

**New Hyde Park – Garden City Park UFSD**  
**Risk Assessment Update Report**  
May 4, 2017

## **Risk Assessment Update Report**

To the Board of Education and Audit Committee  
New Hyde Park-Garden City Park UFSD  
New Hyde Park, New York

We have performed the annual risk assessment update of New Hyde Park-Garden City Park UFSD (District) as required by Chapter 263 of the Laws of New York, 2005 and as per our agreement of November 4, 2016.

This engagement is in accordance with auditing standards generally accepted in the United States of America and the applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have also considered the guidelines promulgated by the New York State Education Department in connection with such risk assessments.

Specifically, we performed the following:

- We reviewed our understanding of the critical business processes of the District. These critical business processes included, but were not limited to:
  - Governance and planning
  - Accounting and reporting
  - Revenue and cash management
  - Payroll and related benefits
  - Purchasing and related expenditures
  - Facilities and equipment
  - Student services
  - Student related data
  - Information technology
- We identified the key risks based on our understanding of these business processes.
- We identified the stated controls that are currently in place to address those risks.

These procedures were accomplished through interviewing District management and accounting and other departmental personnel to determine the flow of accounting information and controls placed in operation. The scope of our engagement did not include testing the operating effectiveness of such controls.

Our procedures were not designed to express an opinion on the internal controls of the District, and we do not express such an opinion. Additionally, because of inherent limitations of any internal control, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of an evaluation of the accounting system and controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

We would like to express our appreciation for the cooperation and assistance that we received from the District's administration and other employees during our engagement, especially the Business Office personnel.

This report is intended solely for the use and information of the Board of Education and its Audit Committee and the management of the New Hyde Park – Garden City Park Union Free School District, and is not intended to be and should not be used by anyone other than these specified parties.

*Cullen & Danowski, LLP*

May 4, 2017

## NEW HYDE PARK – GARDEN CITY PARK UFSD

### Introduction

May 4, 2017

---

Chapter 263 of the Laws of New York, 2005 requires most districts to create an internal audit function. The creation of this function requires districts to engage either a qualified audit firm or individual to make an initial risk assessment of the design of the district's internal controls; annually update this assessment; and, periodically test these controls for operational effectiveness and efficiency. This report addresses the second requirement, which is an annual risk assessment update.

Internal controls are the checks and balances over the various processes or functions that comprise the operations of a district. As previously mentioned, we have identified the following key processes to be considered in the risk assessment update (Note: each one of the key processes is comprised of sub-functions.)

- Governance and planning
- Accounting and reporting
- Revenue and cash management
- Payroll and related benefits
- Purchasing and related expenditures
- Facilities and equipment
- Student services
- Student related data
- Information technology

One key element in any internal control system is the concept of **segregation of duties**. This concept ensures that one person cannot execute a transaction without at least one other individual checking his or her work. Of course, where segregation of duties is not feasible, the district can employ compensating controls.

Nevertheless, there are some important concepts that should be understood when reviewing internal controls. These concepts are:

- An internal control system is designed to provide reasonable but not absolute assurance in safeguarding the assets of the district.
- The concept of reasonable assurance recognizes that the cost of the internal control should not exceed the benefits derived.
- There are inherent limitations that should be recognized in considering the potential effectiveness of any internal control system, e.g., errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. More importantly, it is **collusion** that poses the greatest threat to any internal control system. If two employees collude in order to circumvent the controls set up by the district, they could perpetrate a fraud.

The initial risk assessment required the internal auditor to obtain an understanding of both the inherent and control risks associated with the various functions within the District. The risk assessment update requires the internal auditor to identify the changes in procedures, policies, personnel, and systems that may have an impact on these risks and possibly alter the initial risk assessment's level of control risk.

**Control risk** measures the adequacy of internal controls designed to mitigate the inherent risk within the process. In this engagement, we have assessed the control risk based upon our interview process. The testing of the controls, which is performed during the detailed testwork, could support the lowering of the prior control risk assessment associated with individual processes and sub-functions.

NEW HYDE PARK – GARDEN CITY PARK UFSD

Introduction (Continued)

May 4, 2017

We have organized this report into the following four sections:

The first section is a risk assessment table. In this table, we identify the processes or functions that we have reviewed. This table includes our assessment of the control risk associated with each process. There are two control risk columns to reflect the prior year risk assessment level and the current year risk assessment level based on the results of the risk assessment update as well as the detailed testwork performed for selected processes. **Since the testing of controls has not been done for all processes, it is important to note that this table should not be viewed as the final assessment of the District’s control environment.** The Risk Assessment Table also includes our suggestions for processes to be tested during the coming year. However, the decision of which processes to review in detail is at the discretion of the Audit Committee.

The second section includes the current observations and recommendations based on new findings identified during this risk assessment update. These are categorized based upon the areas of our audit program similar to the prior risk assessment report and these findings have been considered in the assessment of the level of control risk.

The third section contains the current status of the observations and recommendations that are still open for areas of potential improvement in the District’s internal controls or operations included in the following reports:

<i>Report Type</i>	<i>Issue Date</i>	<i>Area(s)</i>
Risk Assessment	June 7, 2016	District-wide
Agreed-Upon Procedures	June 7, 2016	Facilities

These results have been considered in the assessment of the level of control risk.

The fourth section contains the observations and recommendations included in the prior risk assessment and/or agreed-upon procedures reports that are now considered closed. The fact that these items have been implemented or resolved was considered in the assessment of the level of control risk.

Some of the recommendations may require a reassignment of duties and/or an addition to Business Office personnel. However, any enhancement of controls should be done after a careful cost-benefit analysis.

Commissioner of Education Regulation §170.12(e)(4) requires that a corrective action plan, approved by the Board of Education, must be filed within 90 days of issuance with the New York State Education Department.

The District should send the Corrective Action Plan (CAP) along with the respective Internal Audit Report via mail or email to the addresses listed below. The report needs to accompany the CAP to allow the Office of Audit Services (OAS) to reconcile the District’s CAP to the report to ensure all items have been addressed (i.e., CAP is not missing anything).

**Submission Information – Mail & Email**

New York State Education Department (NYSED)  
Office of Audit Services (OAS)  
89 Washington Avenue  
Room 524 EB  
Albany, NY 12234  
[Fsanda133@mail.nysed.gov](mailto:Fsanda133@mail.nysed.gov)

**Contact**

Office of Audit Services  
(518) 473-4516

**NEW HYDE PARK - GARDEN CITY PARK UFSD**

**Risk Assessment Table**

May 4, 2017

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

<b>Business Process</b> Area	<b>*Date of Detail Testing</b>	<b>Control Risk</b>				<b>Proposed Detail Testing</b>
		<b>Prior Year</b>		<b>Current Year</b>		
<b>Governance and Planning</b>						
Governance Environment			M		M	
Control Environment			M		M	
Strategic Planning			M		M	
Budget Development			M		M	
Budget Administration			M		M	✓
<b>Accounting and Reporting</b>						
Assessing Financial Condition			M		M	
Financial Accounting and Reporting			M		M	
Auditing		L		L		
Financial Oversight		L		L		
Fund Balance Management		L		L		
<b>Revenue and Cash Management</b>						
Real Property Tax		L		L		
State Aid			M		M	
Medicaid		L		L		
Out of District Tuition		L		L		
Use of Facilities		L		L		
Donations		L		L		
Collection & Posting of Receipts			M		M	
Cash Management	01/12/09	L		L		
Investment Management			M		M	
Petty Cash		L		L		
Bank Reconciliations	01/12/08	L		L		
<b>Grants and Special Education</b>	** 05/09/13	L		L		
General Processing/Monitoring			M		M	
Grant Application			M		M	
Allowable Costs			M		M	
Cash Management			M		M	
Reporting and Monitoring			M		M	
Compliance			M		M	
<b>Payroll, HR and Related Benefits</b>						
Payments to Employees	2/7/2012	L		L		
Allocation of Expenditures	2/7/2012	L		L		
General Employee Administration	2/7/2012	L		L		
Employee Benefit Administration	4/5/2011	L		L		
Employee Attendance		L		L		
Hiring/Termination of Employees	2/7/2012	L		L		

\* Indicates the issuance date of an agreed-upon procedures report (AUP) for that area.

\*\* Review of financial activity of Special Education

**NEW HYDE PARK – GARDEN CITY PARK UFSD**  
**Risk Assessment Table (Continued)**  
 May 4, 2017

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

Business Process Area	*Date of Detail Testing	Control Risk				Proposed Testing
		Prior Year		Current Year		
<b>Purchasing and Related Expenditures</b>						
PO System	3/5/2010	L		L		✓
Payments Outside PO System	3/5/2010	L		L		✓
Purchasing Process	3/5/2010	L		L		✓
Allocation of Expenditures	3/5/2010	L		L		✓
Payment Processing	3/5/2010	L		L		✓
Travel and Conferences			M		M	✓
Credit Cards		L		L		✓
<b>Facilities</b>						
Facilities Maintenance	7/7/2016		M		M	
Construction Planning		L		L		
Construction Monitoring		L		L		
Construction Completion		L		L		
<b>Fixed Assets</b>						
Acquisition and Disposal	4/30/2014		M	L		
Inventory	4/30/2014		M	L		
<b>School Environment</b>						
Safety and Security			M		M	
<b>Student Transportation</b>						
Fleet Maintenance			M		M	
Risk Management			M		M	
Personnel Compliance			M		M	
Facilities Maintenance and Security			M		M	
<b>Food Service</b>						
Federal and State Reimbursement			M		M	
Sales Cycle and System			M		M	
Inventory and Purchases			M		M	
Eligibility Verification			M		M	
<b>Extraclassroom Activity Fund</b>						
General	N/A					
Cash and Cash Receipts	N/A					
Expenditures and Purchasing	N/A					
Inventories	N/A					
<b>Student Related Data</b>						
Tracking Student Attendance			M		M	
Student Performance Data			M		M	
<b>Information System</b>						
Governance			M		M	
Network Security			M		M	
Financial Application Security			M		M	
Other Application Security			M		M	
Disaster Recovery			M		M	

\* Indicates the issuance date of an agreed-upon procedures report (AUP) for that area.

**NEW HYDE PARK – GARDEN CITY PARK UFSD**  
**Risk Assessment Update Report (Continued)**  
May 4, 2017

---

**CURRENT OBSERVATIONS AND RECOMMENDATIONS**

None noted.

**STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (OPEN ITEMS)**

The following recommendations are from the Agreed-Upon Procedures Report dated February 25, 2015, related to facilities operations. There were no open recommendations from the prior risk assessment report and the two recommendations from the Agreed-Upon Procedures Report related to facilities have been addressed and are considered closed (see below).

**STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (CLOSED ITEMS)**

**Recommendations:**

We recommended the District consider implementing the following items to strengthen the internal controls over the financial operations of the Facilities Department:

**Support for Fuel Deliveries**

1. Invoices for shipments of fuel, oil, etc., should be accompanied by the delivery ticket and the pricing should be attached to confirm invoice pricing. This documentation should then be made available for the Claims Auditor's review.

*Update April 2017 (This issue is now closed)*

The District has implemented procedures to require receipt of the delivery ticket, which displays the gallons of fuel delivered in order to support the amount charged by the supplier.

2. The District should implement procedures to ensure that detailed pricing from in-house bids, state contracts, co-op bids, etc., be checked to the invoice to ensure that all prices charged to the District are accurate. Additionally, quotes or bids received by the District should be detailed to the price per item and the number of hours and a labor rate. The number of hours charged to the District should agree to the prevailing wage documents submitted by the vendor. We further recommended that these procedures be shared with the Claims Auditor to facilitate his review and the Claims Auditor should also report on any exceptions.

*Update April 2017 (This issue is now closed)*

The District is now supporting the purchase of goods and services from state contracts or bids by providing the detail pricing information from the contract as part of the purchasing procedures.



## **Corrective Action Plan – 2016-2017 Risk Assessment Update**

### **RECOMMENDATIONS**

1. None noted

**District Response:** There are no current observations that resulted in recommendations for the district to implement. Accordingly, there are no Corrective Actions required at this time.

### **STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS**

1. None noted

**District Response:** No further action required.

**New Hyde Park - Garden City Park UFSD**  
**Independent Accountant's Report On**  
**Applying Agreed-Upon Procedures**  
May 4, 2017

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

To the Board of Education and Audit Committee  
New Hyde Park – Garden City Park UFSD  
New Hyde Park, New York

We have performed the procedures described in the following pages, which were agreed to by the New Hyde Park – Garden City Park UFSD (District), solely to determine the effectiveness related to the financial operations of the school lunch area in complying with policies and procedures of the District during the period January 1, 2016 through March 31, 2017.

The District's management is responsible for administering this area.

This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are described in the following pages.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the District's school lunch area. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We would like to express our appreciation for the cooperation and assistance that we received from the District's administration and other employees during our engagement.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purpose.

*Cullen & Danowski, LLP*  
May 4, 2017

**NEW HYDE PARK – GARDEN CITY PARK UFSD**  
**Report on Applying Agreed-Upon Procedures**  
For the Period Ended March 31, 2017

---

**Introduction:**

This report is organized as follows:

- Background information
- Summary of the engagement
- Procedures performed during our detailed testwork
- Findings as a result of our review
- Recommendations to further strengthen internal controls or improve operational efficiency.

Some of the recommendations may require a reassignment of personnel duties within the District and/or a monetary investment. However, any enhancement of controls should be done after a careful cost-benefit analysis.

**Corrective Action Plan:**

Commissioner of Education Regulation §170.12(e)(4) requires that a corrective action plan, approved by the Board of Education, must be filed within 90 days of issuance with the New York State Education Department.

The District should send the Corrective Action Plan (CAP) along with the respective Internal Audit Report via mail or email to the addresses listed below. The report needs to accompany the CAP to allow the Office of Audit Services (OAS) to reconcile the District's CAP to the report to ensure all items have been addressed (i.e., CAP is not missing anything).

***Submission Information – Mail & Email***

New York State Education Department (NYSED)  
Office of Audit Services (OAS)  
89 Washington Avenue  
Room 524 EB  
Albany, NY 12234  
[Fsanda133@mail.nysed.gov](mailto:Fsanda133@mail.nysed.gov)

***Contact***

Office of Audit Services  
(518)-473-4516

**NEW HYDE PARK – GARDEN CITY PARK UFSD**  
**Report on Applying Agreed-Upon Procedures (Continued)**  
For the Period Ended March 31, 2017

---

**FOOD SERVICE**

**Background:**

Good business practice requires that the District establish adequate controls over receipts and deposits at the various locations that provide food service. These controls should ensure the completeness and accuracy of cash receipts, the safeguarding of funds collected, the timeliness of depositing funds into the bank, and the retention of proper documentation supporting the receipts and deposits.

The District has an in-house food service program that offers a lunch program at all four elementary schools. A lead food service worker co-ordinates the school lunch program and there are 7 food service workers; each school has a cook and a cashier, except for the Manor Oaks Elementary School where there is only one employee who performs both the cook and cashier functions, as the volume of meals served at that school is lower. The food service workers report to the Principal at each school. Each school has a cafeteria. Prepared meals are sent in from a vendor, heated in the cafeterias at the schools and served to the students. The price for lunch is \$3.00. Milk and water can also be purchased in the cafeterias. No breakfast is served at any of the schools. The food service program utilizes the Nutrikids point-of-sale (POS) system that includes 1 POS terminal at each of the four school cafeterias.

Each day a count is taken in the classrooms of the student's eating school lunch that day. The class lists are sent to the cafeteria, along with any money collected. All cash and checks are credited to the student's account in the POS System, including any pre-payments collected that day prior to the lunch periods. No money is rung during lunch time, except for a few students who purchase milk and water. The cashier at each of the schools performs a count at the end of the lunch period and completes a manual Daily Accounting Sheet, the deposit is recounted by a second employee (in most cases) and the deposit amount is entered into the POS system; a bank deposit slip is then prepared. The deposits from all 4 schools, along with the Daily Accounting Sheets are forwarded to the Lead Food Service Worker; she recounts all deposits and agrees them to the POS reports, and logs the daily receipts, meal counts, and amounts deposited by school in an Excel spreadsheet. If there is a discrepancy between the amount counted by the cashier and the system amount, the lead service worker contacts the cashier to locate the error. The funds are deposited in the bank by the Courier. The lead food service worker prepares a three part treasurer receipt for each deposit. The pink copy stays in the book in the Food Service Office at GCP. The white copy is sent to the Clerk Typist in the Business Office weekly, she uses this to enter the receipt in FM. Once entry is made, the white copy is provided to the Treasurer. At month end, the Lead Food Service Worker forwards the yellow copy of the Treasurer's receipt, Daily Accounting Sheets, copies of checks, the bank deposit slips, and the Nutrikids System reports to the Clerk Typist in the Business Office to reconcile to the bank statements. The Treasurer prepares the bank reconciliation.

In the 2015-16 school year, the School Lunch Fund had revenues of \$325,378, which included a subsidy from the general fund of \$26,000.

Total meals served for 2015-16 were 87,485; including 57,412 paid meals, 24,677 free meals and 5,396 reduced meals.

The District belongs to the New York State school lunch program; the Business Office files monthly for federal and state reimbursement for free and reduced meals.

**NEW HYDE PARK – GARDEN CITY PARK UFSD**  
**Report on Applying Agreed-Upon Procedures (Continued)**  
For the Period Ended March 31, 2017

---

**Summary:**

We found the controls over cash transactions are operating properly as designed to adequately control cash activities. We noted some opportunities to improve the operations of the food service operations. See below for specific details.

**Procedures:**

- Review Board policies and District procedures in detail related to the food service program.
- Review food service activities during the period as follows:
  - Randomly select 10 daily receipts from each school during the period and ensure that the respective deposits were posted to the bank account accurately and timely.
  - Select 1 month and ensure that the number of meals per the food service lunch records agree with the figures reported to the state.
  - Select daily online payments for 10 days and trace posting to the financial records.
- Review procedures for inventory control and test records on a sample basis.
- Select payroll records for 2 pay periods and test payments to supporting documentation.
- Select 25 invoices paid during the period and review supporting documentation.
- Compare financial results for years ending June 2015, June 2016 and compare to the budget for 2016-17 and investigate any unusual variances.
- Review bank statements and bank reconciliations for 2 months for the period under review.

**Findings:**

Review of Board policies and District procedures related to the food service program, noted:

- The District does not have a formal school lunch charge Board policy to address the procedures for the food service workers to follow when a student does not have money for a meal. The practice at the District is to allow students to charge one meal; if after one meal funds have not been received then the student is offered cereal. The procedure for parents to be notified if funds on the students' school lunch account are approaching \$0 is to prepare a letter, which the teacher places in the student's back pack. This Board policy could also document the practice at the District that unused balances on student meal accounts cannot be carried over from one year to the next and the District practice of not refunding student balances on student meal accounts to the parent.
- The District has developed written cash procedures for the food service operations that are distributed to all food service workers and signed off annually by the staff.
- No form is prepared to document and obtain authorization for cashier voids. The procedure at 3 of the 4 schools is that the cashier documents the reason for the void on the paperwork and informs the lead food service worker of the void. At 1 school; however, there is no communication to the Lead Food Service Worker regarding the void. At all schools, the Cashier enters the void in the POS System and must enter a reason code for the POS System to process the void. (Discussion point)

**NEW HYDE PARK – GARDEN CITY PARK UFSD**  
**Report on Applying Agreed-Upon Procedures (Continued)**  
For the Period Ended March 31, 2017

---

- We have been informed that the food service workers do not report to the lead food service worker. This position is not considered to be a supervisory role; therefore the food service workers report to each building Principal. It might be more effective to have the food service workers report to a person who is more intimately involved in the day-to-day operations of the Food Service program. This individual could also assume the task of reviewing and approving timesheets for the food service workers, since this employee is more aware of their daily work hours.
- Class lists are used to mark-off in the classroom if a student is eating school lunch each day; the class lists are then sent to the cafeteria for meal counts. These class lists, which for some grades are completed by the students, had some type of marking next to each free or reduced student. The markings were entered by the food service worker so that they do not look up those student's account balances in the POS System. This process should be reviewed to determine if the procedure is in compliance with Board Policy 5660.R.1 which requires that all names of free and reduced students be kept confidential.
- Our review of deposit procedures found that it may be more efficient to have the Courier pick up each deposit and bring it directly to the bank, rather than bring all deposits to the Lead Food Service Worker to recount and then bring the deposits to the bank. At 3 of the 4 schools, the deposits are already counted by two employees.

Review of 10 daily receipts from each school during the period and ensure that the respective deposits were posted to the bank account accurately and timely, noted:

- We noted deposits from the Manor Oaks and New Hyde Park Road Elementary Schools for lunch sales on the December 1, 2016, were not deposited until December 8, 2016. The deposits from the 2 remaining schools for that day were deposited timely. All other daily receipts tested were deposited in a timely manner.
- We independently recalculated the revenue received for the 2015-16 school year based on the number of meals served from the NutriKids System meal counts to the revenue recorded in FM for the school lunch program. No exceptions were noted.

Review of the number of meals per the food service program records with the figures reported to the state for 1 month, noted:

- We independently recalculated the expected federal and state reimbursement amounts for the month of December 2016 and reconciled to the actual amounts. No exceptions were noted.

Review of daily online payments for 10 days and trace posting to the financial records, noted:

- For 2 months of credit card deposit activity, we reconciled credit card deposits to the bank deposits. No exceptions were noted.

Review of procedures for inventory control, noted:

- We reconciled the number of meals served for the 2015-16 school year from the NutriKids System meal counts to the number of meals purchased from the vendor. No exceptions were noted.
- Additionally, we performed limited inventory counts of meals on hand at each school and matched them to the inventory records maintained at the school. We noted no exceptions.

**NEW HYDE PARK – GARDEN CITY PARK UFSD**  
**Report on Applying Agreed-Upon Procedures (Continued)**  
For the Period Ended March 31, 2017

---

Review of payroll records for 2 pay periods, noted:

- No exceptions noted.

Review of 25 invoices paid out of the school lunch fund, noted:

- No exceptions noted

Review of financial results for years ending June 2015, June 2016 and comparison to the budget for 2016-17, noted:

- For the 2015-16 fiscal year, the School Lunch Fund had revenues of \$325,378, which included a subsidy from the General Fund of \$26,000; the budget for 2016-17 is \$331,970.

Review of bank statements and bank reconciliations for 2 months, noted:

- There was no indication of a formal review by District personnel of the monthly bank reconciliation prepared by the Treasurer. We also noted that the total amount for credit card deposits in transit are listed on the bank reconciliation; however, there is no documented detailed reconciliation between the Nutrikids System credit card sales to the amounts received on the bank statement that is filed to support the bank reconciliation.

Observations of the cashier activities during lunch operations at the four elementary school cafeterias, noted:

- The cashiers do not use a Nutrikids System report to monitor account balances. The cashiers' lookup student account balances each week to determine if students are approaching a \$0 balance on their school lunch account and record the number of meals available on the class lists.

New Hyde Road Park Elementary School

- During our review of inventory at the school we noted some meals that have expired as the items were over 6 months old. We were informed that the lead food service worker called the vendor and the meals expire after 6 months of the date stamped on the box.

Manor Oaks Elementary School

- Because there is only 1 Food Service Worker at the Manor Oaks Elementary School; there is no second count and confirmation of the deposit amounts at the school. It is recounted by the Lead Food Service Worker when she recounts all deposits.

**Recommendations:**

We recommend that the District consider implementing the following items to further improve internal controls and operational efficiencies related to the food services program:

1. Develop a Board policy related to students with no money for a meal. The policy would document the District's practice of allowing students to charge 1 meal and offering student's cereal if after 1 meal they have not replenished their account. The Board policy could also document the District's practice of not



**NEW HYDE PARK – GARDEN CITY PARK UFSD**  
**Report on Applying Agreed-Upon Procedures (Continued)**  
For the Period Ended March 31, 2017

---

- rolling over account balances to the next year and the practice of not refunding account balances to parents.
2. Develop a form to document and obtain authorization for all cashier voids. The form should be completed with a reason for the void and signed by the Cashier. The form should then be sent with the daily paperwork to the lead food service worker and principal to review and approve.
  3. Consider having the food service workers report to a Food Service Supervisor. This employee should be responsible for the day-to-day operations of the food service operations, including supervising the Food Service Workers. The Supervisor should also assume the responsibility of reviewing and approving all timesheets for the food service workers.
  4. Review the process of recording a notation next to all free and reduced students on class lists brought down to the cafeteria with meal counts to ensure that this procedure is in compliance with Board Policy 5660.R.1, which requires that all names of free and reduced students be kept confidential.
  5. Review the deposit process to determine if it may be more efficient for the Courier to pick up the deposits from each school and bring them directly to the bank, rather than bringing the deposits to the lead food service worker to be recounted and then bringing them to the bank. The deposits at 3 of the 4 schools are already counted by two employees.
  6. All supporting documents should be attached to the bank reconciliations and forwarded to the District. This packet should be reviewed by an employee in the Business Office and this review should be documented.
  7. Work with Nutrikids to determine if there is a report that can be run for student account balances, which are below a threshold amount. This report can be run regularly and allow the District to efficiently monitor low account balances.

## **Corrective Action Plan – 2016-2017 – Agreed Upon Procedures – Lunch Program**

### **CURRENT OBSERVATIONS AND RECOMMENDATIONS**

1. Develop a Board policy related to students with no money for a meal. The policy would document the District's practice of allowing students to charge 1 meal and offering student's cereal if after 1 meal they have not replenished their account. The Board policy could also document the District's practice of not rolling over account balances to the next year and the practice of not refunding account balances to parents.

**District Response:** The District will work with Erie BOCES and District Counsel to create a policy that addresses 1) Student account balances being negative, 2) District practice of not rolling over account balances, and 3) District practice of not refunding left over account balances to parents at year end with certain exceptions based on the Superintendent's discretion.

2. Develop a form to document and obtain authorization for all cashier voids. The form should be completed with a reason for the void and signed by the Cashier. The form should then be sent with the daily paperwork to the lead food service worker and principal to review and approve.

**District Response:** The District has created the form while the internal audit was taking place and has implemented its utilization after providing training to the Food Service Helpers and the Principals. This form will be included in the annual training of Food Service Helpers as well.

3. Consider having the food service workers report to a Food Service Supervisor. This employee should be responsible for the day-to-day operations of the food service operations, including supervising the Food Service Workers. The Supervisor should also assume the responsibility of reviewing and approving all timesheets for the food service workers.

**District Response:** This recommendation is one that the district agrees with and has been working with Nassau County Civil Service to implement. The creation of the proper position, Cook Manager, has been requested and the district is hopeful that Nassau County Civil Service will approve the request. The District has already spoken with the CBA in which the Lead Food Service Helper position resides and they are willing to release that position from the unit in exchange for the creation of the non-CBA position of Cook Manager.

4. Review the process of recording a notation next to all free and reduced students on class lists brought down to the cafeteria with meal counts to ensure that this procedure is in compliance with Board Policy 5660.R.1, which requires that all names of free and reduced students be kept confidential.

**District Response:** The District places a letter next to all students on a class list. What the letter represents is only disclosed to staff that needs that information for processing purposes. This procedure had originally been signed off on by the State's Child Nutrition department at the onset of the program. The district again confirmed with the State that this continues to be an acceptable practice.

5. Review the deposit process to determine if it may be more efficient for the Courier to pick up the deposits from each school and bring them directly to the bank, rather than bringing the deposits to the lead food service worker to be recounted and then bringing them to the bank. The deposits at 3 of the 4 schools are already counted by two employees.

**District Response:** The District appreciates the recommendation but is more comfortable having all cash verified by the Lead Food Service Helper prior to sending to the bank for deposit. That way any possible discrepancies are dealt with internally and there is only one point person to discuss issues with if there are variances between the bank and the district. The current procedure will remain intact.

6. All supporting documents should be attached to the bank reconciliations and forwarded to the District. This packet should be reviewed by an employee in the Business Office and this review should be documented.

**District Response:** The Board of Education will direct the District Treasurer to comply with this recommendation and the business office will assign an employee to review. Both parties will initial as evidence that the procedure was completed.

7. Work with Nutrikids to determine if there is a report that can be run for student account balances, which are below a threshold amount. This report can be run regularly and allow the District to efficiently monitor low account balances.

**District Response:** The Food Service Helper (FSH) currently sends home a letter when a student's account balance reaches the value of 2 meals. The FSH sees every student's balance as they swipe their card through the POS system. The District is going to enhance the procedure by requiring the Food Service Helper to also provide the main office's secretary a copy of each letter being sent home. The secretary will scan and email those letters the same day to the Lead Food Service Helper who will sample and check the letters against the Nutrikids report that she runs detailing the student account balances.

#### **STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS**

1. Per the internal auditors "the two recommendations from the Agreed-Upon Procedures Report related to facilities have been addressed and are considered closed"

**District Response:** No further action required.