

**Hermon Dekalb Central School District
Corrective Action Plan
External Audit for Fiscal Year Ending June 30, 2018**

For each condition included in the audit report, the following is the auditors' recommendation and the district's corrective action plan proposed or taken.

Condition 1:

No Documented Review of Payroll Change Report-We noted that there is no documented approval of payroll change reports, which are printed and reviewed periodically.

Audit Recommendation:

We suggest that at least periodically, and when significant changes are made, the Business Manager obtains a summary report of payroll changes and perform a detailed review of changes made. We also suggest that the Business Manager as evidence of review signs reviewed payroll change reports and records are kept for an appropriate period of time.

Corrective Action:

The Business Manager has made it a practice to review the payroll reports, but has not been signing the reports. These reports will now be signed and dated to show evidence of such review. This corrective action will begin immediately. The Business Manager shall be the contact person for implementing this Corrective Action Plan.

Condition 2:

Extra Classroom Activity Funds-The following items were noted during our audit of the Extra Classroom Activity Fund:

- Profit and Loss Statements should be used for sales and events.
- We examined ten receipts and noted the eight transactions did not have supporting documentation attached to the receipt form.
- We examined ten disbursements and noted that five transactions did not have supporting evidence of receiving goods.

Audit Recommendation:

We suggest the treasurer and advisors review the NYS SED Publication, *The Safeguarding, Accounting, and Auditing of Extra Classroom Activity Funds*, which outlines the procedures that should be followed regarding receipts, disbursements, profit and loss statements and record keeping with the Extra Classroom Activity Fund.

Corrective Action:

The District will review the referenced publication and will endeavor to improve documentation. However, we recognize the inherent risk with the cash management of extra classroom activity. This corrective action will begin immediately. The Extra Classroom Activity Treasurer will be the contact person for implementing this Corrective Action Plan.