teacher plan books are also accepted as a point of contact record for student attendance and grades.

Attendance is recorded through the SIS, and printouts are regularly reviewed for accuracy with teachers. Teachers are also asked to keep a point of contact record as indicated above and weekly class rosters are used to transfer the information to the school nurse who serves as the attendance monitor. We are planning to change recordkeeping and attendance procedures to a windows-based student management program called WinSchool®. Student data currently kept in the Access database will easily be imported into this new application. Staff training on the use of this new software package will take place over the coming year, with the Alternative Education Division implementing it in the fall of 2003, and the CTE division in the fall of 2004. Special sorts and data mining programs will generate the necessary reports for the State. The SIS will be eventually phased out over this period of time, but will remain available for archived data.

Response to Audit Recommendations 24 - 25

The BOCES policy allows for the reimbursement of expenses for approved job duties. Only actual and necessary expenses incurred are reimbursed. General Municipal Law, Section 77c states, a governing board may by resolution pay a reasonable per diem allowance for meals and lodging. The BOCES does not reimburse meals and lodging on a per diem basis. See attached copy of BOCES regulation #4033.1, expense voucher form #4052 and conference request form #4048.

Response to Audit Recommendation 26

The BOCES is currently in transition to conform to GASB 34 regulations. The BOCES business office staff and the independent auditor are working together in an on-going basis to assure all guidelines are met under GASB 34.

Response to Follow-Up Recommendation Implementation Plan

10. Status should read fully implemented. Please refer to audit response to recommendations 1 – 17.
11. Status should read fully implemented. Please refer to audit response to recommendations 1 – 17.
12. Status should read fully implemented. Please refer to audit response to recommendations 1 – 17.
13. Status should read fully implemented. Inventory practices are a matter of regulation and policy and are continually monitored for compliance.
14. Status should read fully implemented. The 1998-99 refund of \$1,298,663 represents 3.5% of \$36,390,824; the revenues received during that fiscal year. The BOCES does not feel this is an unreasonable surplus amount.
15. Status should read fully implemented. The BOCES does ensure that only necessary and reasonable travel expenditures are reimbursed. Please refer to response to audit recommendation 24 and 25.
22. Status should read fully implemented. The policy does provide sufficient detailed written procedures to ensure that proper documentation is retained for all purchases.
23. Status should read fully implemented. The BOCES conference request form, as required by policy, states “expenses are limited to those incurred by the employee solely and may not include any expenses due to the attendance of a guest/spouse”.

MADISON-ONEIDA

BOARD OF COOPERATIVE EDUCATIONAL SERVICES

"Enabling Learners to Excel"

cc: J. Cashin
e. Spring


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District Superintendent
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Phone 315-361-5510, Fax 315-361-5517

May 22, 2001

Mr. Daniel Tworek, Director
Office of Audit Services
The State Education Department
The University of the State of New York
Albany, New York 12234

RECEIVED

MAY 24 2001

**OFFICE OF
AUDIT SERVICES**

Dear Mr. Tworek:

We have administratively reviewed the preliminary audit of the Madison-Oneida BOCES. The preliminary audit and the administrative review have been shared with the board of Cooperative Education Services.

Listed below is our review of each finding.

SUMMARY PRELIMINARY AUDIT FINDING # 1

: Ensure that the attendance documentation will be complete and adequately support all reported and claimed EPE contact hours.

: Ensure that only actual contact hours provided in the future will be reported to the Department for EPE aid.

Response:

The BOCES agrees in part with this preliminary audit finding.

Either a class name or class identification code is on the attendance documentation for each class.

SUMMARY PRELIMINARY AUDIT FINDING # 2

: Ensure that the criteria for work and/or non-work hours be met for each of the three work-experience delivery models allowed by the SED.

Response:

The BOCES agrees with this preliminary audit finding.

SUMMARY PRELIMINARY AUDIT FINDING # 3

: Ensure that non-traditional EPE contract hours are calculated as per Department guidelines.

Response:

The BOCES agrees in part with this preliminary audit finding.

EPE hours claimed for non-traditional programs do meet the criteria of EPE eligibility. Therefore, the following audit statement should be removed from the audit: "There is a significant possibility that the BOCES is claiming EPE contact hours for non-traditional programs that are not EPE eligible. However, this was not verified by the audit."

SUMMARY PRELIMINARY AUDIT FINDING # 4

: Ensure that the student folders include all the data required.

Response:

The BOCES agrees in part with this preliminary audit finding. The BOCES does track all students who test for the GED exam. If a student does not receive a high school diploma or equivalency by 6/30, they are carried over into the next fiscal year as EPE eligible. If a student passes the GED exam or receives a high school diploma, the student enrolled is tagged and removed from the EPE eligible roster in the software that calculates EPE claims.

SUMMARY PRELIMINARY AUDIT FINDINGS # 5

: Ensure that waivers are obtained for all classes with less than 6 or more than 20 hours of classroom instruction per week.

Response:

The BOCES disagrees with the finding and believes that it should be removed. The BOCES did receive approved "blanket waivers" from the SED regional representation.

SUMMARY PRELIMINARY AUDIT FINDINGS # 6

: Ensure that waivers are obtained for all classes with enrollment in excess of 20 students.

Response:

The BOCES disagrees with the finding and believes that it should be removed. The BOCES did receive approved "blanket waivers" from the SED regional representation.

SUMMARY PRELIMINARY AUDIT FINDING # 7

: Ensure that EPE hours claimed for a given class will not exceed the actual times the classes met.

Response:

The BOCES disagrees with this preliminary audit finding and believes that it should be removed.

In review of current practice, the BOCES finds the attendance rosters labeled by when and how long the classes meet are accurate. The audit process fails to recognize that the brochure mailed twice a year announcing various classes represents a tool to encourage and motivate community of 117,000 households to continue their education in a BOCES adult and continuing education program.

After students enroll, class times, number of hours and days are customized to meet the set of clients who show up at the first class. Therefore, the attendance documents filed and signed by the teacher are official and reflect the actual number of classes, hours, and days. Supervisors visit classes and review class progress. These visits and reviews are the checks in place to verify actual class times.

SUMMARY PRELIMINARY AUDIT FINDING # 8

: Ensure that EPE contact hours for Vocational Education will be segregated.

Response:

The BOCES agrees with this preliminary audit finding.

SUMMARY PRELIMINARY AUDIT FINDING # 9

: Ensure that employment information for Adult Education students will be recorded.

Response:

The BOCES disagrees with this preliminary audit finding and believes that it should be remove.

In review of current practice, the BOCES finds that it does follow current SED expectations for such employment data. In the Adult Basic and Secondary Education Program Report, Table 5 directs the recording of the number of participants who “entered employment”. This is what the BOCES records.

SUMMARY PRELIMINARY AUDIT FINDING # 10

: Provide a per course cost for Distance Learning for the Chapter 602 Report.

Response:

The BOCES disagrees with this preliminary audit finding and believes that it should be removed.

The BOCES did not include the cost of equipment in its calculation because not all distance learning sharing districts utilize the CoSer mechanism to provide the equipment for the shared network to function. Some schools, for example, utilized building project funds for such equipment. The BOCES calculation includes all common services expenses provided to all distance learning districts in the CoSer.

SUMMARY PRELIMINARY AUDIT FINDINGS # 11 AND # 12

: Ensure that all Career and Technical Education attendance documentation is recorded and maintained.

Response:

The BOCES agrees with these preliminary audit findings.

SUMMARY PRELIMINARY AUDIT FINDING # 13

Travel Reimbursement Guidelines

Response:

The BOCES disagrees with this preliminary audit finding and believes that it should be removed.

The BOCES has written policies that pertain to travel reimbursement. Policy # 4033 – Expense Reimbursements, regulation 4033.1 – Expense Voucher, Policy # 6075 – Mileage Allowance, Policy # 6022 – Conferences, Regulations # 6022.1 and # 6022.2 – Conference Request. The BOCES Regulation # 4033.1 clearly states the expected expense guideline as “actual and necessary expenses in conjunction with travel on official business.” Expense claim forms require employee certification to this standard. Travel expenses are submitted on expense vouchers, reviewed and approved by the director or supervisor of the department and submitted to the business manager for review and approval before payment is made.

Upon BOCES review of current practice, it finds that travel reimbursement guidelines are met.

General Municipal Law Section 77c states, a governing board may by resolution pay a reasonable per diem allowance for meals and lodging and that such an allowance shall not exceed the standard allowance for meals and related travel as adopted or prescribed for federal income tax purposes. The BOCES Board reimburses for actual and necessary expenses in conjunction with travel of official business. These expenses are reimbursed only upon submission of itemized documented claims.

Given the geographic location and locations to which staff are authorized to travel, a per diem expense approach would cost more than the current practice.

SUMMARY PRELIMINARY AUDIT FINDING # 14

1. Recording of September BOCES aid payable to the components.

Response:

The BOCES disagrees with this part of the preliminary audit finding and believes that it should be removed.

The BOCES did not include the BOCES aid receivable on behalf of the components on the SA-111 balance sheet. The BOCES also did not include the BOCES aid payable on behalf of the components on the on the SA-111. The net affect of these transactions is zero.

The BOCES aid recorded as receivable and payable on the financial statement balance sheet had no net affect on the BOCES balance sheet.

- 2A. Defer any portion of grant revenue received but not expended in the current year instead of recording as due to other governments in the special aid fund.

Response:

The BOCES agrees with the suggested method of recording unexpended grant revenue at year-end.

- 2B. Budgeting salaries in the CoSer general fund budgets that may be funded with grants applied for but not yet awarded.

Response:

The BOCES disagrees with this part of the preliminary audit finding and believes that it should be removed.

It would be imprudent for the BOCES to follow this suggestion in the budgeting process. There would be a detrimental affect on the general fund budget if special aid fund salaries were expended and not budgeted.

- 2C. Adjusting entries to the accounting records after preparing the SA-111 at year-end due to a grant FS-10F.

Response:

The BOCES agrees that the classifying and recording of transaction should be based on the nature of the expense.

- 2D. Recording of funds from Central Hudson to support the operations of cogeneration.

Response:

The BOCES partially agrees with this part of the preliminary audit finding. The BOCES believes that revenues should be credited in a segregated code thereby allowing the accounting of the total cogen supplies expenditures in this case.

- 2E. General Fund Equipment expenditure under a capital account.

Response

The BOCES disagrees with this part of the preliminary finding and believes that it should be removed..

The equipment purchased was reported in the Capital Fund for financial reporting purposes. The equipment was purchased under a CoSer in the general fund.

The practice has been used for many years upon the advice of the BOCES independent auditor.

SUMMARY PRELIMINARY AUDIT FINDING # 15

FOLLOW-UP – RECOMMENDATION IMPLEMENTATIONS PLAN

The audit suggests that 10, 11, 12, 13, 14, 16, 22, and 23 have been partially implemented. Upon review, the BOCES finds that all recommendations have been implemented as described below:

Follow-up – Recommendation 10:

The system has been implemented. An audit sample with regard to accuracy is not an implementation issue.

Follow-up – Recommendation 11:

The procurement policy of the BOCES refers to the responsibility for PO review by all directors including the director that oversees EPE related purchase orders.

Follow-up – Recommendation 12:

The procurement policy of the BOCES refers to this responsibility for PO review by all directors including the director that oversees EPE related purchase orders.

Follow-up – Recommendation 13:

The Director of Continuing Education has given written directions to staff about the inventory of EPE items.

Follow-up – Recommendation 14:

A 3.7% refund of unspent funds on a budget of \$35,092,161 proves prudence in the level of service contracting by the component schools and in the unit prices offered by the BOCES services.

Follow-up – Recommendation 16:

As noted in 1997:

“While Section 77-b of the General Municipal Law permits a board of a municipality to authorize any of its members to attend a conference it does not prohibit that board from paying the expenses for non-employees. It is the position of the BOCES that the conference in question was sponsored by the BOCES in conjunction with a legitimate function of the district superintendent for the express purpose of assisting superintendents of schools and other school administrators in the performance of their duties.

Section 2215 of the Education Law states that a district superintendent’s powers and duties include, “Hold teacher conferences and counsel teachers in relation to discipline, school management and other school work, and matters promoting the general good of all schools of the district”. By definition of the education law school administrators are teachers. The expense for such conference was budgeted in the administrative budget, approved by the BOCES, and was clearly designated for the purpose of administrative training. By virtue of the unique relationship of the district superintendent with the superintendents of component school districts the funding of this conference was appropriate.

Currently the BOCES operates several grant programs on behalf of SED. These projects include the Teacher Training and Technology Center program and the Effective Schools Consortium (ESC). At the request of SED we have provided payment for certain officers of the Teacher Center and the ESC managers to attend conferences. We would request guidance from the Department on how to respond to future requests. The BOCES will incorporate into its conference request process criteria for the payment of expenses which includes standards established by the SED in relation to requests to reimburse certain individuals from grant funds. We are not aware of any breach of the suggested standard for programs funded by CoSers other than support provided for the training and advisement of component superintendents and administrators as described in the administrative budget.”

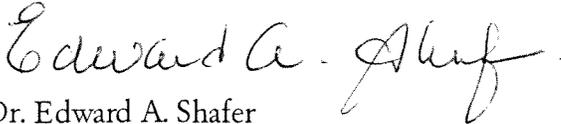
Follow-up – Recommendation 22:

The vendor, purchase order files, and bidding files include the proper documentation.

Follow-up – Recommendation 23:

The ‘Conference Request Form’ (part of policy # 6022) clearly states. “Expenses are limited to those incurred by the employee solely and may not include any expenses due to the attendance of a guest/spouse.”

Sincerely,



Dr. Edward A. Shafer
District Superintendent