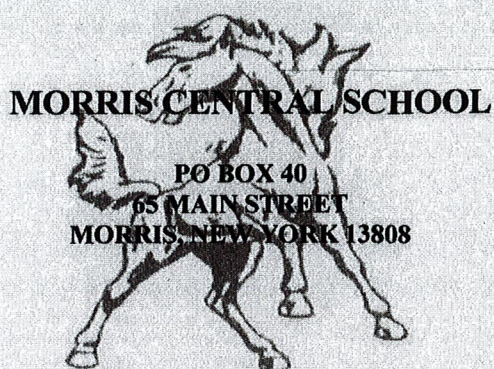


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**MORRIS CENTRAL SCHOOL DISTRICT  
RESPONSE TO AUDIT FINDINGS AND RECOMMENDATIONS  
FEDERAL AWARDS  
For the 2019-2020 School Year**

**Findings**

**Material Control Weaknesses**

➤ 2020-001 Control over Cash Receipts

**Condition:** The lack of adequate controls over cash receipts and separation of duties allowed an employee of District to mishandle funds that were received by the District during part of the year.

**Criteria:** The cash receipt process is an integral part of the District's internal controls, assuring that funds that are received by the District are properly deposited and accounted for in the District's records.

**Effect:** An employee was able to receive funds that were designated for the District and deposit them into her personal account. The District did not have knowledge that these payments were being received in the District since the person who was receiving them also was preparing the deposit for the bank.

**Cause:** The employee performed most of the tasks involved in the cash receipts process so there was no segregation of duties.

**Recommendation:** The District should separate key tasks involved in the cash receipt process and implement new procedures. The person who receives the payments to the District should be different than the person who makes the deposits and records the transactions. Also by adding a cash receipt log that is maintained by the person who initially receives the payments to the District and do a monthly review of the cash receipts will improve on the controls that are already in existence.

**Views of Responsible Officials and Planned Corrective Actions:** The District immediately notified the authorities when it was brought to their attention from one of their financial institutions. The investigations into these actions are ongoing. The District has implemented new procedures into the cash receipts process to strengthen their controls over cash receipts.

**District Response:** The District has implemented new procedures into the cash receipts process and will start implementing the use of a cash receipt log.

**Completion Date:** January 1, 2021

**Person Responsible:** Treasurer- Shannon Harrington

### **Significant Deficiencies**

➤ **2020-002 21<sup>st</sup> Century Community Learning #84.287C- Procurement**

**Condition:** During our testing, we noted that the District's procurement policy is not in compliance with the Uniform Guidance.

**Criteria:** The District must use its own documented procurement procedures which reflect applicable state, local, and tribal laws and regulations, provided that procurements conform to applicable Federal law and the standards identified in the Uniform Guidance.

**Effect:** The District is not in compliance with Uniform Guidance pertaining to procurement. The District's purchasing policy does not contain the required elements.

**Questioned Cost:** None.

**Recommendation:** We recommend that the District review the requirements of the Uniform Guidance and update the District's procurement policy and ensure that an annual review of the eligibility of potential vendors to participate in the Federal assistance programs or activities is performed prior to disbursing funds to the vendor.

**Views of Responsible Officials and Planned Corrective Actions:** The District will amend its procurement policy and procedures to ensure compliance. The District is already in the process of updating their policy manual.

**District Response:** The District had started updating its procurement policies during the 2019-2020 school year, but the pandemic put a stop to this process. The District has now completed its review and has updated its policies. The District used the ASSBO New York Federal Funds Procedural Manual as a guide. The BOE will review and approve the new procedures at its February BOE meeting.

**Completion Date:** February 2021

**Person Responsible:** Treasurer- Shannon Harrington

➤ **2020-003 21<sup>st</sup> Century Community Learning #84.287C- Activities Allowed or Unallowed**

**Condition:** During our testing, we noted that the District did not perform salary certifications of the personnel paid under the grant during the year.

**Criteria:** The District must perform salary certifications of personnel paid under the grant at least on a semi-annual basis if their salaries are paid fully under the grant to follow the standards identified in the Uniform Guidance.

**Effect:** The District is not in compliance with Uniform Guidance pertaining to activities allowed or unallowed since salaries were not verified by the personnel paid under the grant.

**Cause:** The District did not perform the process of salary certifications due to changes in the District's business office during the year.

**Questioned Cost:** None

**Recommendation:** We recommend that the District renew the process of obtaining salary certifications of personnel paid under the grant like they have performed in the past years.

**View of Responsible Officials and Planned Corrective Actions:** The District will perform salary certifications of personnel paid under the grant following the procedures they performed in past years for this grant.

**District Response:** Each year, all staff sign and verify correct salaries at the beginning of the school year. This was done at the commencement of the 2019-2020 school year and was performed again at the beginning of the 2020-2021 academic year. The District also has all employees, whether their salaries are funded through federal sources or not, sign and verify their payroll at the end of the year. Due to the pandemic, the school was in remote mode and nearly all employees were working remotely. For safety reasons, we did not have the employees enter the building to sign and obtain their payroll check. The District also is part of a Shared Business Office through ONC BOCES and that is where payroll comes from. Due to the pandemic, all checks are now mailed home to all employees rather than coming to the district treasurer and being dispersed from the school. The District will have an upcoming payroll sent to the District and will be certified by all employees.

**Completion Date:** June, 2021

**Person Responsible:** Treasurer- Shannon Harrington

Matthew L. Sheldon



Superintendent  
Morris Central School