

**CORRECTIVE ACTION PLAN**  
INTERNAL AUDIT REPORT ON PROCUREMENT AND CLAIMS PROCESSING  
June 30, 2019  
AUDIT FIRM – R.S. ABRAMS

**Policies and Procedures**

**Procedure Performed:** We reviewed the District’s policies and procedures concerning the internal controls related to procurement and claims processing.

**Findings:** We noted that the District’s credit card policy does not provide sufficient guidelines of the allowable use of credit cards.

**Recommendations:** We recommend the District update their policy to include information regarding authorized users, allowable transactions, any limitations to amount of charges, and unauthorized credit card activity disciplinary action.

**District Response:** The District will recommend that the Policy Committee review the existing policy 8334 Credit Cards, and will revise the policy where appropriate.

**Competitive Bids and Quotations**

**Procedure Performed:** We tested twenty vendors paid in excess of \$1,000 in the current fiscal year to determine whether proper competitive pricing procedures were followed as per General Municipal Law 103(B) and 104(B) and District policies.

**Findings:** We noted that supporting documentation is not obtained when the district piggybacks off another school district’s bid. We noted one instance where the District did not have support to show that the bid was publicly advertised.

**Recommendation:** We recommend the District obtain all required support when piggybacking off another school’s bid.

**District Response:** The Purchasing Department will create a checklist detailing all required supporting documentation needed when piggybacking off another district. This will ensure that all supporting documentation is obtained.

### Cash Disbursements and Purchasing

**Procedure Performed:** We tested forty disbursements from the warrants for all funds and tested for compliance with District policies, proper approvals, mathematical accuracy, and appropriate supporting documentation, including but not limited to, invoices and receipts.

**Findings:** No exceptions were found as a result of applying these procedures.

**Recommendations:**

N/A.

**District Response:**

N/A

### Travel and Conference

**Procedure Performed:** We tested ten payments related to travel and conference expenditures verifying proper approvals, invoices, purchase orders, and proof of attendance, including but not limited to, attendance certificate and attendance badge.

**Findings:** No exceptions were found as a result of applying these procedures.

**Recommendations:**

N/A.

**District Response:**

N/A

### Cell Phones

**Procedure Performed:** We tested three monthly payments related to the Districts' authorized cell phones to verify proper usage for business purposes and within limits.

**Findings:** No exceptions were found as a result of applying these procedures.

**Recommendation:**

N/A

**District Response:**

N/A

**Credit Cards**

**Procedure Performed:** We tested five vendor payments related to the District's authorized credit card to verify proper usage for business purposes and within limits.

**Findings:** No exceptions were found as a result of applying these procedures.

**Recommendation:**  
N/A

**District Response:**  
N/A

**1099 Compliance**

**Procedure Performed:** We tested fifteen vendors paid in excess of \$600 in the calendar year ending 2018 to determine whether an IRS Form W-9 was maintained on file and an IRS 1099 form was properly issued.

**Findings:** We noted one instance where an IRS 1099 form was not issued to an individual/sole proprietorship for services provided. In this instance the vendor had been set up incorrectly in the system.

**Recommendation:** We recommend the District review their active vendor listing to determine that all required vendors are issued an IRS 1099 form.

**District Response:** The District will review all current W9's for active vendors to ensure that the vendors have been set as it relates to the issuing of 1099's. In addition, prior to issuing 1099's the District will review the WINCAP "Other Vendor Review List", which is a list of vendors not selected to receive 1099's.

**Vendor/Employee Match**

**Procedure Performed:** We performed a comparison of the master vendor file to the master employee file to identify possible conflicts of interest.

**Findings:** No exceptions were found as a result of applying these procedures.

**Recommendation:**  
N/A

<b>District Response:</b> N/A
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**Vendor Master File**

**Procedure Performed:** W We reviewed the master vendor file to verify that the master vendor file is complete, accurate, free of duplicate vendors, and up to date.

**Findings:** No exceptions were found as a result of applying these procedures.

**Recommendation:**  
N/A

<b>District Response:</b> N/A
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