

Pelham
Union Free School District
Risk Assessment Update Report

May 1, 2014

Risk Assessment Update Report

To the Board of Education and Audit Committee
Pelham Union Free School District
Pelham, New York

We have performed the annual risk assessment update of Pelham Union Free School District (District) as required by Chapter 263 of the Laws of New York, 2005 and as per our agreement of July 1, 2013.

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 Pelham 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 1, 2014

PELHAM UNION FREE SCHOOL DISTRICT

Introduction

May 1, 2014

Chapter 263 of the Laws of New York, 2005 requires all 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.

PELHAM UNION FREE SCHOOL DISTRICT

Introduction (Continued)

May 1, 2014

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:

Report Type	Issue Date	Area(s)
Risk Assessment	April 25, 2013	District Operations
Agreed-Upon Procedures	March 4, 2013	Financial Operations of Special Education
Agreed-Upon Procedures	November 27, 2013	Benefits

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

Contact

Mr. John Cushin
(518) 474-5928

PELHAM UNION FREE SCHOOL DISTRICT

Risk Assessment Table

May 1, 2014

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

Business Process Area	*Date of Detail Testing	Control Risk				Proposed Detail Testing
		Prior Year		Current Year		
Governance and Planning						
Governance Environment			M		M	
Control Environment			M		M	
Strategic Planning		L		L		
Budget Development			M		M	
Budget Administration			M		M	
Accounting and Reporting						
Assessing Financial Condition			M		M	
Financial Accounting and Reporting			M		M	
Auditing		L		L		
Financial Oversight			M		M	
Fund Balance Management			M		M	
Revenue and Cash Management						
Real Property Tax			M		M	
State Aid			M		M	
Medicaid			M		M	
Out of District Tuition			M		M	
Use of Facilities		L		L		
Donations			M		M	
Collection & Posting of Receipts			M		M	
Cash Management			M		M	
Investment Management			M		M	
Petty Cash		L		L		
Bank Reconciliations			M		M	
Grants and Special Education	AUP 3-4-13 *		M		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	
Payroll, HR and Related Benefits						
Payments to Employees	AUP 3-2-09	L		L		
Allocation of Expenditures	AUP 3-2-09	L		L		
General Employee Administration			M		M	
Employee Benefit Administration	AUP 11-27-13		M		L	
Employee Attendance	AUP 3-2-09	L		L		
Hiring/Termination of Employees			M		M	

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

** Financial operations of Special Education

PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Table (Continued)
 May 1, 2014

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

Business Process Area	*Date of Detail Testing	Control Risk				Proposed Detail Testing
		Prior Year		Current Year		
Purchasing and Related Expenditures						
PO System	1/10/2012	L		L		
Payments Outside PO System	1/10/2012	L		L		
Purchasing Process	1/10/2012	L		L		
Allocation of Expenditures	1/10/2012	L		L		
Payment Processing	1/10/2012	L		L		
Travel and Conferences			M		M	
Credit Cards		L		L		
Facilities						
Facilities Maintenance			M		M	
Construction Planning			M		M	
Construction Monitoring			M		M	
Construction Completion			M		M	
Fixed Assets						
Acquisition and Disposal			H		H	✓
Inventory			H		H	✓
School Environment						
Safety and Security			M		M	
Student Transportation						
Fleet Maintenance			M		M	
Risk Management			M		M	
Personnel Compliance			M		M	
Facilities Maintenance and Security			M		M	
Food Service						
Federal and State Reimbursement			M		M	
Sales Cycle and System			M		M	
Inventory and Purchases			M		M	
Eligibility Verification			M		M	
Extraclassroom Activity Fund						
General	AUP 5-12-08		M		M	
Cash and Cash Receipts	AUP 5-12-08		M		M	
Expenditures and Purchasing	AUP 5-12-08		M		M	
Inventories	AUP 5-12-08		M		M	
Student Related Data						
Tracking Student Attendance			M		M	
Student Performance Data			M		M	
Information System						
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.

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CURRENT OBSERVATIONS AND RECOMMENDATIONS

None Noted

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (OPEN ITEMS)

EXTRACLASSROOM ACTIVITIES

Middle School Extraclassroom Activities

- The basic structure of the middle school extraclassroom accounts was not within the guidelines promulgated by New York State Education Department (NYSED). Individual clubs were not involved in the financial operations of the accounts, and there was limited financial involvement of students in many of the transactions. Some specific concerns included:
 - The Extraclassroom Treasurer did not always pay or did not remit sales tax for purchases for extraclassroom accounts. If an invoice did not have sales tax charged, the Treasurer did not call the vendor for a revised invoice or separately remit sales tax.

Risk Assessment Update - April 2014

The Extraclassroom Treasurer will modify the Disbursement Form to include a section for the advisors to check off if sales tax has been charged. If a vendor sends an invoice without sales tax, the Extraclassroom Treasurer will return the invoice to the club advisor to obtain a revised invoice. Additionally, the Extraclassroom Treasurer will distribute the sales tax table from the NYS Pamphlet on Extraclassroom Activities to the club advisors.

- The extraclassroom clubs did not have their own student treasurers; there was a middle school (MS) student treasurer who assisted the Central Treasurer with reviewing disbursements only. The MS Student Treasurer did not count deposits and match them to the deposit amount recorded on the form.

Risk Assessment Update - April 2014

The MS student treasurer now assists the Central Treasurer with processing the deposits. Additionally, procedures will be changed to require that any club that has financial activity must have a student treasurer assigned. This student treasurer will assist the club advisor with both receipts and disbursements for the club. The student treasurer will sign both the deposit form and the disbursement form.

- The deposit form did not contain a space large enough to record an adequate description for deposits. Descriptions for the deposits were not detailed to determine if the deposit was complete. In addition, the form did not contain a space for the Student Treasurer to sign off on the deposit. In addition, the clubs were not using pre-numbered tickets or similar methods to account for funds received.

**PELHAM UNION FREE SCHOOL DISTRICT
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Risk Assessment Update – April 2014

The new deposit form will be implemented during the end of the 2013-14 school year. Additionally, procedures for the club advisors will be drafted to accompany this form.

- The student treasurers for the individual clubs did not sign off on disbursements for their respective clubs, the Student Treasurer of the Student Government Club signed off on all extraclassroom disbursements for the MS.

Risk Assessment Update – April 2014

This form was updated at the beginning of the year to a requirement to obtain a pre-approval for all disbursements. Additionally, the form will be updated to include a space for the student treasurer for the club to sign the form.

- The Extraclassroom Treasurer did not provide club balance information to the faculty advisors to allow them to agree their records to the District's.

Risk Assessment Update – April 2014

The Central Treasurer plans to implement this recommendation at the end of the school year. The procedure will be for the Central Treasurer to print balance information for each club and have the club advisor sign the confirmation and return it.

High School Extraclassroom Activities

- While the basic structure of the extraclassroom clubs did appear to be in agreement with the state requirements there were several items worth noting:
 - The student treasurers for the clubs did not sign off on the Deposit Forms indicating they were in agreement with the deposit amount.

Risk Assessment Update – April 2014

The Deposit Form is to be updated to include a space for the student treasurer of the club to sign off on the deposits.

- The Deposit Form did not contain a space large enough to record an adequate description for deposits. Descriptions for the deposits were not detailed to determine if the deposit was complete. In addition, the form did not contain a space for the student treasurer to sign off on the deposit.

Risk Assessment Update – April 2014

The new deposit form will be implemented during the end of the 2013-14 school year. Additionally, procedures for the Club Advisors will be drafted to accompany this form.

- During our review of a few receipts, we noted a deposit from the prior spring that was held by the advisor and not deposited until September.

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Risk Assessment Update - April 2014

Funds are timely deposited. We reviewed a few receipts from this year and did not note any exceptions.

- There is a club with no student activity (Caps & Gowns).

Risk Assessment Update - April 2014

No change.

- A club for collecting SAT and PSAT test money that was setup a few years ago still exists with a balance of \$5,500. The Central Treasurer informed us that she spoke to the principal regarding this account, but had not been given any direction on what to do with the funds.

Risk Assessment Update - April 2014

The account still exists; however, the balance from the account is being used as a fund for students who need financial assistance with college application fees.

PERFORMANCE REVIEWS

During our review, we noted that annual performance evaluations were not performed for all employees during the 2010-11 fiscal year. An annual review is important to provide written feedback to employees regarding performance.

We recommended that the District develop procedures to ensure that all employees were reviewed in accordance with the related collective bargaining agreements and state regulations, and that all employees be formally reviewed at least annually. A list of employees not reviewed would be maintained by the appropriate assistant superintendent and the appropriate administrators would be advised when reviews are due.

Risk Assessment Update - April 2013

This had not been implemented.

Risk Assessment Update - April 2014

The District is implementing a plan to require administrators to review non-certified staff each year by June 30. The expectation is that all non-certified staff will receive a performance evaluation by this June 30, and annually thereafter. This process will be monitored by the Business Office.

EXTRACLASROOM ACTIVITY FUND REPORTS

We noted that the District did not prepare a quarterly fiscal report related to the Extraclassroom Activities Fund as per Commission of Education regulation CR §172.3(b). We recommended that the District implement procedures to require the Central Treasurer to prepare a quarterly Extraclassroom Activity Fund Report for submission to the Board in compliance with CR §172.3(b).

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Risk Assessment Update - April 2013

This had not been implemented. We understood that the Treasurer was reviewing the financial reports provided to the Board.

Risk Assessment Update - April 2014

The District Treasurer will work with the extraclassroom treasurers to prepare a quarterly Extraclassroom Activity Fund Report commencing with the quarter ending June 30th.

PURCHASING

(From AUP Report dated January 10, 2013 and one comment from Risk Assessment Report dated May 15, 2012)

Invoices Exceeding the Purchase Order

We recommended that procedures be documented as to what amount of increase to a purchase order (PO) warrants the Purchasing Agent's review, and procedures be in place to communicate the increase with the requisitioner and departmental approver.

Risk Assessment Update - April 2013

This had been partially implemented. A form had been implemented at the start of the school year, which required the department head to document the reason when the invoice date was prior to the PO date. This completed form is returned to the Accounts Payable (AP) Clerk and a copy is sent to the Assistant Superintendent for Business. The form was completed by the AP Clerk and sent to the department head if the invoice amount exceeded the PO amount. No formal procedure had been documented as to what amount of increase to a PO warranted the Purchasing Agent's review and approval. This issue should be documented in the purchasing regulations.

Risk Assessment Update - April 2014

There has been no change in the procedure.

INFORMATION TECHNOLOGY

Access Changes

We recommended the District formalize a timely notification process for informing the Information Technology (IT) Department about new hires, terminations, leaves of absence and students entering and leaving the District so that the IT Department can add, change or remove security clearance to the respective systems.

Risk Assessment Update - March 2011

We were told that communications had improved significantly related to granting and removing access to and from the District network. However, formal procedures had not been implemented. We recommended that procedures be put into place to ensure access changes were processed on a timely basis after receipt of authorization from appropriate personnel.

PELHAM UNION FREE SCHOOL DISTRICT
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Risk Assessment Update - March 2012 - March 2014

In 2012, the Director of Information Technology had drafted a proposed procedure to address these issues, but it has not been implemented.

CAPITAL ASSETS

The District did not have adequate procedures in place to ensure assets are tagged, accounted for and recorded in the district-wide register of assets. There had been significant changes in Business Office staff and this area had not been adequately addressed.

We understood that the Treasurer would be assigned to develop procedures to ensure assets are tagged, and recorded in the District's asset register on a timely basis.

Risk Assessment Update - March 2012

There was to be a full fixed inventory performed this year. We discussed the need to evaluate the results of this inventory by comparing the items identified in the physical inventory to the district-wide records. In addition, we discussed the need to develop and implement procedures that can be used as soon as the inventory is complete to systematically account for capital assets.

Risk Assessment Update - April 2013

This had not been implemented. During our engagement we worked with the Treasurer to develop an outline of procedures to help ensure all items were properly identified, tagged and accounted for.

Risk Assessment Update - April 2014

The District had a full physical inventory conducted during the 2013-14 school year. Additionally, the Staff Assistant - Accounting and Finance in conjunction with the District Treasurer has begun work to review purchase orders for the 2013-14 school year to ensure that all items are identified, tagged and accounted for. Formal procedures for the capital asset administration, which will identify roles and responsibilities, still needs to be developed.

BENEFITS

(From the AUP report related to benefits-Dated November 27, 2013)

Invoice Documentation

The Junior Accountant would attach each reconciliation to the respective invoice as documentation to the invoice amount. The invoice, along with the reconciliation, would then be forwarded to the Assistant Superintendent for Business for review and approval.

Risk Assessment Update - April 2014

Not implemented.

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Checklist for First Payroll

A checklist would be prepared for the tasks required to be completed for the first payroll of each fiscal year (July and September). This checklist would be completed by one employee and reviewed and approved by another employee. This would help ensure that all items associated with the first payroll of the year had been addressed.

Risk Assessment Update - April 2014

A payroll calendar has been established detailing which bargaining units are to be paid each pay period; including any special payouts, during that pay period. Additionally, any other activities (i.e. FSA open enrollment) were included on the calendar as a reminder. We continue to recommend that a checklist be developed for the initial payrolls of each year that can be used to help ensure that no process or adjustments have been omitted.

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (CLOSED ITEMS)

PAYROLL

There was no formal process for the Junior Accountant to be notified by Personnel of an employee returning from leave to enter the employee back on to payroll; and if necessary take the leave replacement off of payroll timely. The Personnel Clerk maintained a leave of absence calendar, which is updated; however, there was sometimes a short-time lag of the Junior Accountant being notified of an employee returning from a leave. This had not resulted in any payroll adjustments.

Risk Assessment Update - April 2014 (This issue is now closed)

The Payroll Clerk has instituted a procedure whereby she will call the building if she needs confirmation that the employee has returned from leave.

BUSINESS OFFICE RECEIPTS

During our review, we noted that the receipts log maintained in the Business Office was not being prepared on a timely basis and as a result the effectiveness of the procedure was limited.

We recommended that a three-part receipt book be maintained in the Business Office. When checks or cash are received the Clerk should record the receipt in the receipt book. One copy of the receipt stays in the book, one part accompanies the deposit and the third copy is returned to the person making the deposit (if appropriate). The copy of the receipt that remains in the book effectively becomes the "receipts log." On a regular basis, these receipts should be compared to actual deposits to ensure that the funds received were actually deposited in the bank.

Risk Assessment Update - April 2013

This was partially implemented. A cash receipts book had been implemented. However, it was only a two-part receipt. One copy stayed in the book and one copy was sent to the Treasurer. The Clerk continued to make a copy of the deposit form accompanying the deposit and returned this to the person making the deposit as a receipt.

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Risk Assessment Update – April 2014 (This issue is now closed)

The procedure remains the same; however, the Staff Assistant-Accounting and Finance has begun to keep a log of all receipts coming into the District and this log records the sequentially issued receipt.

SPECIAL EDUCATION
(From the AUP report related to Special Education- Dated January 10, 2013)

STAC Filings

The District needed to assign a person to review the calculation of all STAC filings to ensure that they were complete and accurate. A copy of all STAC filings and any back-up documentation would be maintained at the District. The District would consider re-calculating the amounts of certain STAC forms, to ensure the filing was accurate.

Risk Assessment Update – April 2014 (This issue is now closed)

The District has begun to maintain files to support the STAC filings, and the Assistant Superintendent for Business reviews the calculation of a sample of the STAC forms.

Reclassification of Expenditures

We recommended the District reclassify the salary expenditure for therapists from Pupil Services to Special Education.

Risk Assessment Update – April 2014 (This issue is now closed)

This has been implemented.

Contract Purchasing Process

We recommended the District consider changing its contracting purchasing timeline to reduce the number of confirming POs. Upon Board of Education approval of the students' IEPs; the Special Education Department would open a PO requisition to encumber the funds. Additionally, the Special Education Department would work with Special Education vendors to create contracts; these draft contracts would be approved by the Assistant Superintendent for Business prior to being placed on an agenda for Board approval. The District would continue the practice of not paying a vendor until the contract was approved by the Board of Education.

Risk Assessment Update – April 2014 (This issue is now closed)

This has been implemented.

**PELHAM UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)**

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Wording in Contracts

We recommended the District include a "not to exceed amount" in the Board agendas for approval of Special Education contracts.

Risk Assessment Update – April 2014 (This issue is now closed)

This has been implemented.

BENEFITS

(From the AUP report related to benefits-Dated November 27, 2013)

Change in Accounting

We recommended that the District consider accounting for the reimbursement of health insurance from retirees as a reduction of health care expenditures as opposed to a source of funding.

Risk Assessment Update – April 2014 (This issue is closed)

This was implemented during the 2013-14 school year.

Accounts Receivable Module

We recommended that the District consider implementing the Accounts Receivable module of Finance Manager to improve the efficiency and internal controls related to District billings. The AR module would improve segregation of duties as one employee would prepare the billings and another employee would mark the invoices paid.

Risk Assessment Update – April 2014 (This issue is now closed)

The District has decided to wait until it implements N-Vision, the latest version of Finance Manager, before implementing this recommendation.

Review of Matrix Calculations for Retiree Billings

The District would require that one person clearly document the calculations in the matrix for the retiree billings and a second person review and approve the matrix as the calculations were complex and varied in each bargaining unit contract.

Risk Assessment Update – April 2014 (This issue is now closed)

The Staff Assistant-Accounting and Finance prepared calculations in the matrix for retiree billings; the Junior Accountant is in the process of reviewing these calculations.

**PELHAM UNION FREE SCHOOL DISTRICT
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Retirees Turning 65 Years Old

We recommended the District would review the system of billing retirees that turned 65 years old during the year to ensure refunds due the retiree were identified and processed on a timely basis.

Risk Assessment Update – April 2014 (This issue is now closed)

This has been implemented. The Staff Assistant-Accounting and Finance has developed a procedure to maintain a list of retirees turning 65 years old during the year and she compares it to the list received by SWSCHP. A letter is sent to the retiree requesting a copy of the Medicare Part B card; prior to the employee turning 65 years old.

Medicare Part B

We recommended the District consider clearly documenting the District's requirements with respect to the reimbursement of Medicare part B during the next contract negotiations with the bargaining units.

Risk Assessment Update – April 2014 (This issue is now closed)

This recommendation will be considered by the District during contract negotiations.

Change in Contract Language

We recommended the District consider adding wording to bargaining unit contracts during the next contract negotiations, which required employees to be responsible for any additional cost above the SWSCHP rate.

Risk Assessment Update – April 2014 (This issue is closed)

This recommendation will be considered by the District during contract negotiations.

Retiree who Retired During an Expired Contract

The District would work with its attorney to determine if it was appropriate for the retiree, who retired during an expired contract, to continue to not contribute towards the cost of health insurance in retirement. If it was determined that the retiree would contribute the appropriate percentage toward health insurance, the District would review the employee files to determine if any other such cases existed.

Risk Assessment Update – April 2014 (This issue is now closed)

The District worked with its attorney to document in a side letter that the retiree would continue to not contribute to health insurance in retirement. The District determined that this scenario affected one other retiree who was also included in the side letter. The Board of Education approved this solution through a resolution.

