

CORRECTIVE ACTION PLAN
INTERNAL AUDIT REPORT ON EXTRA CLASSROOM ACTIVITIES
June 30, 2025
AUDIT FIRM – R.S. ABRAMS

EXTRA-CLASSROOM CASH RECEIPTS

Procedures Performed:

- Reviewed the District's policies and procedures related to extra classroom cash receipts.
- Assessed the effectiveness of internal controls designed to mitigate risks associated with extra-classroom cash receipts.
- Inquired with key District personnel to obtain an understanding of the processes.
- Evaluated controls such as supervision, authorization, segregation of duties, documentation, and reconciliation procedures.
- Ensured clear guidelines are in place for the collection, handling, recording, and depositing of cash from extra-classroom activities.
- Sampled forty (40) extra-classroom cash receipts recorded during the period of July 1, 2023 through February 28, 2025 to examine supporting documentation for extra-classroom cash receipts, including the cash receipt form, cash register tapes, receipt books, deposit slips, and bank statements. In addition, we confirmed that the documentation is complete, accurate, and maintained in accordance with record keeping requirements.

Observations: No exceptions were noted.

Recommendations: No recommendations were noted.

District Response: N/A

EXTRA-CLASSROOM CASH DISBURSEMENTS

Procedures Performed:

- Reviewed the District's policies and procedures related to extra classroom cash disbursements.
- Inquired with key District personnel to obtain an understanding of the processes.
- Ensured that clear guidelines are in place for approving, documenting, and processing cash disbursements for extra-classroom activities.
- Ensured that different individuals are responsible for initiating, approving, processing, and recording cash disbursements.
- Assessed controls such as segregation of duties, authorization procedures, documentation requirements, and reconciliation processes.
- Sampled forty (40) extra-classroom disbursements recorded during the period of July 1, 2023 through February 28, 2025 to verify that disbursements are properly supported by documentation such as invoices, receipts, or authorization forms, and that they are appropriately recorded in the accounting system. In addition, we confirmed that the documentation is complete, accurate, and maintained in accordance with record keeping requirements.

Observation #1: We noted that one (1) out of forty (40) extra-classroom cash disbursements tested did not include an itemized receipt to substantiate the reimbursement amount. To ensure transparency, accountability, and compliance with financial regulations, the District should take appropriate action to obtain itemized receipts for extra-classroom cash disbursements.

Recommendation #1: We recommend that all reimbursement requests be supported by evidence of pre-approval by students, documented in the club meeting minutes. These meeting minutes, along with all supporting documentation (e.g., itemized receipts and payment order forms), should be attached to the reimbursement request submitted to the central treasurer. This practice will help ensure transparency, proper oversight, and alignment with the intended use of student funds.

District Response:

The Central Treasurer is aware of the requirements. The requirements for reimbursement have been reinforced with the club advisors. Effective with the 2025-26 school year, no reimbursements will be made without the proper documentation. District will ensure that all reimbursements submitted have the itemized documentation attached to the form particularly whenever food is purchased with club funds. In addition, all club advisors have been advised that club minutes authorizing the expenditures must be included in the minutes and attached to the reimbursement form.

CLUB CHARTERS

Procedures Performed:

- Reviewed the District's policies and procedures related to extra classroom club charters.
- Inquired with key District personnel to obtain an understanding of the processes.
- Understand the process for chartering new clubs or organizations, including requirements for approval, documentation, and oversight.
- We selected ten (10) club charters—five (5) from the High School and five (5) from the Middle School for extra classroom activity clubs to verify that a charter or constitution exists and is signed by the appropriate officials, including Board approval. This review ensures compliance with District requirements and proper governance of club activities.

Observations: No exceptions were noted.

Recommendations: No recommendations were noted.

District Response: N/A

BANK RECONCILIATIONS

Procedures Performed:

- Reviewed the District's policies and procedures related to extra classroom bank reconciliations.
- Inquired with key District personnel to obtain an understanding of the processes.
- Obtained an understanding of the process for reconciling bank statements, including timelines, responsibilities, and documentation requirements.
- Examined documentation related to extra classroom bank reconciliations, including bank statements, reconciliation reports, supporting schedules, and adjustment records.
- Investigated any outstanding items or discrepancies identified during the bank reconciliation process.
- Determined the cause of the discrepancies and ensure that corrective actions were taken to address underlying issues and prevent recurrence.
- Sampled two (2) monthly bank reconciliations performed during the year to verify that all required documentation is complete, accurate, and maintained on file.

Observations: No exceptions were noted.

Recommendations: No recommendations were noted.

District Response: N/A

EXTRACLASSROOM ACCOUNTING AND REPORTING

Procedures Performed:

- Reviewed the District's policies and procedures related to extra classroom accounting and reporting.
- Inquired with key District personnel to obtain an understanding of the processes.
- Obtained an understanding of the process for recording financial transactions, preparing financial statements, and ensuring compliance with relevant laws, regulations, and accounting standards.
- Evaluated the listing of clubs to ensure only appropriate clubs are established.
- Verified the accuracy and completeness of financial reporting.
- Reviewed all club balances for the last three fiscal years to ensure the District is properly transferring remaining club balances from clubs with no financial activity for an extended period, in accordance with District policy.
- Verified the District is filing New York State sales tax returns quarterly.
- Verified the Extraclassroom Central Treasurer reconciles each individual club's extraclassroom ledger with the central ledger every month.

Observations: No exceptions were noted.

Recommendations: No recommendations were

District Response: N/A
