

**NORTH SHORE
CENTRAL SCHOOL DISTRICT**

**Annual Review and Update to
Initial Risk Assessment Report**

June 30, 2019

NORTH SHORE CENTRAL SCHOOL DISTRICT

Background

June 30, 2019

On June 15, 2006 the Board of Education of the North Shore Central School District, in response to State legislation and meeting its responsibility to ensure sound fiscal management of the District, created the position of Internal Auditor (Policy #6680), as well as a policy requiring the appointment of an Audit Committee (Policy #6690). The Audit Committee may be made up of a subcommittee of the Board, a committee consisting of both Board and non-Board members or as a committee of the whole. The Audit Committee of the North Shore Central School District, according to the policy, shall consist of the seven Board members and two community members.

For the year ended June 30, 2019, the Committee consisted of:

- Sara Jones, President
- Dave Ludmarm, Vice President
- Joanna Commander
- Richard Galati
- Tim Madden
- Marianne M. Russo
- Lisa Vizza
- Robert Morales
- Raymond Ottusch

Following the establishment of the Audit Committee, an Audit Committee Charter (Policy #6690E) was approved and adopted by the Board of Education on October 15, 2006.

The Board of Education is ultimately responsible for selecting the Auditor(s) of the District.

The Board of Education re-appointed the firm of *Pappas & Company*, Commack, New York to the position of Internal Auditor at the reorganization meeting on July 9, 2018.

The Board's established policy created the position of Internal Auditor to carry out the following tasks.

- Develop an Annual Risk Assessment of the District's fiscal operations, which shall include but not be limited to:
 1. A review of financial policies and procedures.
 2. The testing and evaluation of District internal controls.
- An annual review and update of such risk assessment; and

- Prepare reports, at least annually or more frequently as the Board may direct, which:
 1. Analyze significant risk assessment findings.
 2. Recommend changes for strengthening controls/ reducing identified risks, and
 3. Suggest a timeframe for implementing such recommendations.

As the Initial Risk Assessment of the District's policies and procedures was performed by our firm and reported to the Board in the *Initial Risk Assessment Report*, this report serves as a review and update to such initial risk assessment.

The assessment of risk is based on the following:

Inherent Risk is the susceptibility of a relevant assertion to a material misstatement, assuming there are no related controls. Inherent risk is greater for some assertions and related account balances, classes of transactions and disclosures, than for others. The assessment of inherent risk is an intuitive process based on the Auditors' knowledge of the client and the related audit area.

Control Risk relates to the effectiveness of the client's internal control. It is the risk that a material misstatement, which could occur in an assertion, will not be prevented or detected on a timely basis by the client's internal control. Control risk is a function of the effectiveness of the design and operation of the client's internal control.

In the chart which follows, we list the areas that we have reviewed, and our assessment of the inherent risk and control risk based on these areas. This assessment represents our initial review, as well as the outcome of any detailed testing of controls performed to date. The initial assessment of control risk is based on interviews and discussions with persons within the District's Business Office and was not based on detailed testing of those controls considered in making our assessment. It is possible that at the conclusion of our detailed testing of the controls, our initial assessment of the control risk in a particular area may have changed. These changes are the basis of the annual update of the risk assessment required by the District's internal auditor.

In the final column of the Risk Assessment Chart we suggest areas to test during the coming year. However, the decision of which area to audit in detail is at the discretion of the Audit Committee.

NORTH SHORE CENTRAL SCHOOL DISTRICT
Risk Assessment Chart
June 30, 2019

(H=High, M=Moderate, L=Low)

	Risk		
	<u>Inherent</u>	<u>2017/18 Control</u>	<u>2018/19 Control</u>
General Policies and Procedures			
Governance Environment	H	L	L
Strategic Planning	M	M	M
Budget Development	H	L	L
Budget Administration	M	L	L
Accounting and Reporting			
Assessing Financial Condition	M	M	M
Financial Accounting	H	M	M
Auditing	H	L	L
Financial Oversight	H	L	L
Fund Balance Management	H	L	L
Revenues and Cash Management			
Cash Management	H	M	M
Investment Management	M	M	M
Petty Cash	L	L	L
Real Property Tax	M	L	L
State Aid	M	L	L
Medicaid	M	L	L
Out of District Tuition	M	M	M
Use of Facilities	L	L	L
Donations	M	L	L
Collection & Posting Receipts	H	L	L
Purchasing and Accounts Payable			
Purchasing Process	H	L	L
Allocation of Expenditures	H	L	L
Payment Processing	H	L	L

NORTH SHORE CENTRAL SCHOOL DISTRICT
Risk Assessment Chart
June 30, 2019
(Continued)

	Risk		
	<u>Inherent</u>	<u>2017/18 Control</u>	<u>2018/19 Control</u>
Payroll and Personnel			
Payments to Employees	H	M	M
Allocation of Expenditures	H	L	L
General Employee Administration	H	L	L
Hiring/Termination of Employees	H	L	L
Property, Plant and Equipment			
Acquisition and Disposal	H	L	L
Inventory	H	L	L
Construction Planning	M	M	M
Construction Monitoring	M	M	M
Construction Completion	M	M	M
Extraclassroom Activities			
General	H	M	M
Cash and Cash Receipts	H	M	M
Expenditures and Purchasing	M	M	M
School Food Services			
Federal and State Reimbursement	H	L	L
Sales Cycle and System	M	M	M
Inventory and Purchases	M	M	M
Eligibility Verification	M	L	L
Information Technologies			
Governance	H	M	M
Security	H	M	M
Disaster Recovery	H	M	M

The District's system of internal controls is designed to reduce the Control Risk to a level that mitigates the Inherent Risks noted within the Risk Assessment Chart above.

GENERAL POLICIES AND PROCEDURES

DISTRICT POLICY MANUAL

Periodically, we review the policy manual of the *North Shore Central School District* and have found this policy manual to be both comprehensive and up-to date with regard to the dates the policies have been either adopted or revised. This policy manual which is available to the public through the District's website covers the following areas of District operations:

- Educational Philosophy
- Community Relations
- School Board Governance and Operations
- Administration
- Instruction
- Students
- Fiscal Management
- Facilities Development
- Support Services
- Personnel

During the current fiscal year's review of policies, it came to our attention that a few of the policies have either been newly adopted or revised. These policies are as follows:

<u>Policy Number</u>	<u>Policy Name</u>	<u>Date Revised/ Adopted</u>
4205	Assessment – Regulation	05/09/19
4311.1 R	Display of Flag – Regulation	05/09/19
4325	Academic Intervention Services	05/09/19
4326	Limited English Proficiency Instruction	05/09/19
4326 E.7-1	Placement in a Language Instruction Educational Program	05/09/19
4510 R	Instructional Materials Regulation	05/09/19
4513	Library Materials Selection	05/09/19
4770 R	Graduation Requirements – Regulation	05/09/19
5050	Student Gender Identity	05/09/19
5151	Homeless Children	05/09/19
5152	Non-resident Students	05/09/19
5152.1	Admission of Foreign Students	05/09/19
5154	Assignment of Students to Classes	05/09/19
5260	Student Contests	05/09/19
6720	Purchases Directly Charged to a Federal Award	05/09/19
8411	School Bus Scheduling and Routing	07/01/18
8505	School Food Service Program	08/23/18

We are pleased at the level of attention that is given by the Board of Education and Administration in ensuring that the District's policies are kept up to date. The District's Board continues to be very proactive in the practice of periodically reviewing and amending policies previously adopted.

ACCOUNTING AND REPORTING

As the District's Internal Auditors, we not only periodically review policies as established and revised by the Board of Education, but also review the District's annual financial statements as prepared by Business Office personnel and audited by the External Auditors. In conjunction with this review of the financial statements, we also review the Management's correspondence regarding any findings and recommendations relating to the audit.

While we did not express an opinion on the District's financial statements for the year ended June 30, 2018, these statements do appear to meet all of the necessary reporting requirements in accordance with accounting principles generally accepted in the United States of America.

While none of the findings detailed by the District's External Auditors contain items of a systemic nature, all the findings and recommendations were considered meaningful and were addressed in the District's corrective action plan.

CAPITAL PROJECTS

We performed an internal audit of the Capital Projects and related internal controls. Our internal audit was conducted to assess the level of compliance with procedures set forth by the District's Central Administration. We assessed and evaluated the policies, procedures and practices relating to the District's contract formation, contract administration and monitoring functions of the capital construction project process. As part of this assessment, we interviewed selected staff, performed tests on selected project costs and reviewed financial summary reports as deemed necessary to understand the process and to determine compliance.

The following District policies relate to the conduct of Capital Projects and are summarized below:

<u>Policy Number</u>	<u>Policy Name</u>	<u>Revised/ Adopted</u>
7000	Facilities Development Goals	12/01/16
7100	Facilities Planning	06/05/06
7200	Financing Facilities Development	06/05/06
7300	Facilities Construction	12/02/10
7320	Selection of Architect or Engineer	06/15/06
7331	Plans, Specifications and Cost Estimates	12/01/16
7360	Construction Contracts, Bidding and Awards	12/01/16
7365	Construction Safety	06/05/06

Recommendation: The Board of Education Policies appear adequate and appropriate. Due to the wrap up of many existing projects within the 2018-19 fiscal year and the introduction of a Bond Referendum vote scheduled for December 2019, we suggest that the Board review the above policies, especially those that were adopted many years ago without any revisions. If it is determined that the policies stand as originally written after a complete review has been made, perhaps it would be appropriate to indicate the date of last review.

Implementation: Fall 2019

Multi-year Planning is an important part of developing a comprehensive financial and capital plan to estimate the future costs of ongoing services and capital needs. Effective plans entail an assessment of the capital needs over a three to five-year period to allow District officials to identify revenue and expenditure trends and to set long-term priorities and goals and avoid large fluctuations in tax rates. We are pleased to note that the District's Administration along with the Board of Education have engaged in many discussions concerning the "drop off" of certain debt service and the planning of future needs for each of the District's facilities and overall infrastructure. There are no recommendations at this time, and we commend the District's Administration and Board of Education for the effective monitoring and updating of long-term plans on an ongoing basis to ensure decisions are guided by the most accurate information available.

Monitoring of Capital Projects entails both formal and informal procedures related to the accounting, budgeting, administering, managing and monitoring of capital projects. The Business Office has an experienced staff that is knowledgeable and currently does not require extensive procedural documentation. The State Education Department (SED) also provides the specific forms, procedures and required filings and reports required for the proper handling of Capital Projects. During our review we obtained the following information to ensure that the reports and records being maintained within the Business Office were appropriate and reasonable.

Janet Bates-Wilkens provided the following items to us during our review:

- Budget Status Reports for the Capital Fund
- Revenue Status Reports for the Capital Fund
- Project to Date Budgetary Account Activity (All Projects)
- Schedule of Project Expenditures as Included in the Audited Financial Statements of the 2017-18 fiscal year.

The above reports were reviewed with the appropriate documentation and all balances were correctly verified with the source of funding. The various forms of funding for the different capital projects included Bonded monies, State and Local Aid and the Use of Capital Reserve funds.

The District's WinCap general ledger system for the Capital Fund allowed for the specific numbering of both revenues and expenditures utilizing a specific numbering system that identified each project by the SED approved project number. This allowed for the detail of each project by vendor to be reviewed and analyzed for both the revenues received and the expenditures to date for each of the projects. Additionally, the general ledger program was supplemented with Excel spreadsheets that allowed for additional analysis to determine that the District was within budget. Any remaining balances were tied back into the audited financial statements for those projects that were not completed at the end of the 2017-18 fiscal year and continued to reflect activity into the 2018-19 fiscal year. A sample of each of the funded types of projects was selected for review. One such project was the HS Mansard Roof Project with *Milcon Construction Corp*, which was funded with a General Fund Appropriation. The Elementary Window Replacement Projects for Glen Head Elementary School and Glenwood Landing Elementary School with *Window Repair Systems, Inc.* were funded with the District's Repair Reserve and lastly, we selected the HVAC Project for Sea Cliff Elementary for Architect Fees with *Burton Behrendt & Smith, PC.* which was a project approved through use of the District's Capital Reserve. Each project was reported correctly and within the guidelines allowed.

At the end of our testing, it was noted that for those projects that were nearing completion, the Final Cost Reports would be filed. This was planned for the spring of 2019 and with the writing of this report, we are pleased to indicate that for those completed projects, a Form SA-139 has either been processed with the SED or has been filed awaiting final acceptance. In conclusion, the District's Business Office is well within the filing deadlines for the upcoming Building Aid calculations of October 1, 2019 and those will be captured within the "November 2019 frozen data file".

As an update to this testing, we are aware that the District's Board of Education and Administration is presenting a 2019 Bond Referendum for a total of \$39.89 Million in Districtwide Improvements for a Bond Vote to be held on December 10, 2019.

REVENUES AND CASH MANAGEMENT

The following “Internal Control Objectives” and “Potential Errors and Fraud” sections represent the general criteria used for assessing risk with respect to this area (Revenues and Cash Management) and may not specifically pertain to the North Shore Central School District.

Internal Control Objectives

- Access to cash, cash receipts and cash disbursements records are restricted.
- Cash receipts are recorded correctly as to account, amount and period and are deposited promptly intact.
- Cash receipts are applied properly to receivable balances, where applicable.
- Cash balance records are reconciled regularly to bank statements and differences are investigated.
- Investment transactions are authorized and recorded correctly as to account, amount and period.
- Income earned on investments is recorded correctly as to account, amount and period.

Potential Errors and Fraud

- Cash receipts are recorded incorrectly.
- Items are sold for cash; the sale is not recorded, and cash is misappropriated.
- Checks received are deposited but not recorded; checks are written to employees for the same amount and also are not recorded.
- Lapping occurs (i.e. cash receipts are misappropriated, and shortages are concealed by delaying postings of cash receipts).
- Investments are made that are not authorized.
- Investments are valued incorrectly.
- Cash has been collected but not brought to the bank for deposit in a timely fashion.

This area was not recommended as an area of concentration during the 2018-2019 testing for the Internal Auditors.

PURCHASING AND ACCOUNTS PAYABLE

The following “Internal Control Objectives” and “Potential Errors and Fraud” represent the general criteria used for assessing risk with respect to Purchasing and Accounts Payable and may not specifically pertain to the North Shore Central School District.

Internal Control Objectives

- Cash disbursements are made for goods or services authorized and received.
- Cash disbursements are recorded correctly as to account, amount and period.
- Goods or services are purchased only with proper authorization.
- Recorded acquisitions are for goods and services received.
- Adjustments to vendor accounts are made in accordance with management’s authorization.
- Only authorized goods and services are accepted and paid for.
- Access to purchasing, receiving and accounts payable records is adequately controlled to prevent or detect duplicate or improper payments.

Potential Errors and Fraud

- Payment is made for goods or services that are not authorized or received.
- Checks are made out to wrong payees.
- Invoices are paid twice.
- Vendor invoices are altered and photocopied to conceal alteration; payment benefits third parties.
- Check signature or endorsement is forged.
- Disbursements are misclassified or not recorded.
- Disbursements are recorded at the wrong amount or in the wrong period.
- Checks are issued for the benefit of employees or third parties and payees are changed in the cash disbursements journal.
- Cash disbursements journal is overstated; overstated amount is recorded, and the difference is misappropriated.
- Kitting occurs (exploiting the time required for a check to clear the bank [“float” period] to conceal shortage of cash).
- Unauthorized purchases are incurred.
- Liability is incurred but not recorded.
- Purchase amount is recorded incorrectly.
- Purchase is charged to wrong account or is recorded in wrong period.
- Purchases at other than favorable terms are made to facilitate side deals for the personal benefit of employees.
- Misclassification to conceal unauthorized purchases occurs.
- Bid law of New York State is not followed.

This area was not recommended as an area of concentration during the 2018-2019 testing for the Internal Auditors.

PAYROLL AND PERSONNEL

The following “Internal Control Objectives” and “Potential Errors and Fraud” represent the general criteria used for assessing risk with respect to this area (Payroll and Personnel) and may not specifically pertain to the North Shore Central School District.

Internal Control Objectives

- Salary, wage and benefit expenses are incurred only for work authorized and performed.
- Salaries, wages and benefits are calculated at the proper rate and negotiated contract.
- Salaries, wages, benefits and related liabilities are recorded correctly as to account, amount and period.
- Employee payroll withholdings and special deductions are based on signed authorizations by employees.

Potential Errors and Fraud

- Unauthorized work or work not performed is paid or accrued.
- Accrual of employee benefits (i.e., vacation pay, sick leave) is recorded but not earned.
- There are fictitious employees on the payroll.
- Employees’ earnings are over-accrued or under-accrued because of improper rates or computation errors.
- Payroll costs, expenses, or related liabilities are misclassified.
- Payroll is recorded in period paid rather than in period earned.
- Timecards or reports are padded.

As discussed with the Board of Education in October 2017, the next area of concentration selected was the area of Payroll and Personnel.

In order to test that the objectives of a sound system of internal controls surrounding payroll transactions is in place and that the information that is generated from these transactions is both complete and accurate, a sample of employees was selected utilizing the District’s payroll journals.

We did note that several Board Policies had been adopted that deal directly with Payroll or Personnel. These policies include the need to maintain personnel records in a confidential manner, outlining the steps that must be taken during the recruiting and hiring process and required information that is necessary for employees to effectively serve at the District.

These policies include the following:

Policy 6800	Payroll Procedures
Policy 9160	Personnel Records and Confidentiality of Disciplinary Investigations
Policy 9160-R	Personnel Records Regulation
Policy 9230	Oath of Allegiance
Policy 9240	Recruiting and Hiring
Policy 9240.5	Orientation

We did not note any discrepancies within the review of the above policies. Additionally, as stated in Policy 6800, Payroll Procedures all payroll records utilized in the selection of a sample were certified by the Assistant Superintendent for Business.

A total of **50** employees was chosen utilizing the District's payroll journals and was selected to include members from a variety of bargaining units and positions throughout the District's universe of employees. This sample included:

- Teachers
- Teacher Aides
- Monitors
- Clerical
- Maintainers
- Custodians
- Cleaners
- Security Aide
- Administrators
- Nurse
- Coach
- Information Technology Specialist

The first step in testing the individuals selected was to verify that they were all valid employees at the time of payment. The validity of employment is most easily verified through a review of a personnel file, when applicable.

All **50** employees were supported by a personnel file, within the Personnel Department. The outcome of the review of these files is described in the paragraphs that follow.

Examined Personnel Files

In reviewing the personnel files, we noted that a checklist was not consistently utilized in order to ensure that all of the required information and support documentation has been obtained from or on behalf of the said employee. The use of this type of checklist is very helpful in making

sure that all necessary information being considered was obtained and placed within the employee's file.

Information that would typically be included on this checklist includes, but is not limited to the following:

- Board Appointments/Approval
- Oath of Allegiance
- Retirement System Application or Declination
- United States Immigration Form I-9
- Fingerprint Certification
- Health Insurance Acceptance or Declination
- Direct Deposit Support

While we are aware that individual departments, such as the personnel department, utilize a department specific checklist in the hiring process of a new employee, we believe a comprehensive "hire sheet" or checklist may also assist the District and should be made a part of each personnel file going forward. This will further strengthen the existing controls in assuring that all personnel files are complete.

Recommendation: *It is our recommendation that checklists not only be consistently utilized, but consideration be given to the development of a "hire sheet" that may accompany an employee throughout the hiring process. This form would not only address personnel type items but may also include items that relate to both information technology and security controls. This form should be designed to not only address the steps in the initial approval process but would also include all of the necessary steps through the hiring of an employee to the payroll and rights or privileges that are assigned regarding a new employee.*

Status: Implemented. *We were very pleased that steps have already been taken to address the above recommendation.*

See Information Technologies section for recommendation on implementation of a Separation Checklist.

While we are making the above recommendation with regard to the organization and compilation of information within the Personnel Files, we were pleased with the completeness of those files when they were examined for our chosen sample.

Form I-9, officially the **Employment Eligibility Verification**, is a United States Citizenship and Immigration Services form. Mandated by the Immigration Reform and Control Act of 1986, it is used to verify the identity and legal authorization to work of all paid employees in the United States. All U.S. employers must ensure proper completion of Form I-9 for each individual they hire for employment in the United States.

All employees selected in our sample were in fact supported by a completed Employment Eligibility Verification Form without exception.

Candidates applying on or after July 1, 2001, must be cleared by the New York State Education Department through a fingerprint-supported criminal history background check. This includes all applicants for certification, as well as all prospective employees of school districts, charter schools and Boards of Cooperative Educational Services (BOCES).

In reviewing the personnel files of the sample chosen, we were able to verify that all employees hired after July 1, 2001 were supported by an appropriate and proper *Fingerprint Certification*, indicating they had gone through the process and had been cleared by the Department of Education.

We did note through this process that one employee, who was originally hired in 1998 and therefore was not required to obtain a fingerprint clearance from New York State at the time of hire, retired in 2013. Subsequent to the employee's retirement as a custodian, they were rehired as a Bus Driver. When an employee, that was not originally required to obtain a fingerprint certification clearance because their original hire date preceded the requirement, leaves the District's employment and is subsequently rehired, it is necessary for them to obtain this clearance from New York State. This fingerprint certification was not done. While we believe this to be an isolated instance, we felt it did warrant mention at this time.

As stated with the **Policy Number 9230, entitled Oath of Allegiance** in accordance with Chapter 485 New York State Education Law each new professional staff member must execute and oath of allegiance or form of pledge to support the Constitution of the United States and the Constitution of the State of New York, except Chapter 195 of the Laws of 1990 that provide for an alternative oath of allegiance for Native Americans.

Both the policy and law go on to state that no member of the profession may serve in a position without having signed one of the required oaths or pledges.

In addition to the law referenced in the District's Oath of Allegiance Policy, Civil Service Law Section 62, also requires every person employed by New York State or any of its civil divisions, except an employee in the labor class, prior to the discharge of his or her duties, to take the oath required by the New York State Constitution. In lieu of the oath, a state employee may execute and file the statement prescribed by Civil Service Law Section 62.

In reviewing the personnel files related to our sample, we noted that seven of the fifty personnel files did not contain a properly signed *oath of allegiance*. If the District utilizes other methods, in lieu of the signed oath on file in most of these files, a statement or certification should be

placed in the individual file where this alternate method is being used. Each personnel file should include a clear indication that the above laws are being met.

Recommendation: *It is our recommendation that every effort be made to ensure that all personnel files include either a signed oath of allegiance to the Constitutions of both the United States of America and the State of New York. If an alternate method, such as a pledge of this allegiance is used, a certification made by a District employee that this pledge was witnessed should be included within those personnel files.*

Status: Implemented. *We were very pleased that steps have already been taken to address the above recommendation.*

In order to ensure that those employees selected were valid employees of the District at the time they received payment, in addition to the items described above, additional items were also reviewed as listed below:

- Application for Employment
- Board Appointments
- Salary Notifications/Attendance
- Correspondence (Reviews)
- Documentation Supporting Step/Grade

We were pleased that based on the above types of support documentation on file in each of the employee's personnel files, all employees were in fact valid employees at the time payment was made.

Recalculation of Gross Pay

Following the review of personnel files, the gross pay for all employees selected was recalculated.

Contract salaries and hourly rates were verified using both Board approved salary schedules and amounts as indicated within the individual contracts for a particular bargaining unit. The information obtained from the personnel files used in determining the salaries being paid to the employees sampled included the following:

- Date of Hire
- Position (Job Title)
- Continuing Education Credits
- Step and Grade

As a number of the employees sampled were either hourly employees or paid for items in addition to their normal contractual pay, time sheets were examined to support the hours and amounts paid. We were pleased that during this process we did not note any discrepancies in the number of hours paid as compared to the time sheets supporting those payments.

In addition to the review of time sheets, we were pleased to learn that overtime and additional pays are pre-approved by an administrator. An example of this type of pre-approval would relate to an item such as custodial overtime which is approved by the Director of Facilities and Operations.

At the time of our testing, several of the contracts that were utilized for the above process were still in the negotiation process and may remain so today. When applicable, any memorandum of agreements were provided in order to supplement the contracts in effect.

The following represent the contracts utilized during the above testing:

- North Shore Schools Federated Employees Secretarial Unit
- United Public Service Employees Union (Part-time Cleaners Unit)
- United Public Service Employees Union (Part-time Bus Drivers Unit)
- United Public Service Employees Union (Paraprofessional Unit)
- United Public Service Employees Union (Custodial Unit)
- United Public Service Employees Union (Cafeteria Unit)
- North Shore Schools Administrator Council
- North Shore Schools Federated Employees (Teachers and Teacher Assistants)

Examination of Cancelled Checks

Of the **50** employees sampled, only **5** individuals were paid with an actual check. In all five cases, the actual cancelled check was examined including the appropriate endorsement. No discrepancies were noted with the examination of these cancelled checks.

The remaining **45** employees were paid via direct deposit (electronically). In all cases sampled documentation supporting the employees desire to be paid via direct deposit was examined. As with the cancelled checks, no discrepancies were noted during this review.

It has been the procedure to deliver all paychecks and direct deposit stubs to the location of the employee for distribution on pay day. During the current year, these procedures have changed as described below.

The District implemented electronic paystubs beginning in October 2017. There are a few benefits to an electronic payroll system. These benefits include but are not limited to the following:

- **It saves time** – Employers save the time it would have taken to prepare actual checks, delivering checks to employees, resolving lost and undelivered checks, and dealing with fraud concerns. Time is also saved by eliminating the time the Payroll Department has to spend answering employee questions that may be resolved by reviewing the information online.
- **Reliability** – Employers are able to pay employees on time regardless of holidays or unexpected events, such as bad weather or natural disasters.
- **Accessibility** – Employers have convenient access to their payroll data online or via a mobile device. Employees also have convenient access to their payroll data, which often includes personal information, direct-deposit information, paystubs, W-2s and up to date attendance information.

For an employee to continue to receive their payroll stubs in the traditional fashion, they must make this request of the District Treasurer. Initially the employees must contact the District Treasurer, Haleh Stomaldi, to receive an invitation in order to access the online payroll system. Once an employee is provided with the invitation, they can create a sign on and receive the information described above.

Employees still have the option of receiving a “paper” or “live” check in the traditional fashion. As mentioned above, these checks are delivered to the employee’s building location and distributed on the day of payroll. A listing of all individuals receiving a paycheck accompanies the checks being delivered and employees are required to sign this sheet at the time they obtain their paycheck.

In the event an employee is out on the day of distribution, all unclaimed payroll checks, and if applicable payroll stubs, are returned to the payroll department. These unclaimed payroll checks are then forwarded to the Personnel Department for investigation and for contacting the employee.

It is the procedure of the District not to mail unclaimed payroll checks or stubs to the employee. All employees are required to come to the Administration Building in order to claim their payroll check in person.

We understand that our review was conducted during a period of time when the payroll department was working with reduced resources as, Roxanne DeVito was out on an extended medical leave. Ms. DeVito continued to make herself available in the event assistance was needed with the processing of payroll. All the records reviewed were complete and well organized and Americo Mendes worked diligently to keep the department up to date and ensure that all payrolls were processed in an efficient manner without exception.

PROPERTY, PLANT AND EQUIPMENT

The following “Internal Control Objectives” and “Potential Errors and Fraud” represent the general criteria used for assessing risk with respect to this area (Property, Plant and Equipment) and may not specifically pertain to the North Shore Central School District.

Internal Control Objectives

- Property, plant and equipment are purchased only with proper authorization.
- Property, plant and equipment purchases are recorded correctly as to account, amount and period.
- Disposals, retirements and trade-ins are identified promptly and recorded correctly as to account, amount and period.
- Property, plant and equipment are adequately safeguarded and insured.
- Depreciation is calculated correctly using proper lives and method of depreciation and is recorded in a timely manner.

Potential Errors and Fraud

- Purchases of property are recorded in the wrong account or not recorded.
- Unnecessary property is acquired, resulting in unused or idle capacity.
- Employees are able to conceal unauthorized purchases for their own benefit.
- Property remains in the accounting records after disposal.
- Sales of property are not recorded, and proceeds are misappropriated.
- Wrong lives are assigned to property, resulting in miscalculation of depreciation.

This area was not recommended as an area of concentration during the 2018-2019 testing for the Internal Auditors.

EXTRACLASSROOM ACTIVITIES

While the “Internal Control Objectives” and “Potential Errors and Fraud” addressed at the beginning of each of the Categories above are not listed here in this section, many of the items outlined are also relevant to the assessment of the Extraclassroom Activities found at the Secondary level. Those previously mentioned in this report, particularly pertaining to: Revenues and Cash Management and those relating to Expenditures and Accounts Payable address many of the same considerations surrounding Extraclassroom Activities. Recognizing that the controls put into place must consider the cost benefit analysis, there are still items that at a minimum, need to be included in a sound system of internal controls as they relate to the Extraclassroom Activities operations. Since these transactions involve mostly cash transactions and the potential for high turnover as students and staff changes each year, it is often an area that needs constant review and communication with the appropriate clubs at the beginning of every school year.

REVIEW OF FIELD TRIP COSTS

During our discussions with the Audit Committee in October 2018, we were asked to investigate the circumstances, whereby a club or activity would see their balance increase substantially between September and June of a particular year.

Balances may increase from one year to another for a number of reasons, which include the following:

- Successful fund-raising activities
- Amounts that may be provided by another club or activity
- Donations from parents or outside organizations
- Costs associated with an activity were lower than anticipated

In many cases, the situations listed above would simply result in a balance to be utilized for a clubs’ future activities. This money still belongs to the students and would be used to support the general operation of the club.

Balances may also increase over a period of time when the amount of money being collected for a trip or event is slightly higher than the budgeted expense for this trip or event. Many of the costs may fluctuate depending on interest in the event or costs may be higher than budgeted due to difficulties at a venue or the actual cost of transportation. For this reason, it is not unusual for the admission or charge for a trip or event to be inflated nominally to cover those unanticipated costs.

If the amounts collected in excess of cost were excessive, we would recommend that the difference be returned to the students who attended the event or trip. This is not normally the case, but rather any monies that are left over are typically nominal and therefore remain in the account to offset future activities.

An example of a nominal increase in admission would be if the event or trip was estimated to cost approximately \$17.50 per student and the student was charged \$20.00 in order to ensure that the amounts collected were sufficient. This would help to prevent a club or activity from developing a negative balance, taking money from the balances of other clubs for their benefit.

Inquiries by the Audit Committee relating to excess balances at the end of a year were directed specifically to clubs that were organized for the purposes of going on field trips requiring chaperone pay. Chaperone pay, while contractual to the teachers, is typically paid for by the club or activity from collections relating to the particular trip. Additionally, the concern is greatest regarding overnight trips and the potential that trips may be planned specifically to require the need for overnight chaperones.

Following our meeting with the Audit Committee, a request was made of the Central Treasurer at both the High School (Lynn Johnson) and the Middle School (Michael Rumont) for the detailed general ledger of both the prior year and current year to date. Since we began this review shortly after school had begun for the 2018-2019 school year, we decided to begin with a review of the prior year's ledger. Once this information was received, we examined the transactions of those clubs or activities that hosted trips or activities that should net little to no excess balances, as all proceeds would be calculated and used for the benefit of the students in that school year.

In addition to the Extraclassroom Activity Fund general ledgers for both the 2017-2018 and the 2018-2019 fiscal years as described above, we also obtained the following information:

- Contracts regarding Chaperone Duties
- Listing of Extraclassroom Advisor Appointments

During the review of the general ledgers, we noted that apart from foreign language trips abroad, the Ski Club was one of the few clubs where overnight trips were conducted. We had reviewed in detail the foreign language trips as an area of concentration during a previous year; therefore, these trips were not included in the focus for the current year's review of overnight trips.

Ski Club Trips

During fiscal year 2017-2018, the Middle School organized two-day trips, one to Windham Mountain and the second to the Belleayre Mountain. These trips were to be held in January and February 2018. However; the January trip was cancelled and rescheduled for the first week of March 2018. The cancellation of the January trip resulted in several refunds being issued to students, who were unable to attend the rescheduled date.

Regarding the High School, during 2017-2018 there were two trips organized. The first trip was a day trip to Windham Mountain on February 2, 2018 and the second trip was an overnight trip to Smuggler's Notch Vermont which was held from March 2-4, 2018. The February 2nd trip was shared between the Middle School and the High School Ski Clubs, with the High School Ski Club paying its proportionate share of the costs associated with this trip.

It became apparent that all collections for these trips were deposited on the same day. This would indicate checks were held until all student fees were collected and available for deposit. Many times, advisors find it easier to track the receipts for an event by making one deposit of all receipts pertaining to a particular event. While this practice is not uncommon in Extraclassroom activities in general, this practice does go against the District's policy regarding the deposit of funds. According to the District's Policy 6250, *Monies In School Buildings*, all monies must be deposited without delay, and while monies may be kept in school buildings overnight, provided they are in a locked safe, the maximum amount of time monies may remain at the building level is five (5) days.

Recommendation: *It is our recommendation that monies collected by the Clubs under the direction of the Advisors be brought to the Central Treasurer upon receipt and not held by the Advisors until all monies have been collected. Only by bringing receipts to the Central Treasurer on a timely basis, will the Central Treasurer be able to comply with the District's policy on cash receipts being held at the building level.*

Additionally, it is our recommendation that a directive be sent to all Extraclassroom Activity Advisors reaffirming the need to bring monies collected to the Central Treasurer on a timely basis so these monies may be properly safeguarded and deposited in accordance with District Policy.

Implementation: November 2019

In addition to the activity posted to the general ledger, the support documentation reviewed as it pertained to the above, included the following:

- Attendance records for individuals who were Chaperones with regard to the above trips
- Payroll Records for the Payment of the above Individuals
- Copies of Deposit Details including copies of cancelled checks
- Rosters of all trips conducted
- Copies of invoices for purchase of lift tickets

- Copies of invoices for transportation
- A prepared accounting of receipts and disbursements

Using the information available, we were able to reconcile the amounts collected and the costs of the trips.

During our discussion with the Central Treasurer at the High School and review of the receipts and disbursements for the Ski Clubs as they pertained to the 2017-2018 fiscal year, it came to our attention that a portion of the reimbursement for chaperone fees had not been paid to the District. These unpaid balances were the primary reason for the higher balance at the end of the 2018 fiscal year, which fell under the scrutiny of the Board of Education. Following our discussion with the Central Treasurer of the High School, steps were taken to make payment to the District for these unpaid costs, which rectified this situation.

Recommendation: *It is our recommendation that steps be put in place to ensure that all chaperone monies to be paid to the District by clubs or activities be paid in a timely fashion. Steps should include follow up by the payroll department in those circumstances where chaperone reimbursements are not received.*

Implementation: November 2019

During the 2018-2019 fiscal year, the High School Ski Club organized three trips. Two of these trips were day trips to Windham Mountain on January 5, 2019 and Belleayre Mountain on February 2, 2019, with a cost per student of \$120 per day. The third trip was an overnight trip to Smuggler's Notch Vermont from February 8-10, 2019, with a cost of \$450 per day.

As had been done in previous years, in order to reduce costs and ensure the necessary level of participation, the Middle School Ski Club was included in both day trips with the High School. In addition to the day trips to Windham Mountain and Belleayre Mountain described above, the Middle School Ski Club also organized an additional trip to Windham Mountain on March 9, 2019.

As with the trips reviewed during 2017-2018, all trip documentation included detailed records of the collections, students attending, refunds (where applicable) and the costs paid to each of the ski facilities, as well as the payments made to ***McCarney Tours*** for transportation.

Regarding the above described ski trips, we did not note any discrepancies as they related to payments made for the reimbursement of chaperone costs to the District. While chaperone monies are included in the per student charges for the trips, the payments made to reimburse the district for chaperone pay were all documented with an approved time sheet and agreed with the contracts, as they relate to chaperone payments.

Many of the trips were day trips, but the High School Ski Club did participate in an overnight ski trip to Vermont as it had in the past. The timing and distance of the trip, as well as the number of students attending, was in line with the number of chaperones supervising and the need for overnight stays by the students and chaperones. The time sheets supported the additional pay included in an overnight stay in accordance with the contractual obligations of the District.

Track & Field Club

While reviewing the general ledger, we noted that the greatest amount of activity in terms of both dollar amount and volume existed in the *Varsity Sports – Track & Field Club*. Since it was still early in the 2018-19 school year, as in the case of the Ski Club, we concentrated on the transactions that took place during the 2017-2018 school year.

In addition to speaking with both Michael Rumont, Middle School Extraclassroom Central Treasurer and Lynne Johnson, High Extraclassroom Central Treasurer, we also had an opportunity to speak with some of the advisors involved in both the High School Ski Club and Track & Field Coaches. The discussions included Mr. Edward Corona, Faculty Advisor for the Ski Club and Track & Field Coach and Mr. Neil Levy, Track & Field Coach.

During the 2017-2018 school year, the Track & Field Team had deposits of \$175,179.78 and disbursements of \$176,522.90. The North Shore Track & Field Club sponsors a number of large invitational meets throughout the year. Three of these invitationals are held at the Armory in New York City. As the sponsor of this event, the Track & Field Club rents the Armory for the day and then charges entry fees for all schools attending the invitational. The sponsor of events such as this is unique to the sport of track & field as it allows dozens of teams and hundreds of athletes from all over the East Coast to compete on the same day at the same venue. During the 2017-2018 school year the North Shore Track & Field hosted events at the Armory on the following days:

- December 1, 2017
- December 26, 2017
- February 16, 2018

Such sponsorship creates a large fundraising opportunity. Of the \$175,179.78 collected during the 2017-2018 fiscal year, \$103,923.28 was attributable to fund raising through these sponsorship efforts. Entry fees are also collected for the additional invitationals held at the District each year. At these events, concession stands, and t-shirt sales also help to make up a good portion of the monies raised for use by the Track & Field Teams. During the 2017-2018 school year the North Shore Track & Field hosted the following events at the District:

- April 20, 2018 – Autism Awareness Meet
- May 8, 2018 – Spring Invitational

The monies collected throughout the year at the various events described above goes to subsidize the Track & Field trips at other invitationals both locally and out of town. In speaking with the Track & Field coaches, all members of the team, regardless of skill level, can attend many events rather than just a select few based-on skill level. These opportunities allow for the greatest amount of growth in the athletes as they experience a variety of competition from many different areas and tournaments. The ability to fundraise, as they do, keeps the cost down for all athletes by subsidizing or covering the cost of the many meets they attend.

In addition to the local meets that are part of the regular track & Field schedule, the Track & Field team had the opportunity to attend the following invitationals and meets:

- Philadelphia Meet – September 15-17, 2017
- Brown University XC Invitational – October 13-15, 2017
- Bowden Park NXR XC Invitational – November 24, 2017
- Yale University Invitational – January 12-13, 2018
- Myrtle Beach SC – April 2-8, 2018
- Penn Relays – April 25-28, 2018

While there were many meets during the school year requiring additional pay for chaperones and advisors, in accordance with contracts, all the items reviewed included approved time sheets. We did not note any discrepancies between the time frame of the meets and the items tested pertaining to additional pay to advisors and chaperones. All of the items tested, were properly documented and accurately paid in accordance with the contractual agreements.

However, it came to our attention that many of the expenses of the Track & Field Team were initially paid by the Coach. Following the payment of expenses, the Coach submitted all necessary documentation including invoices for reimbursement. While it is not unusual for advisors to pay expenses for a club or activity in order to expedite the payment to vendors, larger expenditures and items that may be paid directly to the vendor should be handled by a direct payment.

Recommendation: *While we understand it is not always possible, we recommend that every attempt be made to make payments of expenses directly to vendors. Paying vendors directly allows for greater control over the balances remaining within a club or activity, ensuring expenses are incurred without the necessary funds to pay them. Additionally, paying vendors directly through the normal “request for payment” procedures, allows the greatest opportunity for student involvement as required by the New York State Comptroller’s regulations.*

Payment of expenses by Club Advisors should be discouraged and avoided wherever possible.

Implementation: November 2019

During our review of the 2018-2019 activity, we noted that similar invitational events and meets were hosted by the Track & Field Club as were hosted in previous years with similar amounts being collected and paid. Of the \$163,580.28 collected during the 2018-2019 fiscal year, \$96,017.50 of the money collected was attributable to sponsoring various events. These collections also included the operation of concession stands and the sale of “meet specific” t-shirt sales.

The following Armory Events were hosted by the North Shore Track & Field Club:

- November 30, 2018
- December 26, 2018
- February 19, 2019

During the 2018-2019 fiscal year the North Shore Track & Field also hosted the following events at the District:

- March 30, 2018 – Autism Awareness Meet
- May 11, 2019 – Spring Invitational

The monies raised through the hosting of the above events allowed the Track & Field Club to supplement the costs at a variety of meets and invitationals during the 2018-2019 Cross Country and Track seasons. The following listing represents those meets and invitationals that the North Shore School District participated in:

- September 14-Bear Mountain
- September 21-23, 2018 – Hershey Cross Country
- October 12-14, 2018 – Virginia Cross Country
- November 23-24, 2014 – NXR Regional Cross Country
- December 14-15, 2018 – New Haven, CT
- January 11-12, 2019 – Yale Trip
- February 16-20, 2019 – San Diego, California
- April 12-14, 2019 – Washington, D.C. Trip

Of course, as stated in the details of 2017-18, the above competitions were in addition to those meets that are a part of the regular Cross Country and Track & Field schedules.

While 2018-2019 school year did include a number of overnight trips, based on the location of the meet, they also warranted overnight stays with additional pay. Additionally, in reviewing the time sheets and calculations, all the Chaperone pay appeared to be accurate and reasonable.

While we did not note any discrepancies regarding the calculation of chaperone pay, we did take note of the fact that there were at least seven meets requiring multiple days of chaperone coverage. These meets included at least two days of travel with one trip to San Diego requiring five days of chaperone pay. In addition, to the approval of the Superintendent of Schools prior to the trip being scheduled, we believe an additional approval by the Building Leader, which includes an estimated budget for the trip and the source of funds be pre-approved. This breakdown of expenses should include additional costs for Chaperone pay that will be covered by those funds, whether through fund raising or charges to students.

Recommendation: *The Building Leader should sign all authorizations for field trips either taking place during school hours or resulting in the need for additional back-up of other positions during the planning or supervision of the field trip. This approval should include a breakdown of the cost of the trip and the amount being charged to the students attending. Additionally, if the trip is being subsidized by amounts already on deposit in the clubs account from other sources such as fund raising, this amount should be disclosed, as well.*

Implementation: *November 2019*

We appreciate the cooperation and courtesy that was extended to us during our review. This cooperation extended beyond the Central Treasurers of the Extraclassroom Activities Funds, to not only the Advisors and Coaches but also to the staff in the Payroll Department as we reviewed the time sheets and procedures for the payments to Chaperones.

SCHOOL FOOD SERVICES

*While the “Internal Control Objectives” and “Potential Errors and Fraud” addressed at the beginning of each of the Categories above are not listed here in this section, many of the items outlined are also relevant to the assessment of the School Food Services. Those previously mentioned in this report, particularly pertaining to: **Revenues and Cash Management** and those relating to **Expenditures and Accounts Payable** address many of the same considerations surrounding **School Food Services**. Recognizing that the controls put into place must consider the cost benefit analysis, there are still items that at a minimum, need to be included in a sound system of internal controls as they relate to the School Food Service operations.*

This area was not recommended as an area of concentration during the 2018-2019 testing for the Internal Auditors.

INFORMATION TECHNOLOGIES

In the prior year, the area of Information Technologies was selected as an area of concentration. The primary reason for the selection of Information Technology again this year, was a concern regarding the software and applications being utilized by students within the District, particularly as it relates to the potential use of a student's personal information or the targeting of students using a particular software.

Following our completion of this area, there were several questions that we were asked to follow up on with more specific details. These items are covered within the paragraphs that follow.

Controls on Mobile Devices

We were asked by the Audit Committee to obtain additional details on the specific controls that are in place to ensure that students do not have access to websites or applications on District issued mobile devices that are not in the best interest of the student or are not intended for educational purposes.

There are controls currently in place at the District, as they relate to controlling applications and programs on mobile devices, including both iPads and Chromebooks.

The first layer of control deals with the use of Webfilters throughout the District's computer and wireless network. These Webfilters which can be controlled by the Information Technology Department allows for the creation of "*Whitelists*".

Whitelisting is the practice of identifying software, websites or in some cases individuals that are provided with access or recognition on the District's servers. Specifically, these lists allow only certain applications and programs to be accessed on a school managed iPad or Chromebook. Some applications are not able to be downloaded and others may be downloaded but will not be able to be accessed on the District's device.

In addition to these "*Whitelists*", the District's IT Department also has the ability to create "*Blacklists*" which as the title suggests, is the opposite of a whitelist. This type of webfiltering identifies software, applications and possibly individuals that are automatically rejected from any access through the District's wireless network and servers.

It should be noted that the nature of the type of the mobile device dictates the level of control that the District has over the ability to access applications or programs.

As explained, iPads can only be controlled by the District while in the school buildings and using the District's wireless network. However, Chromebooks allow the device to be managed through the device alone and therefore may be controlled both while within District buildings and outside of the District.

When the IT Department is made aware by Teachers of the desire to have a particular application or program, they verify it through the BOCES service. This service provided by BOCES, in vetting applications and software, ensures that the application or program manufacturer is aware of the NYS Ed Law 2-d dealing with privacy and protection of student information.

Safeguards Limiting Access to District Computers

A request was made for us to look into the safeguards surrounding controlling access to District computers. The District utilizes two firewalls provided by the very widely used and probably most popular **Baracuda Software**. In computing, a **firewall** is a network system that monitors, and controls incoming and outgoing network traffic based on predetermined security rules. A firewall typically establishes a barrier between a trusted internal network and untrusted external network, such as the Internet.

In essence, the "firewalls" allow only one way in and one way out of the District's networks with the ability to control what or who is able to enter and exit the system.

Additionally, as previously mentioned, utilizing the **Lightspeed Systems, Inc** software the District has installed web filters. The **Lightspeed System** web filters are specifically designed for application for use by schools and as with the *Baracuda Software* are the most widely used.

This web filter software not only monitors and controls access to the various websites that are visited through the District computers, but also acts as a filter for viruses and malware threats that may exist.

Finally, the ability to access the District's actual servers is limited to only a select number of individuals including the Director of Information Technologies through *Intralogic Software* and to the Assistant Superintendent for Business utilizing *LogMeIn Software*.

This type of access typically referred to as Virtual Private Network or VPN as described above, is extremely limited.

The only vendor that has the ability to sign into the District's software is the vendor that is providing the "*PowerSchool*" System, which is the software designed for Student Data. Access to this system is necessary for the maintenance and update of the system on a regular basis.

No other individual or member has VPN type access to the District's servers, however; there is the ability for external access to some of those applications that is intended for public use over the internet that is hosted by the District.

The following individuals have external access to the following notable public-facing services hosted by either the District or its partners:

PowerSchool – Assessment, Grade book, etc.

Access: All teachers (teacher portal), secretarial staff/administrators (adminportal), and parents/students (parent portal)

WinCap Web – Human Resource part of the WinCap Program (not the financial system)

Access: All employees

Office 365/District Email/G-Suite:

Access: All employees and grades 5-12 students

IEP/RTIM Direct – Tracks Special Education Services and IEPs

Access: Specific staff designated by the special education department

Various BOCES/NYSED Data Warehouses –

Access: Specific staff designated by Superintendent, Assistant Superintendent, or Director of Technology

Naviance – Web based Software for College & Career Readiness. Tracking student progress, college research, course planning, etc.

Access: MS/HS teachers, parents, and students

Again, except for the above, all other notable services are internal and cannot be accessed outside of the District.

All circumstances, when trying to access those services that are internal, must be operated by physically accessing the programs through a computer within the District. Utilizing a District device, you must next have been granted permission by the IT Department using your username and password to access the network. Finally, additional credentials and passwords are required to access those services and data housed on the District's server.

Safeguards for Removing Employees from Computer Access

Upon an individual's separation of service from the District whether through retirement, resignation or dismissal, it is necessary to ensure that all permissions provided to that individual are removed. The primary responsibility for removing much of these permissions falls on the Information Technology Department. The process begins following a resolution by the Board of Education approving the separation of the employee from the District. Once this information is communicated to the Technology Department by the Human Resources department, the permissions provided are removed. In the case of a need for immediate administrative removal

following the termination of an employee, the removal of permissions is done at the direction of a building leader such as a Principal or an Administrator within Central Administration. It is our understanding that for the most part this communication is somewhat informal such as in the form of an email or in certain occasions a “memo”. It is our recommendation that putting a more formal procedure in place to the current procedure and controls will ensure that all individuals separating from the District will be removed timely from all computer and network programs.

Recommendation: *It is our recommendation that a form be devised and utilized that ensures that all necessary steps have been taken following the separation of an individual from the District. This form should not only address the items involving information technology as described above, but may also include other items such as:*

Board Resolution information

Collecting of Keys

Collection of Identification Badges

Removal from Email System

Removal from Network Permissions

Removal from Software Applications

Communication of Separation from District

Collection of Devices (Phone, iPad, Laptop, etc.)

Status: Not Implemented. *We continue to recommend that a form be devised to address the separation of an employee from the District, especially as it relates to the Information Technology, as described above.*

Back-up Testing

While we had reported to the Audit Committee on the nature of the types of back-ups that are prepared, as well as where these back-up files are stored and safeguarded for each of the networks and types of data throughout the District, we were asked to follow-up on whether these back-ups are tested on a routine basis.

Regarding those back-ups that relate specifically to the data being maintained on the District’s networks, the back-up files are tested monthly.

In additional to the data files, it is also the procedure of the Technology Department to test the back-ups being created as they relate to the District’s servers. We were pleased to learn that the back-ups of the servers are tested once every three months.

Again, the details of the specific types of back-ups, systems being used for the preparation of those back-ups and where these items are maintained, whether off or on site have all been addressed in a prior report.