



MPCS • EDENWALD

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TO: Board of Education

FROM: Angelo M. Rubbo, Assistant Superintendent For Business *A.M.R.*

DATE: December 6, 2019

RE: Corrective Action Plan – Financial Statements

Below is the Corrective Action Plan for the Audited Financial Statements for the year ending June 30, 2019.

Outstanding Payroll Checks – “During the audit, we noted that there is an unreconciled difference of \$5,523 in the payroll bank account. The amount appears to represent outstanding, uncleared checks that date back in excess of five years. Per conversation with the School District’s Treasurer, they have been unable to identify details of these checks as they have not only pre-date the current financial accounting system but also were drawn on a bank no longer utilized by the School District.”

Action Plan – The district will write off these checks and return the amounts to our fund balance for the 2020 fiscal year.

Segregation of Duties – “During our audit, we noted that an employee who processes claims also has the ability to add, modify or delete vendors from the accounting system. It was further noted that the employee who enters and processes cash transactions also performs the bank reconciliations.”

Action Plan – Due to the limited number of people working in the office, many critical duties are combined to the three office staff. The District mitigates the segregation of duties issue by having checks and balance with the Business Official and Superintendent reviewing and approving daily office tasks. We will review responsibilities within the office to minimize segregation of duty issues.

Special Purpose Fund – “The Special Purpose Fund is provided to account for assets held by the School District as trustee or agent for individuals, private organizations, other governmental units, and/or funds. During the course of the audit, we noted that several accounts, with aggregate ending balances of approximately \$787 remained inactive for the entire year.”

Action Plan – We will review the purposes of these bequests for the proper disbursement of funds. If we find the funds are no longer required to be held in a trust we will present a resolution to the Board of Education requesting the funds be transferred to the General Fund.

cc: Mr. Stephen Beovich, Interim Superintendent of Schools
Ms. Sandra Shymonowiz, District Treasurer
Scott Oling, Internal Auditor