



THE STATE EDUCATION DEPARTMENT / THE UNIVERSITY OF THE STATE OF NEW YORK / ALBANY, NY 12234

TO: Audits/Budget and Finance Committee
FROM: Sharon Cates-Williams
SUBJECT: Board of Regents Oversight – Financial Accountability
DATE: September 6, 2011
AUTHORIZATION(S):

SUMMARY

Issues for Discussion

The following topics will be discussed with the Members of the Committee on Audits/Budget and Finance:

1. Review of the Monthly Fiscal Report
2. Review of Office of Audit Services Activities (Attachment I)
3. Completed Audits (Attachment II)

Reason(s) for Consideration

Update on Activities

Proposed Handling

Discussion and Guidance

Procedural History

The information is provided to assist the Committee in carrying out its oversight responsibilities.

Background Information

1. **Review of the Monthly Fiscal Report**
The Committee will be updated on the Department State Operations expenditure and revenue projections.

2. Review of Office of Audit Services Activities
The Committee will be briefed on the activities of the Office of Audit Services during the period from July 1, 2010 to June 30, 2011. (Attachment I)

3. Completed Audits
The Committee is being presented with 50 audits this month. (Attachment II)

Audits are provided as follows:

Office of Audit Services

Altmar-Parish-Williamstown Central School District ARRA Report
Roosevelt Union Free School District

Office of the State Comptroller Audits

A Comparison of Liquid Propane-Powered and Diesel-Powered School Buses
(Bainbridge-Guilford Central School District, Ithaca City School District,
Owego-Apalachin Central School District, Trumansburg Central School
District, Union-Endicott Central School District, and Vestal Central School
District)

Amsterdam (Greater) School District
Bayport Blue Point Union Free School District
Berkley College TAP Audit
Berne-Knox-Westerlo Central School District
Bethlehem Central School District
BOCES Treatment of the Annual Surplus from CoSer Operations (Broom-Tioga
BOCES and Orange-Ulster BOCES)
Bridgehampton Union Free School District
Carmel Central School District
Cayuga-Onondaga BOCES
Central Islip Union Free School District
Chenango Valley Central School District
Cohoes City School District
Colton-Pierrepont Central School District and Parishville-Hopkinton Central
School District (1 report)
Corinth Central School District
Corning City School District
Dryden Central School District
Eden Central School District
Elmont Union Free School District
Fonda-Fultonville Central School District
Franklinville Central School District
Hannibal Central School District
Hilton Central School District
Ilion Central School District
Iroquois Central School District
Johnstown (Greater) School District

Kendall Central School District
Kingston City School District
Lakeland Central School District
Lexington School for the Deaf Follow-up Report
Liberty Central School District
Miller Place Union Free School District
Newburgh Enlarged City School District
Newfane Central School District
Oversight of Scoring Practices on Regents Examinations Follow-up
Pocantico Hills Central School District
Putnam Valley Central School District
Sachem Central School District
Sagaponack Common School District
Saugerties Central School District
Schuylerville Central School District
Stillwater Central School District
Troy Enlarged City School District
Union Free School District of the Tarrytowns
Waterford-Halfmoon Union Free School District
Watertown City School District
Windham-Ashland-Jewett Central School District

City of New York Office of the Comptroller

Department of the Education's Controls over High School Progress Reports

Recommendation

For items one (Review of the Monthly Fiscal Report), two (Office of Audit Services Activities), and three (Completed Audits) no further action is recommended.

Timetable for Implementation

N/A

The following materials are attached:

- Office of Audit Services Activities (Attachment I)
- Summary of Audit Findings Including Audit Abstracts (Attachment II)

Office of Audit Services
Summary Results of Activities
July 1, 2010 – June 30, 2011

The Office of Audit Services (OAS) is responsible for internal and external audits as well as financial statement review and analysis. The 2010-11 school year represented the second year of the Office of Audit Services Two-Year Audit plan. This report summarizes the activities of OAS in the second year of carrying out the plan.

OAS is managed by a director, two audit managers and one support staff. There are currently 13 professional auditors on staff in the positions of associate and senior auditors as well as two education specialists.

During this second year of the plan the Office of Audit Services:

- Issued final reports on 15 audits and one consultant engagement.
- Received and analyzed over 1,000 financial statements which included 690 school districts, 37 BOCES, 138 charter schools and 188 colleges and universities.
- Sent 557 letters related to missing items in the financial statements.
- Provided analysis of 137 charter schools financial statements to the Department's Charter School office.
- Analyzed the financial statements of 188 college and university financial statements. As a result of the analysis we issued 35 advisory memo's to the Office of Higher Education for their action.
- Reviewed financial data and provided analysis of 128 institutions to the Bureau of Proprietary School Supervision.
- Reveiwed 915 A-133 single audit during this year which included 652 school districts, 38 BOCES, 23 charter schools and 202 not for profit institutions and issued 145 letters containing the Department's determination on the audit findings.
- Ensured the Department's compliance with Section 170.12 of the Commissioners Regulations by tracking and receiving 1,745 corrective action plans between July 2009 and June 2010.

The Office did not entirely complete all of the initiative contained in the original approved plan because of excess days needed to complete audits from the prior plan, some audits taking significantly more resources than planned and the conduct of some special request audits..

- Original two-year plan called for the completion of 43 audits, OAS completed 25 with 8 in process.

Audit	Procurement	Claims Processing	Payroll	Cash	Financial Reporting	Information Technology	Extraclassroom Activity Fund	Segregation of Duties	Budgeting	Conflict of Interest	Medicaid Revenue Enhancements	Tuition Assistance Program (TAP)	Energy Management	Other
Office of Audit Services														
* Altmar-Parish-Williamstown Central School District (footnote 1)														√
* Roosevelt Union Free School District (footnote 4)														√
Office of the State Comptroller														
Amsterdam (Greater) City School District									√					
Bainbridge-Guilford Central School District													√	
Bayport-Blue Point Union Free School District						√								
Berkeley College TAP Audit (2010-T-2)												√		
Berne-Knox-Westerlo Central School District	√			√		√								
Bethlehem Central School District	√								√					
* Bridgehampton Union Free School District (footnote 5)														√
* Broome-Tioga BOCES (footnote 2)					√				√					√
Carmel Central School District						√								
Cayuga-Onondaga BOCES										√				
Central Islip Union Free School District											√			
Chenango Valley Central School District									√					
Cohoes City School District						√								
* Colton-Pierrepont Central School District and Parishville-Hopkinton Central School District (footnote 8)														√
Corinth Central School District									√					

Audit	Procurement	Claims Processing	Payroll	Cash	Financial Reporting	Information Technology	Extraclassroom Activity Fund	Segregation of Duties	Budgeting	Conflict of Interest	Medicaid Revenue Enhancements	Tuition Assistance Program (TAP)	Energy Management	Other
Corning City School District						√								
Dryden Central School District						√								
Eden Central School District			√		√									
Elmont Union Free School District	√			√		√				√				
Fonda-Fultonville Central School District				√		√		√						
Franklinville Central School District					√									
Hannibal Central School District	√													
Hilton Central School District						√								
Ilion Central School District				√	√									
Iroquois Central School District						√								
Ithaca City School District													√	
Johnstown (Greater) City School District							√							
Kendall Central School District					√									
Kingston City School District			√	√	√	√				√	√			
Lakeland Central School District		√				√								
Lexington School for the Deaf	√													
Liberty Central School District									√					
Miller Place Union Free School District			√											
* Newburgh Enlarged City School District (footnote 8)														√
* Newfane Central School District (footnote 8)					√									√
* Orange-Ulster BOCES (footnote 2)					√				√					√
Owego-Apalachin Central School District													√	
Pocantico Hills Central School District						√								
Putnam Valley Central School District						√								

Audit	Procurement	Claims Processing	Payroll	Cash	Financial Reporting	Information Technology	Extraclassroom Activity Fund	Segregation of Duties	Budgeting	Conflict of Interest	Medicaid Revenue Enhancements	Tuition Assistance Program (TAP)	Energy Management	Other
** Sachem Central School District														
** Sagaponack Common School District														
Saugerties Central School District					√	√								
Schuylerville Central School District						√								
* State Education Department (2011-F-6) (footnote 6)														√
Stillwater Central School District									√					
** Troy (Enlarged) City School District														
Trumansburg Central School District													√	
* Union Free School District of the Tarrytowns (footnote 3)														√
Union-Endicott Central School District													√	
Vestal Central School District													√	
Waterford-Halfmoon Union Free School District	√	√	√	√	√									
Watertown City School District						√								
Windham-Ashland-Jewett Central School District				√		√								
New York City Office of the Comptroller														
* New York City Department of Education (footnote 7)														√
September 2011	6	2	4	7	10	18	1	1	8	3	2	1	6	11

1. American Recovery and Reinvestment Act (ARRA) Funds
2. CoSer Operations
3. Debt Financing
4. Graduation Rates
5. Non-Resident Tuition
6. Regent Examination Scoring
7. School Progress Reports
8. Transportation Costs

** No recommendations

The Department's Internal Audit Workgroup met to review each of the audits being presented this month. Letters will be sent to all of the auditees reminding them of the requirement to submit a corrective action plan.

Office of Audit Services		
Audit	Major Finding(s)	Recommendation/Response
<p>Altmar-Parish-Williamstown Central School District Use of American Recovery and Reinvestment Act (ARRA) Funds Awarded for the July 1, 2009 - June 30, 2010 School Year. ARRA-1010-22 5th Judicial District</p>	<p>The amount of projected cash expenditures claimed by the District on their June 25, 2010 FS-25 for ARRA-ESF, included both encumbered and expended amounts for a project to upgrade the District's security system. In addition, one of the claimed security system expenditures was \$225 greater than what was documented on the vendor's invoice.</p> <p>Further, the District did not prepare semi-annual certifications for two employees whose salaries were being paid with ARRA-IDEA 611. The District also did not prepare personnel activity reports for one employee whose salary was partially paid from ARRA-IDEA 619, 13 employees whose salaries were partially paid from ARRA-ESF, and 49 employees whose salaries were partially paid from ARRA-Title I.</p> <p>Finally, the District earned interest amounting to \$170.58, and has not yet returned the \$70.58 that is supposed to be returned to the Department.</p>	<p>5 recommendations</p> <p>The report's recommendations focus on strengthening the policies and procedures pertaining to ARRA-ESF grants, undocumented ESF costs, personnel activity reports, and interest earned on Federal funds.</p> <p><i>The District agreed with the recommendations and indicated that they will implement corrective action.</i></p>
<p>Roosevelt Union Free School District Data Accuracy and Reliability SD-1110-01 10th Judicial District</p>	<p>There was significant improvement in the reporting and documentation of student data over the three year period. However, the District's reported graduation cohorts for 2003, 2004, and 2005 were misstated in SIRS. Additionally, records at the District did not contain documentation to support a majority of the students who were designated as having transferred out of the District, and student file documentation showed that 12 students, for all three cohort years, did not have the correct transfer code assigned to them.</p> <p>Student records also did not contain documentation to support all students coded as graduates, some students coded as non-graduates met the necessary graduation</p>	<p>4 recommendations</p> <p>The report's recommendations focus primarily on strengthening the policies and procedures pertaining to supporting documentation and graduation rates.</p> <p><i>The District agreed with the majority of the recommendations and have indicated they will implement corrective action, or</i></p>

	<p>requirements, and students did not always receive the appropriate diploma type to which they were entitled.</p> <p>Finally, the District reported a 19 percent graduation rate for the 2003 cohort and a 59 percent graduation rate for the 2004 and 2005 cohorts, but we found that the District's graduation rates are 25, 31, and 50 percent for the 2003, 2004, and 2005 cohorts, respectively.</p>	<p><i>have already done so.</i></p>
Office of the State Comptroller		
Audit	Major Finding(s)	Recommendation/Response
<p>A Comparison of Liquid Propane-Powered and Diesel-Powered School Buses 2011-MR-1 Bainbridge-Guilford Central School District (P4-10-61), Ithaca City School District (P4-10-64), Owego-Apalachin Central School District (P4-10-63), Trumansburg Central School District (P4-10-60), Union-Endicott Central School District (P4-10-59), and Vestal Central School District (P4-10-62) 6th Judicial District</p>	<p>LP-powered buses cost more than the diesel alternative. However, New York State currently provides NYSERDA grant funds to bridge the difference in cost. It was also determined that LP fuel costs - with help from a Federal tax credit - are lower, and that maintenance of LP buses is less expensive. However, paying for LP infrastructure (fueling stations) could add to a district's start-up costs for using LP buses. If government tax credits for LP-powered buses continue to be available, and if surcharges on diesel-powered buses continue to increase, LP-powered buses can be a lower-cost alternative to diesel-powered buses. LP fuel is also safer to use and store than diesel fuel.</p>	<p>1 recommendation</p> <p>(6 recommendations for the 6 districts)</p> <p>It is recommended that when considering the purchase of new school buses, district officials should analyze the comparative costs and benefits of diesel- and LP-powered buses to determine if LP-powered buses can provide better overall long-term value in meeting the district's transportation needs.</p> <p><i>District officials from all Districts agreed with the recommendations and have indicated that they will implement corrective action.</i></p>

<p>Amsterdam (Greater) City School District 2011-2012 Budget Review B5-11-12 4th Judicial District</p>	<p>While it is generally advised against to use the fund balance to finance expenses beyond legally mandated levels, given current economic conditions and planned reductions in State Aid, the District's actions were found to be reasonable. However, the District must be aware that a fund balance available for operations could eventually be depleted.</p>	<p>It is recommended that District officials closely monitor the District's use of fund balance to ensure that action is taken, if necessary to reduce appropriations and/or identify other funding sources that can be used if fund balance is no longer available to fund District operations.</p> <p>A response has not yet been received from the District .</p>
<p>Bayport-Blue Point Union Free School District Information Technology Controls in School Districts 2011M-111 10th Judicial District</p>	<p>The vulnerabilities identified in the audits are not discussed in the report due to the sensitivity of the information. Rather, the findings were communicated separately to District officials so they could take corrective action</p>	<p>1 recommendation</p> <p><i>The District stated that it has taken action towards reviewing policy and identifying changes that need to take place to best fit the technology environment. The actions will be identified in the corrective action plan, which will address all findings and recommendations.</i></p>
<p>Berkeley College (Manhattan Campuses) Tuition Assistance Program (TAP) Awards 2010-T-2 1st Judicial District</p>	<p>It was determined that Berkeley College was overpaid \$634,714, because school officials incorrectly certified students as eligible for Tuition Assistance Program (TAP) awards. The accuracy of the school's certifications were tested for the three-year period ended June 30, 2008, by reviewing a sample of 200 randomly-selected awards.</p> <p>From the sample, 16 payments totaling \$18,108 were disallowed. The projection of these 16 awards to the school's payment population for the three-year period results in an audit disallowance of \$558,320. 65 awards totaling \$76,394</p>	<p>3 recommendations</p> <p>It is recommended that the Higher Education Services Corporation (HESC) recover \$634,714 plus interest from Berkeley College for incorrect TAP certifications. It is also recommended that HESC ensure that Berkeley officials verify that residency and citizenship requirements are met for students</p>

	<p>from outside the three-year period were also disallowed.</p>	<p>who are certified as TAP eligible.</p> <p>It is recommended that the Department ensure Berkeley officials comply with Department requirements relating to matriculation, full-time attendance, good academic standing, and accelerated TAP payments.</p> <p><i>A response has not yet been received from the Department or HESC regarding the recommendations.</i></p>
<p>Berne-Knox-Westerlo Central School District Internal Controls Over Selected Financial Activities and Information Technology 2011M-16 3rd Judicial District</p>	<p>District officials did not properly segregate the Treasurer's duties and did not implement procedures for the electronic transfer of funds as required by Board policy.</p> <p>The duties related to performing the electronic transfers were not properly segregated and the agreements with the District's banks had deficiencies. District officials also did not comply with or enforce the District's purchasing policies for the procurement of goods and services when competitive bidding was not required by law.</p> <p>District officials also have not developed a disaster recovery plan, and have not established adequate controls to protect the District's file servers and confidential data stored on the servers.</p>	<p>14 recommendations</p> <p>The recommendations focused primarily on strengthening the policies and procedures regarding purchasing, cash disbursements, and information technology.</p> <p><i>The District agreed with the recommendations and have indicated that they implement corrective action.</i></p>
<p>Bethlehem Central School District Internal Controls Over Budgeting and</p>	<p>The District did not have statutory authority for a reserve fund that had a balance of \$1.89 million in the 2010-11 fiscal year. Therefore, the District's general fund unreserved fund balance should have been reported as \$5.7 million, which was 6.5</p>	<p>6 recommendations</p> <p>The recommendations focused on strengthening the policies and</p>

<p>Purchasing 2010M-243 3rd Judicial District</p>	<p>percent of the subsequent year's budget and in excess of the statutory limit.</p> <p>In addition, the purchasing agent did not effectively monitor the District's purchasing procedures, and as a result, District staff made certain purchases that were not in the best interest of District taxpayers. District staff made purchases for gifts totaling \$4,274 in violation of the New York State Constitution, from employee-owned businesses totaling \$5,838 in violation of Board policy. They also entered into professional service contracts totaling \$718,800 and purchased other items not subject to competitive bidding requirements totaling \$16,800 - without seeking price competition - in violation of Board policy.</p>	<p>procedures regarding the surplus fund balance, reserve funds, the segregation of purchasing duties, purchasing policies, and contracts.</p> <p><i>The District agreed with the recommendations and have agreed to implement corrective action.</i></p>
<p>BOCES Treatment of the Annual Surplus From CoSer Operations 2011-MS-1 (Broome-Tioga BOCES (S9-10-53) and Orange-Ulster BOCES (S9-10-54)) 6th and 9th Judicial District</p>	<p>Both BOCES (Broome-Delaware-Tioga and Orange-Ulster) have been generating significant and growing surpluses because they routinely overbill for CoSer services, and regularly have priced CoSer services higher than necessary to cover CoSer costs. It was determined that BOCES set tuition rates using historical enrollment rates rather than current year enrollment projections from districts.</p> <p>Additionally, BOCES do not make mid-year pricing adjustments based on actual program participation that would reduce overbilling. As a result, Broome-Tioga (BT) BOCES' surplus grew 45 percent (from \$7.3 million to \$10.5 million) and Orange-Ulster (OU) BOCES' surplus rose 141 percent (from \$3.8 million to \$9.1 million) between 2006-07 and 2008-09. The school districts served by BT and OU BOCES do not include significant surpluses, which averaged \$500,000 per participating district in 2008-09, on their financial statements because neither BOCES provides individual districts with an estimate of their surplus refunds until mid-way through the</p>	<p>8 recommendations</p> <p>(13 recommendations for the 2 BOCES)</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to increasing surpluses from CoSer operations, delays in reporting and paying surplus amounts to school districts, and inappropriate retention of adult education surplus.</p> <p><i>Both BOCES generally disagreed with certain areas in the report, as well as the report's overall tone.</i></p>

	<p>next fiscal year.</p> <p>Finally, BT BOCES accumulated unreserved fund balance from one CoSer in violation of Education Law, and incorrectly reported these monies on its financial statements. BT BOCES made significant profits on their CoSer's adult education courses, and used the funds to make discretionary purchases.</p>	<p><i>Orange-Ulster BOCES specifically disagreed with the recommendation pertaining to increasing surplus and tuition billing.</i></p>
<p>Bridgehampton Union Free School District Non-Resident Tuition 2011M-13 10th Judicial District</p>	<p>Twenty-one non-resident students attended the District in 2009-10, and 19 non-resident students attended the District in 2010-11, representing approximately 13 percent of the District's 150 students. According to the Board's adopted policies and related resolutions, the tuition for these non-resident students could have totaled \$256,225 for the fiscal years 2009-10 and 2010-11. However, the District only charged tuition totaling \$144,575 for these students. The District has collected \$100,525 of the tuition charged, with \$42,800 still expected to be collected for 2010-11. The remaining \$1,250 is lost revenue for one student as the District failed to collect an outstanding balance for the 2009-10 school year.</p>	<p>2 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures regarding non-resident tuition.</p> <p><i>District officials have indicated that they will review their policies to be sure they are accurate and will continue to charge and bill for the appropriate rates moving forward.</i></p>
<p>Carmel Central School District Internal Controls Over Information Technology 2011M-21 9th Judicial District</p>	<p>District officials did not establish adequate IT policies and procedures, and District employees did not use District-owned computers in accordance with the Board's adopted policy. A teacher's District computer was used to access pornographic websites, and District employees spent 314 hours during the audit period accessing five non-job-related sites from District computers, which we estimate cost District taxpayers \$9,834 in wasted productivity.</p> <p>Further, District personnel spent 1,691 hours, with an estimated salary value of \$52,962, on a social networking site. Finally, District officials did not have a disaster recovery</p>	<p>6 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to internal controls over information technology.</p> <p><i>The district response did not specifically address each recommendations. However, the District believes its filters were</i></p>

	plan or classify the District's data according to its sensitivity and importance in the event of system disruption.	<i>correctly blocking pornographic websites. The instance in question was an uncategorized website. In addition, the employee in question was dealt with appropriately. The District also disagreed to a certain extent with the Comptrollers recommendations regarding use of computers for personal business and the amount of time identified in the report may be overstated.</i>
Cayuga-Onondaga BOCES Internal Controls Over Administrators' Private Business Interests 2010M-149 7th Judicial District	The Board and BOCES officials have created a work environment where there is an inappropriate blending of employees' public responsibilities and their private business interests. We found that private work hours and public work hours cannot be distinguished. In fact, some employees' BOCES work responsibilities mirror the work they do in their private business enterprises. They provide the same services for the same exact school districts they serve as a BOCES employee, at times using materials in their private business that they developed as a BOCES employee. In addition, we also found an Assistant Superintendent, whose 2009-10 salary was \$152,527, also "contracts" with BOCES in a barter arrangement to provide additional services to BOCES and is allowed to run his private business out of the BOCES offices. This individual also provides his services to some of the same school districts through his private business enterprise that he also serves as a BOCES employee.	7 recommendations The recommendations focused on strengthening the policies pertaining to administrator's private business interests. <i>The BOCES indicated they plan on implementing all seven of the recommendations.</i>
Central Islip Union Free School District Medicaid Revenues 2011M-89 10th Judicial District	Medicaid-eligible claims for at least 10 students were not submitted for reimbursement because District officials responsible for Medicaid reimbursements were not aware of the services that these students had received.	6 recommendations The report's recommendations focused on strengthening the policies and procedures pertaining

	<p>In addition, District officials did not submit claims for students they knew received IEP-related services, case reviews, or transportation services due to a lack of documentation. In other cases, the District had documentation but did not submit it, or the services were not provided under the direction of a licensed therapist or speech pathologist. As a result, Medicaid claims for reimbursement for 50 students, totaling \$301,008 were not submitted. If these claims had been submitted and approved, the District and New York State would have received 25 percent of the cost, totaling \$75,252 each.</p>	<p>to Medicaid revenues.</p> <p><i>The District officials agreed with the recommendations and have indicated that they will implement corrective action.</i></p>
<p>Chenango Valley Central School District 2011-2012 Budget Review B4-11-9 6th Judicial District</p>	<p>The significant revenue and expenditure projections in the proposed budget are reasonable.</p> <p>The District plans to make one-time expenditures and additional debt payments, as well as increase reserves by \$900,000 (before June 30, 2011), in order to reduce the amount of the unappropriated fund balance from \$2.2 million, to \$1.3 million.</p> <p>However, the District's approach circumvents the requirement that the District's voters approve District expenditures through an annual budget vote</p>	<p>1 recommendation</p> <p>It is recommended that District officials include the surplus fund balance in the 2011-12 budget. This approach will also avoid the need to spend the money quickly before the year's end.</p> <p>The District has not yet submitted a response pertaining to the recommendation.</p>
<p>Cohoes City School District Information Technology Controls in School Districts 2011M-112 3rd Judicial District</p>	<p>The vulnerabilities we identified in the audits are not discussed in these reports due to the sensitivity of this information. Rather, the findings have been communicated separately to District officials so they could take corrective action.</p>	<p>1 recommendation</p> <p><i>The District indicated that corrective actions have already been initiated.</i></p>
<p>Colton-Pierrepont Central School District and Parishville-</p>	<p>The differences between construction costs of two separate bus garages and of a shared transportation facility were calculated. It was determined that certain costs would be</p>	<p>2 recommendations</p> <p>It is recommended that the Districts</p>

<p>Hopkinton Central School District Shared Transportation Facility 2011M-27 4th Judicial District</p>	<p>duplicated by building two separate bus garages. (For example, with two bus garages, both Districts would be paying for land, site work, and architect and legal services.) By having one shared facility these types of costs are reduced. Using the architect's cost projections, it is estimated that by building a new shared facility instead of building separate facilities, the Districts could save taxpayers about \$1.9 million just in construction costs alone.</p> <p>In addition, if the Districts could share buses, they would need fewer total buses, and they could collectively purchase one less bus each year and save about \$100,000 annually.</p>	<p>consider utilizing a shared transportation facility, and if the shared facility is constructed, a formal inter-municipal agreement should be used to define and clarify the arrangement.</p> <p><i>Both Districts agreed with the recommendations and indicated that they planned to implement corrective action.</i></p>
<p>Corinth Central School District Fund Balance and Reserves 2010M-256 4th Judicial District</p>	<p>The Board and District officials consistently overestimated expenditures and underestimated revenues, which resulted in annual operating surpluses, and appropriated fund balance they did not need, resulting in increases to fund balance of \$2.8 million over the last four fiscal years. Further, the District's unreserved, unappropriated fund balance exceeded the amount allowed by law in each of the last four years. It is estimated that the District has over \$1.89 million in excess fund balance and unnecessary reserves that could be used to benefit taxpayers.</p>	<p>8 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to fund balance and reserves.</p> <p><i>The District stated that there was a general feeling of agreement toward the findings and recommendations in the draft report, and that once a final report is issued, they will respond accordingly.</i></p>
<p>Corning City School District Information Technology Controls in School Districts 2011M-113 7th Judicial District</p>	<p>The vulnerabilities identified in the audits are not discussed in these reports due to the sensitivity of this information. Rather, the findings have been communicated separately to District officials so they could take corrective action.</p>	<p>1 recommendation</p> <p><i>The District indicated that it had received the draft report and has currently prepared a corrective action plan for the audit findings.</i></p>

<p>Dryden Central School District Information Technology Controls in School Districts 2011M-114 6th Judicial District</p>	<p>The vulnerabilities identified in the audits are not discussed in these reports due to the sensitivity of this information. Rather, the findings have been communicated separately to District officials so they could take corrective action.</p>	<p>1 recommendation</p> <p>The report's recommendations focused on strengthening the policies pertaining to information technology.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>
<p>Eden Central School District Financial Condition and Health Insurance Benefits 2011M-51 8th Judicial District</p>	<p>District officials have not properly managed fund balance in accordance with statute. Over the past three years, District officials used non-transparent practices to reduce fund balance levels to within statutory limits rather than using surplus monies to reduce the tax levy as required by statute. District officials did not disclose their intent during the budget process to use \$1.5 million to fund various reserves. Instead they simply transferred excess fund balance at year end.</p> <p>Additionally, for the fiscal years 2006-07 through 2009-10 District officials appropriated more than \$4.6 million of fund balance to finance operations. However, because the District consistently experienced operating surpluses over this period, the appropriated fund balance was not actually used to finance operations. As a result of District officials' financial management and non-transparent budgeting practices, taxpayers likely have been paying more than necessary to fund District operations.</p> <p>There were also significant procedure and control deficiencies over the monitoring and reviewing of health insurance benefits. However, a review of health insurance records</p>	<p>6 recommendations</p> <p>The report's recommendations focused primarily on strengthening the policies and procedures regarding the District's financial condition, and health insurance benefits.</p> <p><i>District officials agreed with the recommendations and have indicated that they will implement corrective action.</i></p>

	indicated that the District was generally providing appropriate health insurance benefits in accordance with employment contracts and collective bargaining agreements.	
Elmont Union Free School District Internal Controls Over Selected Financial Operations 2011M-12 10th Judicial District	<p>The Board inappropriately delegated the discretionary functions of approving purchase orders, journal entries and wire transfers to its business consultant. Consequently, the business consultant was responsible for approving all District purchases, including the purchase of his own services. In addition, he approved journal entries and wire transfers for the two months reviewed totaling \$25.4 million, representing a combined 93 percent of all such activity for those two months.</p> <p>The District also paid four former employees \$9,820 for unused vacation leave that was not expressly authorized by their employment agreements, or by Board resolutions. District officials generally did not solicit competition when obtaining professional services and continued to use the same professionals year after year. Payments made to 10 professionals, totaling \$1.23 million, we reviewed, and it was determined that six of the professionals, who were paid \$1 million, were hired without the benefit of competition.</p> <p>Finally, internal controls over the District's IT system need to be improved.</p>	<p>16 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to procurement, information technology, and cash disbursement procedures.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>
Enlarged City School District of Troy 2011-2012 Budget Review B5-11-13 3rd Judicial District	The significant revenue and expenditure projections in the proposed budget are reasonable.	There are no recommendations.

<p>Fonda-Fultonville Central School District Online Banking 2011M-62 4th Judicial District</p>	<p>The Board did not adopt an online banking policy and did not develop procedures for online banking activities. Online banking duties were not properly segregated and account accessibility was not properly controlled.</p> <p>Additionally, the Treasurer and Deputy Treasurer did not use proper procedures when accessing and exiting online banking sessions. Finally, the Treasurer and Deputy Treasurer did not receive appropriate online banking training and access to the District's bank accounts has not been monitored. As a result, District funds are at risk.</p>	<p>6 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to online banking.</p> <p><i>District officials agreed with the recommendations and have indicated that they will implement corrective action.</i></p>
<p>Franklinville Central School District Financial Management 2011M-7 8th Judicial District</p>	<p>While District officials did a good job of controlling expenditures, District budgets routinely overestimated appropriations. As a result, the District generated more than \$2.3 million in operating surpluses over a three-year period.</p> <p>Additionally, four District reserves funded by budget surpluses had unsupported balances totaling \$2.3 million at June 30, 2010. Combining the District's unreserved fund balance over the legal limit and the unsupported balances in the four reserves, the District has accumulated \$4.1 million in excess funds that should be used to benefit taxpayers.</p>	<p>6 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to fund balance, surplus fund balance, reserves, and expenditures.</p> <p><i>The District agreed with the recommendations and have indicated that they will implement corrective action.</i></p>
<p>Hannibal Central School District Internal Controls Over Purchasing and Fuel Inventories 2011M-49 5th Judicial District</p>	<p>The District officials did not seek competitive bids, as required, for two of 10 purchases totaling \$57,500. They also did not obtain the required number of written or verbal quotes, as stated in the School Business Administrator's guidelines for purchases under the bidding threshold, for five of 21 purchases totaling \$18,344. The District also paid four of seven professional service providers a total of \$183,600 without soliciting competition.</p>	<p>3 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to competitive bidding, and gasoline inventory.</p> <p><i>District officials agreed with the</i></p>

	Finally, District officials should improve controls over gasoline and diesel fuel inventory. The District could not account for 3,123 gallons of fuel valued at \$6,739 because the District has not established policies and procedures to effectively control these inventories.	<i>recommendations and have indicated that they will implement corrective action.</i>
Hilton Central School District Information Technology Controls in School Districts 2011M-115 7th Judicial District	The vulnerabilities identified in the audits are not discussed in these reports due to the sensitivity of this information. Rather, the findings have been communicated separately to District officials so they could take corrective action.	1 recommendation The recommendations focused on strengthening the policies and procedures pertaining to information technology. <i>The District agreed with many of the recommendations contained in the report and will implement corrective action.</i>
Ilion Central School District Financial Condition and Internal Controls Over Cafeteria Receipts 2010M-242 5th Judicial District	<p>The District has accumulated approximately \$1.95 million in excess funds that should be used to benefit taxpayers. The District retained at least twice the amount of fund balance allowed by law in each of the last four fiscal years' budgets.</p> <p>The District's budgets have resulted in operating surpluses in three out of the last four fiscal years. Therefore, none of the fund balance that was appropriated in those three years was actually used, and the District's year-end fund balance actually increased rather than decreased.</p> <p>Finally, the District has not established adequate internal controls over cafeteria cash receipts.</p>	6 recommendations The report's recommendations focused on strengthening the policies and procedures pertaining to the internal control over cafeteria receipts, and financial condition. <i>District officials agreed with the recommendations, and have indicated that they will implement corrective action.</i>
Iroquois Central School District Information Technology Controls in School	The vulnerabilities identified in the audit was not discussed in the report due to the sensitivity of this information. Rather, findings were communicated separately to District officials so they could take corrective action.	1 recommendation The report's recommendations focused on strengthening the

<p>Districts 2011M-116 8th Judicial District</p>		<p>policies and procedures pertaining to information technology.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>
<p>Johnstown (Greater) City School District Internal Controls Over Extra-Classroom Activities 2011M-28 4th Judicial District</p>	<p>Although the Board established a policy for the activity fund, the policy is not adequate because it does not provide specific guidance for the financial management and recordkeeping of the activity fund, and it has not been updated since 2001. The District developed an extra-curricular handbook to supplement the Board policy; however, the handbook has not been formally adopted by the Board. Furthermore, while the handbook is more comprehensive than the District policy, it still does not establish adequate internal controls over extra-curricular activity monies.</p>	<p>6 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures regarding extraclassroom activities.</p> <p><i>District officials agreed with the recommendations and have indicated that they will implement corrective action.</i></p>
<p>Kendall Central School District Financial Condition 2011M-18 8th Judicial District</p>	<p>As of June 30, 2010, the District overstated certain liabilities by \$6 million and overfunded certain reserves by a total of \$1.85 million. Had the liabilities been properly accounted for and the reserves reasonably funded, the combined total of \$7.85 million would have increased the District's actual unreserved, unappropriated fund balance to \$8.5 million at the end of the 2009-10 fiscal year, representing 52 percent of the ensuing year's appropriations of \$16.2 million.</p> <p>In addition, District officials had borrowed money the District did not need in amounts ranging from \$1.5 million to \$2 million, and incurred associated debt issuance and interest costs totaling almost \$195,000, during the last three completed fiscal years.</p>	<p>5 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to the District's financial condition.</p> <p><i>The District agreed with the recommendations and agreed to implement corrective action.</i></p>

<p>Kingston City School District Internal Controls Over Selected Financial Activities 2011M-78 3rd Judicial District</p>	<p>Controls over cash disbursements for certain service providers by vendors were not appropriately designed and operating effectively. The District made payments for various services that did not comply with agreed-upon contractual conditions and rates.</p> <p>The District also has a lack of comprehensive policies and procedures, which has allowed control deficiencies to exist in the areas of bank agreements, dedicated computers, Internet usage, and online banking access.</p> <p>Further, one Board member had a prohibited interest in a District contract, and another Board member did not disclose his interest in a District contract, as required.</p> <p>Internal controls over Medicaid claims processing for special needs transportation are not appropriately designed or operating effectively. The District did not require its vendor bus drivers to maintain ridership calendars and, therefore, the District was unable to submit claims for reimbursement totaling \$114,620.</p> <p>The Board also has not developed a formal, written disaster recovery plan.</p>	<p>11 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to cash disbursements, banking, Medicaid claims processing, and information technology.</p> <p><i>The District agreed with the recommendations and have indicated that they will implement corrective action.</i></p>
<p>Lakeland Central School District Administrative Costs Relating to Instructional Technology Operations and Claims Processing 2010M-246 9th Judicial District</p>	<p>At an average salary of \$89,719 for technology administrators, the District could save approximately \$209,942 if it chose to operate its instructional technology program with technology administrators equal to twice the average of other similar districts. In addition, by reevaluating the amount of resources utilized for videographer and website services, the District could potentially save an additional \$68,000.</p>	<p>4 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to the administrative costs for instructional technology operations.</p> <p><i>The District agreed with the</i></p>

	Finally, the Board has not adopted a written job description, policies, and/or procedures to provide specific instructions and communicate its expectations to the claims auditor. As a result, the claims auditor, who has served in that position for the past 10 years, was not aware of the requirement to report directly to the Board.	<i>recommendations and indicated that they will implement corrective action.</i>
Lexington School for the Deaf Review of Procurement Practices Follow-up 2011-F-8 11th Judicial District	The initial audit report was issued on January 14, 2010, and examined whether Lexington officials had established and maintained an adequate system of internal control over its procurement practices. It was determined that Lexington officials did not comply with Department guidance for procurement of goods and services valued at more than \$10,000 and public works valued at more than \$20,000. Lexington officials also did not always comply with their own policies and procedures when procuring goods and services valued at more than \$5,000. The objective of the follow-up was to assess the extent of implementation as of June 10, 2011 of the two recommendations included in the initial report.	Both of the recommendations have been implemented.
Liberty Central School District 2011-2012 Budget Review B4-11-10 3rd Judicial District	It was found that the significant revenue and expenditures projections in the proposed budget are reasonable. In the District's proposed budget, there is an appropriation of \$1.15 million of projected fund balance to help finance the District's 2011-12 operations. This will leave \$2 million as unappropriated fund balance, an amount that is \$400,000 over the limit allowed by statute.	1 recommendation It is recommended that the District include the surplus fund balance in the 2011-12 budget and use this money to benefit taxpayers. The District has not yet responded to the recommendation.
Miller Place Union Free School District Internal Controls Over Retirement Reporting and Cash	District officials did not implement formal procedures for retirement reporting. Retirement reports prepared by a payroll clerk that were submitted to New York State and Local Retirement System (NYSLRS) were not reviewed for accuracy, nor approved by an appropriate official. As a result,	4 recommendations The report's recommendations focused on strengthening the policies and procedures pertaining

<p>Disbursements 2011M-67 10th Judicial District</p>	<p>five employees improperly received service credit for 534.3 days they did not earn.</p> <p>The District's internal controls over cash disbursements are appropriately designed and operating effectively to safeguard cash.</p>	<p>to retirement reporting, and the cash disbursements process.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>
<p>Newburgh Enlarged City School District Transportation Cost Savings 2010M-230 9th Judicial District</p>	<p>The District can save money by reducing excess capacity on buses, and sharing transportation for students with disabilities with other districts. By making these changes to improve transportation efficiency, the District could achieve as much as \$2.2 million in annual cost savings.</p> <p>In addition, the District did not have a process for tracking approved transportation contracts or timely reconciling transportation expenditures and as a result the District's State Transportation Aid may be reduced by approximately \$938,000. The District also had missed the opportunity to claim an additional \$30,900 in expenditures which were attributable to approved contracts and would have provided approximately \$24,700 in additional aid to the District.</p>	<p>6 recommendations</p> <p>The recommendations focused on strengthening the policies and procedures pertaining to transportation performance measures and analysis and State transportation aid.</p> <p><i>The District disagreed with the recommendation that District officials should maximize the capacity of students on each bus to reduce the number of bus routes.</i></p> <p><i>The remainder of the recommendations were agreed upon, and the District has indicated that they will implement corrective action.</i></p>
<p>Newfane Central School District Employee Benefit Accrued Liability Reserve Fund and Student Transportation</p>	<p>Although the District properly established an EBALR, it did not fund the reserve in an appropriate manner. The Employee Benefit Accrued Liability Reserve (EBALR) is overfunded by \$8.1 million. In addition, by increasing bus occupancy, eliminating bus routes, and sharing common routes with neighboring districts, the District could potentially save in</p>	<p>4 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to the EBALR and student</p>

<p>Operations 2010M-232 8th Judicial District</p>	<p>excess of \$418,000 annually in transportation costs. This amount represents approximately 20 percent of the District's student transportation costs in the 2009-10 fiscal year.</p>	<p>transportation.</p> <p><i>The District disagreed with the findings pertaining to the EBALR, but agreed to implement corrective action with regard to student transportation.</i></p>
<p>Pocantico Hills Central School District Information Technology Controls in School Districts 2011M-117 9th Judicial District</p>	<p>The vulnerabilities we identified in the audits are not discussed in these reports due to the sensitivity of this information. Rather, we have communicated our findings separately to District officials so they could take corrective action.</p>	<p>1 recommendation</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to information technology.</p> <p><i>The District agreed with the recommendations and have indicated that they will implement corrective action.</i></p>
<p>Putnam Valley Central School District Information Technology Controls in School Districts 2011M-118 9th Judicial District</p>	<p>The vulnerabilities we identified in the audits are not discussed in these reports due to the sensitivity of this information. Rather, we have communicated our findings separately to District officials so they could take corrective action.</p>	<p>2 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to information technology.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>
<p>Sachem Central School District Internal Controls Over Purchasing</p>	<p>The District had established adequate internal controls over purchasing and these controls seemed to be working effectively.</p>	<p>There were no recommendations.</p>

2011M-48 10th Judicial District		
Sagaponack Common School District Non-Resident Tuition 2011M-33 10th Judicial District	<p>The Board adopted a non-resident tuition rate of \$3,000 per student for 2010-11. The maximum tuition the Board could charge according to the SED formula was \$52,179 per student. In 2010-11, five of the District's 18 students were non-residents for whom the District billed and collected tuition totaling \$15,000. There was no evidence that students from other districts significantly increase the District's costs. Therefore, while the District is not charging the SED approved rate, the tuition it is collecting helps cover a small portion of the District's costs.</p>	<p>There were no recommendations.</p>
Saugerties Central School District Financial Condition and Internal Controls Over Information Technology 2011M-50 3rd Judicial District Fiscal Stress	<p>The District's adopted budget for the 2007-08 fiscal year contained an inaccurate estimate of State aid revenues, in excess of the State Education Department's (SED's) published estimates. This resulted in an operating deficit of \$1.9 million. Although the District had revenue shortfalls in the 2008-09 year, it did not have an operating deficit. However, the District again overestimated State aid in the 2009-10 fiscal year, which brought the total operating deficit to \$1.5 million. These combined operating deficits reduced the unreserved fund balance in the District's general fund to a deficit of over \$1.1 million at June 30, 2010. Further, as a result of revenue shortfalls, District officials found it necessary to issue a \$3 million revenue anticipation note (RAN) in July 2009 and a \$4.9 million RAN in June 2010 to meet cash flow needs during the 2009-10 and 2010-11 fiscal years. Finally, District management needs to improve controls over IT.</p>	<p>7 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to financial condition, and information technology.</p> <p><i>The District agreed with the recommendations and have indicated that they will implement corrective action.</i></p>
Schuylerville Central School District Information Technology Controls in School	<p>The vulnerabilities identified in the audits are not discussed in these reports due to the sensitivity of this information. Rather, the findings have been communicated separately to District officials so they could take corrective action.</p>	<p>1 recommendation</p> <p>The report's recommendations focused on strengthening the</p>

<p>Districts 2011M-119 4th Judicial District</p>		<p>policies and procedures pertaining to information technology.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>
<p>State Education Department Oversight of Scoring Practices on Regents Examinations 2011-F-6</p>	<p>The initial audit report was issued on November 19, 2009, and the objective was to determine whether SED oversight of local school districts provided adequate assurance that the districts accurately scored Regents exams. It was determined that SED reviews of the scoring of selective Regents exams identified significant inaccuracies by local school districts.</p> <p>Of the 12 recommendations included in the initial report, eight of them were implemented, two were partially implemented, and one was not implemented.</p> <p>The two partially implemented recommendations pertained to developing a corrective action plan and then following up with the school for improper scoring practices, and obtaining and reviewing all exams requested by schools during a Department review.</p> <p>The recommendation that was not implemented was regarding requesting that schools with significant exam scoring deficiencies advise SED of any changes made to exam scores as a result of errors identified by the Department Review.</p>	<p>Of the 12 recommendations included in the initial report, eight of them were implemented, two were partially implemented, and one was not implemented.</p> <p><i>The Department disagreed with the recommendation that requesting that schools with significant exam scoring deficiencies advise SED of any changes made to exam scores as a result of errors identified by the Department Review. The small sample of tests selected and the timing of reviews would make any adjustment of individual student scores unfair and impractical.</i></p>
<p>Stillwater Central School District Budgeting Practices 2011M-47</p>	<p>The Board routinely adopted budgets that were conservative, particularly for expenditures. For the last five fiscal years, the District overestimated expenditures by a total of approximately \$4.8 million. The conservative budget</p>	<p>3 recommendations</p> <p>The report's recommendations focused on strengthening the</p>

<p>4th Judicial District</p>	<p>estimates resulted in revenues exceeding expenditures by approximately \$2.8 million over the last five years. Furthermore, the District's spending plans made it appear that the District would appropriate a portion of its accumulated fund balance each year to close projected budget gaps. In reality, the District's budget resulted in an operating surplus in the last five completed fiscal years and no fund balance was ever used as a source of financing in those years.</p>	<p>policies and procedures pertaining to budget estimates, and the surplus fund balance.</p> <p><i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i></p>
<p>Union Free School District of the Tarrytowns Debt Refinancing 2011M-4 9th Judicial District</p>	<p>District officials did not provide any documentation to show that they performed the necessary analysis of potential debt refinancing measures that may have identified ways to reduce interest costs over the life of the District's debt.</p>	<p>3 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to debt financing.</p> <p><i>The District agreed with the recommendations and have indicated that they will implement corrective action.</i></p>
<p>Waterford-Halfmoon Union Free School District Internal Controls Over Financial Operations 2010M-251 4th Judicial District</p>	<p>The Board did not fully comply with the requirements of the 2005 School District Accountability Legislation. Specifically, one Board member did not obtain the required training as to his financial oversight responsibilities. Although the Board did appoint a claims auditor, she did not report directly to the Board or perform a satisfactory audit of claims. Additionally, the Business Manager circumvented the Board's policy by making budget transfers totaling approximately \$1.1 million, without obtaining the required Board approval. Internal controls over financial operations are also inadequate. For example, the Board's policy manual does not provide for the proper segregation of duties and Business Office employees have the ability to circumvent any internal controls in place. Finally, employees have received buy-out and longevity</p>	<p>15 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures pertaining to board oversight, and internal controls over financial operations.</p> <p><i>The District agreed with the recommendations and has indicated that they would implement corrective action.</i></p>

	payments totaling \$59,670 to which they may not have been entitled.	
Watertown City School District Information Technology Controls in School Districts 2011M-110 5th Judicial District	The vulnerabilities identified in the audits are not discussed in these reports due to the sensitivity of this information. Rather, the findings have been communicated separately to District officials so they could take corrective action.	5 recommendations The report's recommendations focused on strengthening the policies and procedures pertaining to information technology procedures. <i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i>
Windham-Ashland-Jewett Central School District Internal Controls Over Information Technology and Online Banking 2010M-248 3rd Judicial District	<p>The District has not established sufficient controls over its IT system. District officials have not established a formal security plan, do not adequately monitor system activity, and have not established appropriate controls over remote access and backing up system data.</p> <p>In addition, the Board has not established a formal online banking policy and procedures governing electronic and wire transfers. The Business Manager serves as the online banking contact/administrator for all of the District's online banking activity and has online access to the bank accounts for transactional purposes. However, she also records transactions and has the responsibility for monitoring all electronic banking activity with limited oversight by other District officials. With these incompatible duties, the Business Manager could initiate an online wire transfer to an unauthorized bank account without immediate detection.</p>	15 recommendations The report's recommendations focused primarily on strengthening the policies pertaining to the District's IT system, and online banking and wire transfers. <i>The District agreed with the recommendations and has indicated that they will implement corrective action.</i>

New York City Office of the Comptroller		
Audit	Major Finding(s)	Recommendation/Response
<p>New York City Department of Education Audit Report on the Department of Education's Controls Over High School Progress Reports MJ10-133A 1st, 2nd, 11th, 12th, 13th Judicial District</p>	<p>In 2006-07, the Department of Education (DOE) implemented annual School Progress Reports for the purpose of creating greater accountability, establishing expectations, and uniformly measuring and comparing school progress. The progress reports reflect letter grades that rate how each of the City's public schools is performing. The audit determined whether DOE maintained adequate controls to ensure that data reflected in the annual high school progress reports are reliable, comparable, and understandable so that stakeholders could reasonable rely on the progress reports for decision-making purposes.</p> <p>It was determined that DOE maintained adequate controls; however, there were some instances where hard-copy student files and/or Regents exam documentation were not available for review.</p>	<p>10 recommendations</p> <p>The report's recommendations focused on strengthening the policies and procedures regarding school progress reports.</p> <p><i>The Department agreed with the recommendations and have indicated that they will implement corrective action.</i></p>