

January 5, 2018

New York State Education Department
Office of Audit Services
89 Washington Avenue Room 524 EB
Albany, NY 12234

To Whom It May Concern:

In response to the Enlarged City School District of Troy 2016-2017 Risk Assessment comments please find the districts response and corrective action plan;

1. Payroll

Finding #1 The first and last paycheck for a newly hired employee and/or terminated employee is not consistently reviewed by a second individual. The initial first check for an employee may have calculations that are pro-rated and a number of calculations that would have to be established based upon the employee's collective bargaining agreement ("CBA"). Additionally, the last paycheck for a terminated may also have a number of pro-rated calculations and possible benefits payable based upon the CBA.

Recommendation #1 - Due to the increased risk in the calculations of the first/ last check for a specific employee, a second individual should perform a review and recalculation. This review should be documented with the initials/signature of the reviewer

Finding #2 - The procedures for reconciling substitutes to the time and attendance files of the employee's who the sub is working for is not consistently performed. As a result, time and attendance files may be inaccurate and employees may receive an inaccurate amount of time off.

Recommendation #2 - Procedures should be developed for each building/ department to have a method to ensure when a substitute works the time and attendance file for the corresponding employee is accurately updated.

District Response: The District Treasurer will work with the Payroll department to double check the calculations on newly hired and terminated employees' paychecks. The District will work on developing attendance procedures to ensure that employees'

attendance is accurately documented.

2. **Payables and Disbursements-**

Finding #1 - During the review of the Claims Auditor reports, there were numerous exceptions by the claims auditor that should have been caught prior to the claims being presented to claims auditor. (i.e incorrect address, sales tax, etc.)

Recommendation #1 - Purchasing, accounts payable and receiving procedures should be reviewed with their respective department to reduce the clerical errors that have to be corrected by the Claims Auditor.

Finding #2 - The claims auditor currently does not initial or mark every claim that is reviewed, however the completed and final warrant is signed.

Recommendations #2 - Although not required it is a recommended practice that the Claims Auditor marks every claim that is reviewed with either, initials, date or stamp to signify his final review. This is particularly important in conjunction with finding #1 above. Since there are numerous corrections to the claims the claims auditor can place his mark of review on the final, correct claim.

District Response: The District will work with the Claims auditor to ensure his signature or stamp is on all final claims. The departments will take more time reviewing each claim to reduce clerical errors.

3. **Extra-classroom Activity Funds**

Finding #1 - At the time of our review (May 2017), there were two accounts that did not have any activity to date. (MS Student Council, Spanish Club) If these accounts do not have any activity by the end of the year they should be declared inactive and have their balances closed out per procedure

District Response: The district will review the extra-classroom accounts at the end of each year declaring any account with no activity inactive.

4. **Transportation**

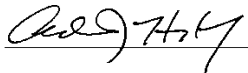
Finding #1: In addition to the bus companies that the District outsources the daily transportation activities, occasionally, the district charters buses for field trips, extra-curricular activities, etc. Currently there is no procedure to ensure that the charter bus companies are providing buses that pass inspection and that the drivers have been vetted as being able to drive students.

Recommendation #1: Since the district is responsible for the transportation of students for all school related activities, the Board and District Management should develop a policy and procedures to ensure that only approved charter transportation companies, drivers and buses are used.

District Response: The district will be more diligent to ensure that the District receives a certificate of insurance for all bus companies that are being used for transporting students.

If you have any questions or need additional information please contact me at 518-328-5054.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Hotaling". The signature is written in a cursive style with a horizontal line underneath.

Adam Hotaling
Assistant Superintendent for Business