

October 1, 2013

Highland Central School District

AGENDA

Board of Education Meeting

Tuesday, October 1, 2013

6:00 pm Executive Session in District Office

7:00 pm Open Meeting to be held in the High School Cafeteria



EXECUTIVE SESSION: (Pending on Board Approval)

BE IT RESOLVED, that the Board of Education of the Highland Central School District conduct an Executive Session to discuss the following topics:

- Collective Negotiations pursuant to Article 14 (Taylor Law) of the Civil Service Law;
- The Medical, financial or credit, employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS:

Any topic related to the agenda may be addressed except for personnel or specific student issues.

Protocol for Public Comment:

The school board encourages public participation at its meetings. To allow for efficiency in conducting meetings and to give each speaker a fair opportunity to present his/her views the following shall apply to the public speaking portion of the agenda.

- *Each speaker shall state their name;*
- *Any questions/concerns be submitted in writing with speaker's contact information (name/address/phone number);*
- *Each speaker shall be limited to a time agreed upon by the Board;*
- *The Board will not permit discussion involving individual personnel or students;*
- *Direct all remarks to chair. Community members may not poll individual Board members nor debate other community members in attendance.*

Members of the community are encouraged to also present their comments in writing. Undue interruption or other interference with the orderly conduct of the Board of Education business will not be allowed. Defamatory or abusive remarks are always out of order.

SPECIAL PRESENTATION:

Recognition of retired Town of Lloyd Assessor, Elaine Rivera and introduction to appointed Jennifer Mund (replacing Elaine Rivera).

ACCEPTANCE OF REPORTS:

BE IT RESOLVED that the Board of Education acknowledges reviewing the following reports:

- a) Board of Education Meeting Minutes – September 3, 2013 & September 17, 2013

DIRECTORS' REPORTS:

Each month the Directors of Technology, Food Service, Transportation, Buildings & Grounds, and Athletics will provide the Board with a written update.

PERSONNEL:

a) **Extra-Curricular Appointments - Middle School**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the following faculty members for the extra-curricular and club advisors for the positions at the Highland Middle School for the 2013-2014 school year:

Suzanne Faugno – Yearbook Advisor	\$ 728.00
Jordan Chen – Yearbook Co-Advisor	\$ 728.00
Suzanne Faugno – Reading Club	\$ 425.00
Christina Osburn – Art Club	\$ 941.00
Christina Osburn - Peer Leadership Advisor	\$ 1,214.00
Kelly Santana – Multicultural Club	\$ 935.00
Christina Osburn – Team Leader	\$ 1,366.00
Kevin Rizzo – Team Leader	\$ 1,366.00
Barry Ranalli – Team Leader	\$ 1,366.00
Jennifer Bertone – Team Leader	\$ 1,366.00
Lisa Paradies – National Junior Honor Society	\$ 522.00
Jeff DiMaio – Musical Music Director & Musical Play Director	\$ 2,550.00
Carole Delia – Team Leader	\$ 1,366.00
Barry Ranalli – School Store Advisor	\$ 1,299.00
Alicia Reina – Special Ed. Coordinator (6-8)	\$ 1,366.00

b) **Extra-Curricular Appointments – High School**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the following faculty members for the extra-curricular and club advisors for the positions at the Highland High School for the 2013-2014 school year:

<u>Extra-Curricular</u>	<u>Appointments Name</u>	<u>Stipend</u>
Art Club	TBD	\$ 941.00
French Club	Lionel Heath	volunteer
Gay/Straight Alliance	Gina Mosimann	\$ 953.00
Interact Club	John Manganiello	volunteer
Junior High School Play	Krista Petrosoff	\$1,372.00
Senior High School Play	Krista Petrosoff	\$1,372.00
Math Team	Christopher Cozzolino	\$ 850.00
Mock Trial	Chris Sgro	\$ 850.00

Multicultural Club	Laura Simpson	\$ 467.50
Multicultural Club	Regina Reilly	\$ 467.50
Musical Music Director	Lynda Keech	\$ 935.00
Musical Play Director	Lynda Keech	\$1,615.00
National Honor Society - Co	Christina Saylor	\$ 261.00
National Honor Society – Co	Maureen Pesano	\$ 261.00
Peer Leadership Advisor	Denise Santangelo	\$1,214.00
Peer Mediation	Shawna Sylvestre	\$1,214.00
SADD	Ela Skrabak	\$ 456.00
SADD	Cathy Bowman	\$ 456.00
Science Olympiad	Christopher Sgro	\$ 426.00
Science Olympiad	Christopher Cozzolino	\$ 426.00
School Newspaper	Josh Tatum	\$1,299.00
Student Council	Ela Skrabak	\$ 649.00
Student Council	Stefanie Whiston	\$ 649.00
Washington Club	Lionel Heath	volunteer
Yearbook	Josh Tatum	\$ 886.50
Yearbook	Corey Miller	\$ 886.50
Freshmen Class Advisor	John McFarland	\$ 728.00
Freshmen Class Assistant	Corey Miller	\$ 522.00
Sophomore Class Advisor	Lisa Otis	\$ 728.00
Sophomore Class Assistant	Laura Simpson	\$ 522.00
Junior Class Advisor	Cathy Bowman	\$ 728.00
Junior Class Assistant	Linda Fonda	\$ 522.00
Senior Class Advisor	Lionel Heath	\$ 728.00
Senior Class Assistant	Chris Sgro	\$ 522.00
Senior Class Assistant	Katie Reid	\$ 522.00
English Department Chair	Krista Petrosoff	\$1,866.00
Foreign Language Dept Chair	Lionel Heath	\$1,866.00
Math Department Chair	Charlie Witte	\$1,866.00
Music Department Chair (K-12)	TBD	\$1,866.00
Science Department Chair	Ela Skrabak	\$1,866.00
Social Studies Dept. Chair	Cathy Gruner	\$1,866.00
Special Education Dept. Chair	Mike Milliman	\$1,866.00
Visual Arts Department Chair (K-12)	Aliza Driller	\$1,866.00
K-12 Music Coordinator	Joseph Martellaro	\$1,366.00
FED Challenge	John Manganiello	volunteer

c) **Coaching Appointments for Winter 2013-2014 Season**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the following coaches for the 2013-2014 winter season:

<u>Sport</u>	<u>Level</u>	<u>Name</u>	<u>Stipend</u>
Boys Basketball	Varsity	Mike Milliman	\$3,436.00
	JV	Brian Bishop	\$2,453.00
	Modified	Paul Latino	\$1,688.00
Girls Basketball	Varsity	Jim Delmar	\$3,436.00

	Varsity	Charles Busick (assistant)	volunteer
Girls Basketball	JV	Matthew VanVoorhis	\$2,453.00
	Modified	Zack Helmer	\$1,688.00
Girls & Boys Bowling	Varsity	Theresa Eckert (Co-Coach)	\$ 946.00
		Zach O'Connell (Co-Coach)	\$ 946.00
Wrestling	Varsity	John McFarland	\$3,436.00
	Varsity	Justin Signorello (Assistant)	\$1,979.00
	Modified	Mike Bianco	TBD
Cheerleading	Varsity	Tabitha Jones	\$1,892.00

d) **Sports Team Mergers**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the following varsity team merges:
 Winter 2013-2014 Merge with Marlboro for boys & girls' varsity bowling
 Winter 2013-2014 Merge with Marlboro and FDR for boys' varsity swimming
 Spring 2014 Merge with Marlboro boys' varsity lacrosse

e) **Temporary Leave Request**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the request for a "leave without pay" from the following individual:

Isidoro Fattore

Position: 7th and 8th Grade English Teacher

Effective: Immediately until the end of school year 2013-2014

f) **Resignation**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the resignation from the following individual:

Vicki Boyette

Position: School Monitor P/T

Effective: September 3, 2013

g) **Leave of Absence**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the request for a leave of absence from the following individuals:

Sarah E. Dudley-Lemek

Position: Assistant Principal at High School

Effective Date: October 2, 2013 – October 1, 2014

Purpose: To accept position as Assistant Superintendent at Highland Central School District

Linda M. Calvo

Position: School Bus Driver

Effective Date: June 30, 2013

Purpose: To accept a full time position as Dispatcher

h) **Salary**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the agreed salary amount for the following individual:

Wade C. Sargent / \$26,000

i) **Tenure Appointment**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the tenure appointment for the following individual:
Magali Crocitto

Tenure Area: Teacher Assistant

Effective: October 6, 2013

j) **Mentors**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the following mentors:

Mark Chiarieri / \$1,000.00

Kelly Santana / \$1,000.00

Alicia Reina / \$1,000.00

Nancy Jensen / \$1,000.00

Lionel Heath / \$1,000.00

Cathy Bowman / 1,000.00

k) **Appointments**

BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the appointments for the following individuals with an Emergency Conditional Appointment consistent with SAVE legislation requirements:

Linda Calvo

Position: School Bus Dispatcher

Salary: HELPA/, Grade TBD, Step 5 / \$38,592

Effective Date: July 1, 2013

Probationary Period: N/A until civil service exam is taken

Purpose: New Position

Heather Bragg

Position: School Counselor

Salary: MA30 Step 2 / \$53,417

Effective Date: September 1, 2013

Probationary Period: September 1, 2013 – February 1, 2015

October 1, 2013

Tenure Area: School Counselor
Purpose: Replacing resignation

Vanessa Pratts
Position: School Counselor
Salary: MA Step 1 / \$47,175 pro-rated
Effective Date: October 7, 2013 – June 30, 2014
Purpose: Replacing counselor on maternity leave

Sarah E. Dudley-Lemek
Position: Interim Assistant Superintendent
Salary: HAA / \$100,000 pro-rated
Effective Date: October 2, 2013 – October 1, 2014
Tenure Area: School District Administrator
Purpose: Replacing resignation

STUDENT REPRESENTATIVE OATH OF OFFICE & COMMENTS

District Clerk will administer Oath of Office to student representative, Priyanka Dongare.

BUSINESS AND OPERATIONS:

- a) **Aged-Exemption** – Discussion about the potential modifications to the sliding income scale in regards to Real Property Tax §467.
- b) **Surplus**
BE IT RESOLVED that the Board of Education, upon the recommendation of the Superintendent of Schools, approves the following to be declared as surplus AND disposed of in the most cost effective manner:
Edscorp 7" Telescope
Reason: Missing at least its Orion E2 Finder and Sirius Eyepiece
- c) **Financial Statements and Extra Classroom Activity Fund Statements Year Ended June 30, 2013**
- d) **Arlington CSD – Health & Welfare Contract**
BE IT RESOLVED that based upon the recommendation of the Superintendent of Schools the Board of Education approves the 2012-2013 health & welfare contract for forty-two (42) students at a cost of \$533.79 per student for a total of \$22,419.18 with the Arlington Central School District and authorize the Board President and District Clerk to execute the contract.
- e) **Audit Findings & Corrective Action Plan**
BE IT RESOLVED that the Board of Education based upon the recommendation of the Superintendent of Schools accepts the External Auditor's Report and the

Corrective Action Plan for the period ending June 30, 2013 after being reviewed by the District's Audit committee.

FURTHERMORE BE IT RESOLVED that the Board of Education based upon the recommendation of the Superintendent of Schools accepts the Internal Auditor's Risk Assessment and the Corrective Action Plan for the period ending June 30, 2013 after being reviewed by the District's Audit Committee.

SUPERINTENDENT COMMENTS

BOARD OF EDUCATION:

New Business:

- a) **Agreement between Highland Central School and Marlboro Central School Shared Services**
Be it resolved that upon the recommendation of the superintendent of schools, the Board of Education authorizes the Board President to sign Municipal Cooperation Agreement for Shared Services with the Marlboro Central School District for the 2013-2014 school year.
- b) **UCSBA Meeting** - Thursday, October 10, 2013 at 6 p.m
- c) **Memorandum regarding Parental APPR disclosure requirements pursuant to Education Law Section 3012-c(10)**
- d) **APPR Supplemental Memorandum of Agreement with HTA**
BE IT RESOLVED that the Board of Education hereby approves the terms of a Supplemental Memorandum of Agreement dated October 1st, 2013 between the Highland Central School District and the Highland Teachers' Association regarding Annual Professional Performance Review for classroom teachers covered pursuant to Education law Section 3012-c and Part 30- 2.5 of the Regents' Rules. A copy of said Supplemental Memorandum of Agreement, as presented to the Board at this meeting, shall be incorporated into the District's APPR Plan Document and incorporated by reference within the minutes of this meeting.
- e) **Resolution to Authorize the Execution of the District APPR Certification Form**
BE IT RESOLVED that the Board of Education hereby authorizes the Board President and Superintendent of Schools to sign the District Certification Form for submission and resubmission, to the extent necessary, of the District's 2013-2014 APPR Plan Document for teachers and building principals covered pursuant to Education Law Section 3012-c and Part 30-2.5 to the State Education Department.
- f) **Affordable Care Act: "Exchange Notice"**
- g) **Correspondence** – Any correspondence received by the Board may be discussed.

October 1, 2013

h) **Future BOE Agenda Items**

Old Business:

a) **Adoption of the 2013-2014 Code of Conduct – 2nd Reading**

BE IT RESOLVED that the Board of Education upon the recommendation of the Superintendent of Schools adopts the 2013-2014 Code of Conduct.

b) **Athletic Code of Conduct Policy** – Discussion

c) **Capital Project** – Discussion

d) **Board Priorities**

- 1) Improving Building Facilities;
- 2) Education Improvement;
- 3) Improving Community Relations;
- 4) Improving Fiscal Fitness

PUBLIC COMMENTS: Any topic related to the agenda may be addressed except for personnel or specific student issues.

EXECUTIVE SESSION: Anticipated upon Board approval

RESOLVED, that the Board of Education of the Highland Central School District conduct an Executive Session to discuss the following topics:

1. _____ Matters which will imperil the public safety if disclosed;
2. _____ Any matter which may disclose the identity of law enforcement agent or informer;
3. _____ Information relating to current or future investigations or prosecution of criminal offices, which would imperil effective law enforcement if disclosed;
4. _____ Discussions regarding proposed, pending, or current litigation;
5. x Collective Negotiations pursuant to Article 14 (Taylor Law) of the Civil Service Law;
6. x The Medical, financial or credit, employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;
7. _____ The preparation, grading or administration of examinations;
8. _____ A proposed acquisition, sale, or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

ADJOURNMENT

2013 FALL TEAM TOTALS

Sport	Level	Total / Team
BOYS GOLF	V	7
BOYS SOCCER	V	20
CHEERLEADING	V	24
CROSS COUNTRY	V	10
FOOTBALL	V	44
GIRLS SOCCER	V	17
GIRLS SWIMMING	V	3
GIRLS TENNIS	V	10
VOLLEYBALL	V	12
FOOTBALL	JV	44
BOYS SOCCER	JV	18
GIRLS SOCCER	JV	20
VOLLEYBALL	JV	11
BOYS SOCCER	M	22
FOOTBALL	M	55
GIRLS SOCCER	M	21
VOLLEYBALL	M	16

Total Var	147
Total JV	93
Total Mod (MS)	114

Total VJV (HS)	240
Total all teams	= 354

% MS students	26%	114/437
% HS students	41%	240/581

*Note modified = 7th/8th grade only

Highland Central School District

Pete Watkins, Athletic Director
845-691-1031
FAX 845-691-1033

To: Mrs. Haab
From: Pete Watkins
Date: September 26, 2013
Subject: Board Update

- All fall sports teams have been selected and have started their seasons.
- Presently the Varsity and Junior Varsity Football teams are undefeated.
- There are two students participating in fall sports under the guide lines of Selection Classification. One student plays on the Varsity Golf team. The other plays for the Girls Junior Varsity Soccer team.
- There are 240 students active in Varsity and Junior Varsity sports.
- There are 114 students active in Modified sports.
- The local Pop Warner program will be recognized during the October 11th Varsity football game at Highland High School.
- The Black and Blue football game will take place on October 25th at 7:00 pm at the Highland High School.

Thank you,

PW/em

Daily Fall Sports Practice Schedule

Week of Sept. 30 – Oct. 6, 2013

Team	Mon-30	Tu-1	Wed-2	Th-3	F-4	Sat-5	Sun-6
Cheer-leading	Off	3:15-6:00 ES Bus 3:00 Trip# 1824	3:15-5:30 ES Bus 3:00 Trip# 1828	3:15-6:00 ES Bus 3:00 Trip# 1830	6:30@ New Paltz HS Bus 4:00 Trip# 1714	Off	Off
Cross Country	3-4:30	4:15@ Ogden Mills St Park Bus 2:30 Trip # 1825	3-4:30	3-4:30	3-4:30	Off	Off
Football (Var)	3-5:00	3-5:00	3-5:00	3-5:00	6:30@ New Paltz HS Bus 4:00 Trip#1714	Off	Off
Football (JV)	3-5:00	3-5:00	3-5:00	3-5:00	4:00 (HHS) New Paltz	Off	Off
Boys Golf	3:15 (A Greens GC) FDR, Hyde Park Bus 2:30 Trip# 1822	3-4:00 (A Greens GC) Red Hook Bus 2:30 Trip#1825	3-5:00 A Greens Golf Course	4:15@ Rondout Co Bus 2:30 Trip#1831	3-4:00 A Greens driving range	Off	Off
Soccer: Boys Var	3-5:00	4:15@ Wallkill HS Bus 2:30 Trip #1824	2:30-4:00	4:15 (HHS) FDR	3-5:00	8-10:00	Off
Soccer: Boys JV	3-5:00	4:15@ Wallkill HS Bus 2:30 Trip 1824	2:30-4:00	4:15 (HHS) FDR	3-5:00	8-10:00	Off
Soccer: Girls Var	4:15@ Wallkill HS Bus 2:30 Trip # 1702	3-5:00	4:30 (HHS) FDR	2:30-4:00	3-5:00	10:00-12:00	Off
Soccer: Girls JV	4:15@ Wallkill HS Bus 2:30 Trip# 1702	3:15-5	4:30 (HHS) FDR	2:30-4:00	3:15-5:00	10:00 (HHS) O'Neill HS	Off
Girls Tennis	Practice TW Park 3:30-5:00 Bus 3:00 Trip# 1827	Practice TW Park 3:30-5:00 Bus 3:00 Trip#1824	4:15 (Tony Wm Park) w/Spackenkill Bus 3:00 Trip#1828	Practice TW Park 3:30-5:00 Bus 3:00 Trip# 1830	Practice TW Park 3:30-5:00 Bus 3:00 Trip# 1832	Off	Off
Volleyball Var	4:15@ FDR HS Bus 2:30 Trip# 1714	3-4:30	4:15@ John A Coleman HS Bus 3:00 Trip#1824	4:15 (HHS) Wallkill	3-4:30	11-1:00	Off
Volleyball JV	4:15@ FDR HS Bus 2:30 Trip# 1714	4:30-6	OFF	4:15 (HHS) Wallkill	4:30-6	11-1:00	Off
Girls Swimming	2:45-5:00 Marlboro HS Bus 2:15 Trip# 1767	4:30 Meet w/New Paltz@ Marlboro HS Bus 2:15 Trip# 1769	2:45-5:00 Marlboro HS Bus 2:15 Trip#1833	2:45-5:00@ Cornwall Marlboro HS Bus 2:15 Trip# 1770	2:45-5:00 Marlboro HS Bus 2:15 Trip#1771	8-10:00 Marlboro HS	Off
Soccer: Boys Mod	3:30 (HMS) New Paltz	3:30-5:00	3:30-5:00	3:30-5:00	3:30-5:00	10:00@ Ellenville (Leipold Field) Bus 8:15 Trip#1714	Off
Soccer: Girls Mod	3:30 (HHS) New Paltz Bus 2:45 Trip# 1821	2:45-4:30	2:45-4:30	2:45-4:30	2:45-4:30	10:00@ Ellenville (Leipold Field) Bus 8:15 Trip#1714	Off
Football: Mod	3-5:00	4:15 (HMS) FDR	3-5:00	3-5:00	3-5:00	Off	Off
Volleyball: Mod	3:30-5:00	3:30-5:00	4:30 (HMS) New Paltz	3:30-5:00	3:30-5:00	Off	Off

H = Home event

@ = Away event

HIGHLAND CENTRAL SCHOOL DISTRICT

Business Office, 320 Pancake Hollow Road, Highland, New York 12528
Phone: (845) 691-1008 ~ Fax: (845) 691-1003

TO: Deborah Haab, Superintendent of Schools
FROM: Louise M. Lynch, School Business Administrator
DATE: September 26, 2013
RE: **Audit Findings & Corrective Action Plan**

Louise M Lynch

Attached is the finalized external audit report for the fiscal period ending June 30, 2013 which was presented by Alec Sorbin to the Board earlier this month. You will also find the corrective action plan addressing the solutions and timeline to mitigate the areas identified.

Please place the following resolution before the Board at the next regularly scheduled board meeting:

BE IT RESOLVED that the Board of Education based upon the recommendation of the Superintendent of Schools accepts the External Auditor's Report ***and*** the Corrective Action Plan for the period ending June 30, 2013 after being reviewed by the District's Audit Committee.

FURTHERMORE BE IT RESOLVED that the Board of Education based upon the recommendation of the Superintendent of Schools accepts the Internal Auditor's Risk Assessment ***and*** the Corrective Action Plan for the period ending June 30, 2013 after being reviewed by the District's Audit Committee.

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MEMORANDUM

**TO: BOARD OF EDUCATION MEMBERS
SUPERINTENDENT OF SCHOOLS**

FROM: SHAW, PERELSON, MAY & LAMBERT, LLP

RE: APPR PARENTAL DISCLOSURE REQUIREMENTS

DATE: SEPTEMBER 18, 2013

Under Education Law § 3012-c(10), parents and legal guardians are entitled to receive the previous year's composite score and composite effectiveness rating for the teacher(s) and building principal currently linked with their students. The attached policy, form and notice have been developed to facilitate compliance with the requirements of Education Law § 3012-c(10) and SED's recently updated APPR Guidance Document.

Education Law § 3012-c(10)(b) mandates that districts shall disclose and release the previous school year's final composite rating and effectiveness score of the teacher(s) and building principal of a student to the student's parents or legal guardians upon request. However, Education Law § 3012-c(10)(c) prohibits the release of APPR information that is personally identifiable, except the data that must be released under Education Law § 3012-c(10)(b). Therefore, parents and legal guardians may not receive the scores or ratings of teachers and principals not currently

linked with their student(s) and personally identifiable APPR information may not be disclosed to the general public.

The State Education Department has tasked districts with creating and implementing a policy to inform parents and legal guardians of their right to access information and establish avenues through which information can be requested and the validity of requests verified. In order to assist in this endeavor, we have developed the attached policy, with its attendant exhibits.

Notice

The notice informs parents and legal guardians of their right to access to the relevant information. The notice complies with Education Law § 3012-c(10)(b), which states:

“The governing body of each school district and board of cooperative educational services shall provide conspicuous notice to parents and legal guardians of the right to obtain such information.”

To fully comply with Education Law § 3012-c(10)(b), the Notice must be posted in conspicuous locations. We recommend that the Notice be posted on the District Website, bulletin boards, and other locations where districts routinely place notices in order to satisfy this requirement.

Form

The attached form may be made available to parents and legal guardians to use when requesting their student's teacher(s) and building principal APPR information. Education Law § 3012-c(10)(b) provides the following:

“Parents and legal guardians may review and receive such data in any manner, including by phone or in person.”

Therefore, while the form may be made available and parents and legal guardians may be encouraged to use it, District personnel must honor requests through other mediums (e.g., via telephone, in person). Because parents and legal guardians are not required to fill out a form in order to request information, designated District personnel should collect the information of individuals who refuse to fill out the form in another manner (e.g., via telephone), and document receipt of the information necessary to verify the request.

Additionally, the law tasks districts with developing appropriate confidentiality procedures to vet requests and ensure that APPR scores and quality ratings are only disseminated to entitled parties. Because APPR information is exempt from FOIL under § 3012-c(10)(c) and parents and legal guardians may only view the scores and ratings educators currently linked with their students, districts must verify that the source requesting the information is entitled to receive it. Education Law § 3012-c(10)(b) states:

“Reasonable efforts shall be made to verify that any such request is a bona fide request by a parent or guardian entitled to review and receive such data pursuant to this paragraph.”

The form serves as a template for obtaining the information necessary to verify entitlement to the scores and rating. Additionally, the form contains a notice that parent or guardians are expected to honor the privacy rights of the teacher or principal pursuant to Education Law § 3012-c.

In order to encourage use of the form, we recommend it be made available on the District Website, as well as other places where District forms are available, and where the notice is posted to the extent practicable. Both the notice and the form contain blank items, where your District must make decisions about where and how the relevant material will be made available and which personnel will be responsible for verifying entitlement, providing information, and explaining the data and scores, when necessary.

Finally, please be mindful that an APPR composite score and effectiveness rating is not a “final” rating subject to disclosure hereunder until such time that an appeal has been concluded for a professional educator with a right to appeal his/her score, or until the timeframe for filing an appeal has elapsed and the professional educator has failed to timely file an appeal, thereby waiving his/her right.

**PARENTAL RIGHTS TO ANNUAL PROFESSIONAL PERFORMANCE REVIEW
COMPOSITE SCORES & QUALITY RATINGS UNDER EDUCATION LAW SECTION 3012-c**

In accordance with the provisions of Section 3012-c (10)(b) of the Education Law, the Board of Education shall facilitate the disclosure of the Annual Professional Performance Review final quality ratings and numerical composite effectiveness scores of the classroom teachers and building principals to the parents/legal guardians of students under their supervision for the current school year.

In the interest of protecting the privacy rights of the professional educators while facilitating parental access, the District shall require reasonable verification of identity prior to releasing information to parents/legal guardians.

The Superintendent of Schools shall develop a parental notice and information access form that shall be exhibits to this policy and an integral part hereof. The parental notice shall be posted in conspicuous locations within the District and the notice and form shall be made available on the District website.

References: Education Law Section 3012-c(10)
State Education Department Guidance Document, Section "P"

**NOTICE OF THE RIGHT OF PARENTS AND LEGAL GUARDIANS TO RECEIVE ANNUAL
PROFESSIONAL PERFORMANCE REVIEW FINAL QUALITY RATINGS & COMPOSITE
EFFECTIVENESS SCORES PURSUANT TO EDUCATION LAW § 3012-c**

Education Law Section 3012-c prohibits the disclosure of annual professional performance reviews of individual teachers and principals under the Freedom of Information Law (Article 6 of the Public Officers Law).

While this information is not subject to disclosure to the general public, parents and legal guardians of students in the District have rights, upon request, to review and receive the final quality rating (i.e. Highly Effective, Effective, Developing or Ineffective) and composite APPR effectiveness score (0 through 100) of individual teachers and principals to which their children have been assigned for the current school year.

Parents and legal guardians may review and receive this information by mail, by telephone or in person.

Upon request a parent or legal guardian shall be entitled to receive an oral or written explanation of the composite effectiveness scoring ranges for final quality ratings; and be offered opportunities to understand such scores in the context of teacher evaluation and student performance.

The District has a legal obligation to make reasonable efforts to verify that any such request is a bona fide request by a parent or guardian entitled to review and receive such data pursuant to this paragraph. Consequently, we have created a form to be utilized when a parent or legal guardian requests information regarding their child's current teacher(s) and building principal.

This Form is available on the District's website at: _____

In addition, this Form is available at the following building(s):

[INSERT NAME AND ADDRESS OF BUILDING]

If you have any questions regarding this notice, please contact:

[INSERT CONTACT PERSON FOR THE DISTRICT
MAILING ADDRESS AND TELEPHONE NUMBER
AND EMAIL ADDRESS]

**REQUEST FOR RELEASE OF ANNUAL PROFESSIONAL PERFORMANCE REVIEW
FINAL QUALITY RATINGS AND COMPOSITE EFFECTIVENESS SCORES
PURSUANT TO EDUCATION LAW SECTION 3012-c***

Name of Parent(s)/Legal Guardian(s): _____

Name and ID number(s) of student(s): _____

Grade level of student(s): _____

Please write in the spaces provided below the name of the teacher(s) and Grade level/ subject area of instruction each teacher currently provides to the above-named student(s) for each teacher to whom the student is assigned for the current school year for whom you would like to receive the APPR composite effectiveness score and final quality rating:

Name: _____ **Subject Area/Grade Level:** _____

Name: _____ **Subject Area/Grade Level:** _____

Name: _____ **Subject Area/Grade Level:** _____

Name: _____ **Subject Area/Grade Level:** _____

Name: _____ **Subject Area/Grade Level:** _____

Please write in the space provided below the name of the building principal in the building to which the student is assigned for the current school year if you are also requesting his/her final quality rating and composite effectiveness score:

Name: _____ **Building:** _____

I would like to receive the information requested above via (check whichever is applicable):

____ **Regular Mail and my address is:** _____

____ **Telephone and my telephone number is:** _____

____ **In person** [Note: If this option is selected, please provide your telephone number in the space above and the District will contact you shortly after its receipt of this Form to schedule a date and time for a conference.]

PLEASE RETURN THIS FORM TO: [INSERT NAME AND ADDRESS OF DESIGNATED PERSON]

or via email to:

[INSERT EMAIL ADDRESS]

* **Note:** Pursuant to Education Law Section 3012-c, classroom teachers and building principals are entitled to strict privacy rights with respect to the disclosure by the District of the information that will be furnished to you. We are confident that you will respect those privacy rights.

MUNICIPAL COOPERATION AGREEMENT SHARED SERVICES

Whereas, the Board of Education of the Marlboro Central School District, a school district of the state of New York with offices at 21 Milton Turnpike, Suite 100, Milton, New York, 12547 (hereinafter "Marlboro") and the Board of Education of the Highland Central School District, a school district of the state of New York with offices at 320 Pancake Hollow Road, Highland, New York 12528 (hereinafter "Highland") wish to jointly share certain personnel and services; and

Whereas, Marlboro employs a Director of Curriculum and Instruction ("Director of Curriculum") and wishes to allow Highland to share the services of the Director of Curriculum; and

Whereas, Highland employs a Director of Pupil Personnel Services ("Director of PPS") and wishes to allow Marlboro to share the services of the Director of PPS; and

Whereas, Marlboro and Highland (the "Districts") believe that there would be a mutual benefit to creating a relationship between the Districts to share the services of the Director of Curriculum and Director of PPS and wish to enter into a shared services agreement pursuant to Education Law §1981 in order to describe the rights and responsibilities of the respective school districts in sharing these personnel and services;

Therefore, in consideration of the above, Marlboro and Highland agree as follows:

A. Director of Curriculum and Instruction:

1. Marlboro and Highland shall share the services of the Director of Curriculum, a districtwide administrative and supervisory position with duties in the areas of curriculum and instruction. The Director of Curriculum is a tenured employee of Marlboro, with Marlboro being the Principal Employing District. Any decision regarding termination, discipline or tenure of the Director of Curriculum shall be made by Marlboro in consultation with Highland. All services rendered by the Director of Curriculum shall be deemed to be rendered to Marlboro for all purposes including, for example, tenure credit and seniority.
2. The Director of Curriculum shall be assigned approximately .5 to Marlboro and .5 to Highland. The Districts may, however, mutually agree to increase or decrease the percentage of time the Director of Curriculum is assigned to Highland and Marlboro depending upon the needs of each District.

B. Director of Pupil Personnel:

1. Marlboro and Highland shall share the services of a Director of PPS, a districtwide administrative and supervisory position with duties in the areas of special education and pupil personnel services. The Director of PPS is a tenured

employee of Highland, with Highland being the Principal Employing District. Any decision regarding termination, discipline or tenure of the Director of PPS shall be made by Highland in consultation with Marlboro. All services rendered by the Director of PPS shall be deemed to be rendered to Highland for all purposes, including, for example, tenure credit and seniority.

2. The Director of PPS shall be assigned approximately .5 to Highland and .5 to Marlboro. The Districts may, however, mutually agree to increase or decrease the percentage of time the Director of PPS is assigned to Highland and Marlboro depending upon the needs of each District.

C. Both positions:

1. The Principal Employing District, as set forth above, shall be responsible for providing the salary, taxes, benefits and other emoluments of employment of the Director of Curriculum and the Director of PPS, respectively, as well as for maintaining all necessary insurance, including workers' compensation insurance, and providing any proof of such insurance that the other District shall reasonably require.
2. Marlboro and Highland agree that all personnel providing services to the other District pursuant to this Agreement shall have the proper licenses, certifications and meet any other legal requirements necessary to perform the duties contemplated by this Agreement.
3. Any decisions regarding the probationary appointment or compensation of the Director of Curriculum or the Director of PPS shall be made with the consent of a majority of each of the boards of education of each participating school district. Marlboro and Highland understand and agree that should the Director of Curriculum and/or the Director of PPS be included within a collective bargaining unit, any increase in compensation pursuant to a collective bargaining agreement between the union and the Principal Employing District is hereby consented to.
4. Marlboro and Highland agree that the exchange of services contemplated by this Agreement is anticipated to be cash neutral, with neither District owing the other District any money for the salary and other benefits of the employees assigned pursuant to this Agreement. It is also agreed that there shall be a quarterly accounting of the shared services provided to each District, including the percentage of time the Director of Curriculum and the Director of PPS, respectively, spend in each District, to determine if an equitable adjustment is appropriate. See, Appendix "A."
5. Each District shall be responsible for providing office space, materials, and other support necessary for the Director of Curriculum and Director of PPS to perform the duties while assigned to the respective District.

6. The Director of Curriculum and Director of PPS shall be subject to the policies and procedures of Marlboro and Highland, respectively, when they are performing services at each District.

D. Miscellaneous

1. The term of this Agreement shall be for the period from on or about August 16, 2013 through June 30, 2014, unless sooner terminated or later extended.
2. This Agreement shall be subject to the oversight of the Superintendent of Schools of each District.
3. This Agreement may be terminated by either District upon at least 90 days' written notice to the other District. The respective Superintendents of Schools shall be authorized to give and receive such notice.
4. This Agreement may be renewed on a yearly basis upon the mutual agreement of the governing bodies of each District and a writing executed by both Districts.
5. To the fullest extent permitted by law, Marlboro and Highland shall defend, indemnify and save the other District harmless from and against all claims, damages losses and expenses arising out of or in consequence of any negligent or intentional action or omission of the other District, its officers, employees, volunteers or agents and which arise out of this Agreement. Neither District is entitled to indemnification for its own negligent or intentional acts or omissions.
6. The terms of this Agreement represent the final intent of the Districts. Any modifications of this Agreement must be in writing and executed with the same formality as the Agreement herein.
7. This Agreement shall become binding upon approval by the governing body of each District in accordance with law.

**MARLBORO CENTRAL SCHOOL
DISTRICT**

**HIGHLAND CENTRAL SCHOOL
DISTRICT**

By: _____
Board President

By: _____
Board President

APPENDIX A

Accounting of Shared Services

Each employee shall maintain detailed entries regarding time spent at each District or performing services for each District.

- If the employee is performing services at a District, the employee would sign-in at the main office upon arrival at the District and would sign-out when departing and indicate in summary terms the nature of the work (e.g., meetings with Superintendent or staff, training of staff).
- Telephone Calls/Emails/Communications and Correspondences could be summarized with approximate time spent each day.
- Work product (e.g., reports, projects, written recommendations) would be indicated based upon the time spent on the project.

Highland Central School District

**Independent Internal Audit Report
Annual Risk Assessment
February 2013**

Bonadio & Co., LLP
Certified Public Accountants

February 22, 2013

Audit Committee Members
Highland Central School District
Highland, New York

Dear Audit Committee Members:

The following is a report of our annual update of the risk assessment for the Highland Central School District. Bonadio & Co., LLP was engaged by the District Board of Education to fulfill the requirements of the 2005 School Financial Oversight and Accountability Act by performing an annual update to the initial risk assessment. Our engagement was performed to evaluate the risks identified in the previously issued report and to provide a report on the District's progress on mitigating the identified risks.

The purpose of the risk assessment is to provide the Audit Committee with a review of internal controls that the district has in place to prevent and detect fraud, ensure financial reporting is accurate and that district assets are safeguarded.

The content of this report is intended to provide the Audit Committee with the baseline information necessary to develop, approve and implement an Internal Audit Work Plan for the fiscal year 2013.

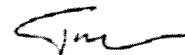
In performing our engagement, we relied on the accuracy and reliability of information provided by district personnel. We have not audited, examined or reviewed the information, and express no assurance on it. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This consulting engagement report is intended solely for the information and use of Administration, the Audit Committee, the Board of Education, and other applicable employees within the District and is not intended to be and should not be used by anyone other than those specified parties.

We appreciate the opportunity to prepare this Independent Risk Assessment for the Highland Central School District and are available to assist you in carrying out other portions of the Independent Internal Audit Plan. We are also available to answer your questions anytime.

Very truly yours,

BONADIO & CO., LLP



by:
Timothy J. Doyle, CPA
Principal

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

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www.bonadio.com

EXECUTIVE SUMMARY

In 2005 the NYS Legislature issued school district accountability laws, pursuant to Chapter 263 of the Laws of 2005 (the Act), regarding increased oversight over public schools, charter schools and BOCES. As part of the new laws, school districts are required to implement an Internal Audit function. The Internal Audit function requires the formation of an Audit Committee and the appointment of an internal auditor.

In 2013, the Highland Central School District appointed Bonadio & Co, LLP as the district's internal audit consultants to perform an annual risk assessment, develop a proposed audit work plan based on the high risk areas identified and then to assist in the development of the scope and timing of the internal audit areas based on the approval of the district audit committee.

This initial report focuses on the initial risk assessment of internal controls of the Highland Central School District's operations, financial reporting policies, procedures and functional activities.

Our interviews with District Administration were directed toward gaining an understanding of the District's control environment and related risks in each internal control area, from the perspective of management's responsibility for controlling such risks. Using this information, we assessed the risk (low, moderate or high) present in each area. A summary of this risk assessment by control cycle is included subsequently. The risk assessment process also drives the planned scope of the internal audit procedures, which is summarized in the internal audit work plan.

RISK ASSESSMENT AND INTERNAL AUDIT STRATEGY

Objective

The objective of the annual risk assessment is to meet the requirements of the 2005 Schools Accountability legislation by conducting an update to the Risk Assessment. We relied on interviews with District Administration for significant transaction classes, external audit reports, review of board minutes, status of prior audit findings and recommendations and District policy amendments.

Initial Risk Assessment Performed

During March 2012, we conducted an initial risk assessment of key areas and transactions in order to assess risk for each of the significant transaction cycles and functional responsibilities. This information was shared with the Administration and used to identify high-risk areas that may need further review.

We utilized an interview approach in performing the District's risk assessment. We identified key risk areas or circumstances that could significantly prevent the District from effectively achieving its goals. Each risk was evaluated as to whether its potential effect would be **low, moderate, or high**. We obtained an understanding of Administration's and the Board's attitude, awareness and actions concerning internal control. We made an assessment of the "tone at the top" regarding internal control, and developed our risk assessment accordingly.

We performed our risk assessment procedures in accordance with Generally Accepted Government Auditing Standards and standards established by the Institute of Internal Auditors.

Transaction Cycles and Functions Subject to Risk Assessment

We determined the control objectives, risk, and control activities associated with each of the following transaction cycles or functions identified in order to determine the nature, timing and extent of internal auditing procedures necessary for conducting the internal audit work.

The following transaction cycles and functional responsibilities were reviewed:

- General ledger and financial reporting
- Revenues, billings and receivables
- Centralized cash receipts and banking
- Capital assets
- School lunch fund
- Grants – Federal and State
- Payroll and human resources
- Purchasing and cash disbursements
- State Aid
- Financial software
- Extraclassroom
- Transportation
- Facilities and maintenance

In addition, we assessed the adequacy of accounting policies and Board governance through audit inquiries, observations and discussions with Administration and other District personnel.

Intrinsic in the assessment of the District is the concept of materiality. Those areas of the District that deal with more significant dollars or a higher volume of transactions will most likely score as higher risk. The scope is primarily risk-based and is organized around the District's major internal control cycles.

RISK ASSESSMENT

RISK ASSESSMENT SUMMARY

The table below summarizes our evaluation of the transaction cycles and functional responsibilities we considered. The attached appendix provides background and definitions to the below risk categories used.

<u>Audit Area</u>	<u>Risk Assessment</u>				<u>Reason for Risk Assessment</u>
	<i>Inherent</i>	<i>Control</i>	<i>Materiality</i>	<i>Overall</i>	
General ledger and financial reporting	Moderate	High	High	High	Proper financial reporting is an important responsibility of the school district. Financial data is reviewed by multiple employees in the district and by the Board of Education. The financial statements are audited annually with no significant findings. However, this is the districts first year with the Central Business Office processing and recording information so there is a potential for areas of improvement. We believe this area should be looked at.
Revenues, billings and Receivables	High	High	High	High	The majority of the school district's revenue is received from property taxes and state aid. These amounts are monitored closely. The office of Medicaid Inspector General (OMIG) continues to target school districts for compliance audits. The District is currently billing Medicaid. However, this is the districts first year with the Central Business Office processing and recording information so there is a potential for areas of improvement. We believe this area should be looked at.
Centralized cash receipts and banking	Moderate	High	Moderate	High	Cash receipts are received by one person who also prepares the deposit tickets and takes them to the bank. The bank reconciliations are prepared by the Central Business Office person (CBO)/ Treasurer and are not reviewed by anyone. The Business Administrator reviews the monthly treasurer's reports that are prepared by the CBO office. We believe this area requires additional testing.
Capital assets	Low	Moderate	High	Moderate	During our analysis of capital assets, we noted that a physical inventory was done in 2012/13 and that items that are new to the district are properly tagged. It appears that proper controls are in place over additions and dispositions, however this is the districts first year with the Central Business Office processing and recording information so there is a potential for areas of improvement. We believe this area should be looked at.

RISK ASSESSMENT

<u>Audit Area</u>	<u>Risk Assessment</u>				<u>Reason for Risk Assessment</u>
	<i>Inherent</i>	<i>Control</i>	<i>Materiality</i>	<i>Overall</i>	
School lunch fund	Moderate	Low	Low	Low	During our analysis of the school lunch fund, it was noted that proper segregations of duties exist over processing of receipts and disbursements.
Grants - Federal and State	Moderate	Moderate	High	Moderate	The District expended approximately \$1.5 million in federal funds during 2011-12. Based on our review of the 2011-2012 external audit findings we believe this area is functioning properly.
Payroll and human resources	Moderate	Low	High	Moderate	Payroll is by far the largest expenditure of the school district. Based on interviews of office personnel payroll certifications are regularly performed and access to add or delete employees and change employees personal information and deductions is properly segregated from the payroll department.
Purchasing and cash disbursements	Moderate	High	High	High	During our analysis of the cash disbursement cycle and testing, it appears that proper controls are in place to prevent, detect, and deter a misstatement due to intentional or unintentional errors by District personnel or CBO personnel. However, this is the districts first year with the Central Business Office processing and recording information so there is a potential for areas of improvement. We believe this area should be looked at.
State Aid	Low	Low	High	Low	The State provides reports to inform school districts of how much aid they will be receiving and any adjustments made to that aid. Proper controls appear to be in place to ensure the revenue is properly recorded and safeguarded.
Financial software	High	Low	Moderate	Low	Even though there is an inherently high risk in this area, based on our information technology and security review there are a few recommendations the District should consider implementing to increase the controls in this area.

RISK ASSESSMENT					
<u>Audit Area</u>	<u>Risk Assessment</u>			<u>Reason for Risk Assessment</u>	
	<u>Inherent</u>	<u>Control</u>	<u>Materiality</u>		
Extraclassroom	High	Moderate	Low	High	Due to the large number of cash transactions that occur outside of the Treasurer's office and decentralized accounting, this is an area of normally high risk. Controls over cash receipts and disbursements appear to be designed properly.
Transportation	Low	Low	Low	Low	During our analysis nothing came to our attention that would cause us to believe there was a risk in this area.
Facilities and maintenance	Low	Low	Low	Low	During our analysis nothing came to our attention that would cause us to believe there was a risk in this area.

Internal Audit Work Plan

The internal audit work plan summarized below, illustrates the detailed annual plan for 2013 for the approval of the Audit Committee. The District is required to perform a reassessment of risk on an annual basis. The results of the annual reassessment will be the basis for identifying audit priorities and determining the internal audit plan in future years. These priorities will be reviewed with the District's Audit Committee Members and readjusted accordingly if necessary. Included in the summary are the annual risk assessment, the eleven high-risk areas, and other areas.

<u>Business Cycle Area</u>	<u>2012-13</u>	<u>2012-13</u>			
Annual Risk Assessment (Required)	X	X			
Expenditures, Purchasing, Bidding, Quotations and Related Areas		X			
Payroll, Benefits, Taxes and Related Areas					
Fixed Assets					
Information Technology					
Federal Awards					
Medicaid Billing & State Aid					
School Lunch Operations					
Extraclassroom Activity Funds					
Capital Projects Administration					
Transportation					
Risk Management					
Other Areas, As Determined Necessary		X			

Recommendation

We recommend the Audit Committee, in consideration of our professional advice and input from your external auditor, target the aforementioned areas for testing in the fiscal year 2013. Additional areas may include department or program specific areas to test in the aforementioned categories above.

FINDINGS AND RECOMMENDATIONS

During the risk assessment we identified findings and recommendations. The recommendations represent our observations in connection with the risk assessment services performed.

Recommendations from the prior year, June 2012 Risk Assessment

Extraclassroom Funds

Findings: During testing, it was noted that there is no independent review of extraclassroom activities.

Recommendation: We recommend that an independent party, possibly the audit committee or claims auditor, review these records periodically to ensure that each of the clubs activities are adequately reconciled and that supporting documentation is present.

Implementation status: At current, there is still no independent review of the extra classroom activities.

Wire Transfer Security

Findings: During testing, it was noted that wire transfers are made from District computers that perform daily work and included email access. Additionally, we noted that the financial institution performs a callback confirmation. However, in certain cases they may confirm with the person responsible for the transfer.

Recommendation: We recommend that the District use a separate computer for online banking. Email or other internet functions should not be done on this computer. Additionally, the District should provide specific instructions to the financial institution as to who should be contacted and ensure that this individual is not the individual initiating the transfer.

Implementation status: The bank that the district works with requires an approved wire template that must be filled out and approved by 2 people in order for wire transfers to be processed. The wires are done by the Business Manager on a computer that does perform daily duties.

Medicaid Billing

Findings: During testing, it was noted that the District has not billed for Medicaid services during the last two years. Additionally, we noted that the District has not implemented policies for exclusion screening. The District has recently contracted with a consultant to assist with this area.

Recommendation: We recommend that the District obtain training in the applicable policies and procedures that will allow for billing of appropriate Medicaid billings. This training should include an understanding of the policies and procedures necessary to conform with OMIG regulations. We further recommend that the District adopt a policy on exclusion screening to be in compliance with new Medicaid regulations. Exclusion screening should be done when an employee is hired and monthly for all existing employees and vendors.

Implementation status: The district has hired an outside third party to aid in the compliance of the Medicaid program. They have also billed throughout the current year. This finding is closed.

School Lunch Fund Profitability

Findings: During testing, it was noted that the District incurred a loss from operations and appears to be on schedule to incur further losses in 2012/13.

Recommendation: We recommend that the District analyze costs including staffing options to determine a course to reverse the deficit going forward.

Implementation status: The audited financial statements for the 2012 year end showed an increase in the school lunch deficit. This finding is ongoing.

Firewall Security

Findings: During our risk assessment, we noted that the District did not have an intrusion test of their firewall.

Recommendation: We recommend that an intrusion test be completed annually or whenever the firmware is updated.

Implementation status: During our 2013 risk assessment it was noted this still has not been performed. This remains open.

Recommendation from the June 2013 Risk assessment

Claims auditor process

Finding: During our discussions with the claims auditor, we noted that in the WINCAP system she will review the pending warrants with the related backup on a weekly basis. All expenses are opened individually with related invoices to support them via the WINCAP system. Although she does understand her duties and has been working as the claims auditor for many years, she does not use a checklist when reviewing the information. When the checks are printed by the Treasurer they are printed sealed and are not reviewed by anyone.

Recommendation: We recommend that the claims auditor use the claims auditor checklist to document the process she performs when reviewing claims. We also recommend that she review the final printed warrant when the checks are printed to ensure that what she had previously viewed was the same as what was printed.

Cash receipts process

Finding: During our discussions of the cash receipts process we noted that one individual will receive the mail, open the mail, prepare deposits and bring them to the bank.

Recommendation: It is recommended that someone other than the individual bringing the deposits to the bank, open and record a log of any receipts that have come in from the mail.

Extra classroom Sales Tax

Finding: During our discussions of the extra classroom activities it was noted that sales tax collected by the extra classroom activities is remitted to NYS with the sales tax collected by the school lunch program.

Recommendation: We recommend that the extra classroom activity funds record, report and submit the sales tax for those clubs on a separate sales tax remittance that is associated with the sales tax ID for the extra classroom activity fund.

Overall general ledger recording process

Finding: The district has transferred all business office duties, except for payroll, to the BOCES Central Business Office (CBO). Therefore, the CBO performs all the recording and custody of the documents as they relate to the district. Journal entries, bank transfers, disbursements, and receipts are done by the CBO without a formal review process.

Recommendation: We recommend that since the CBO is housed within the district, that a formal review of all journal entries, transfers between bank accounts, recording of receipts and the bank reconciliation process be implemented to ensure that all financial information recorded for the district is correct.

APPENDIX

Definition of Internal Control

Internal control is a management process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations.
- Reliability of financial reporting.
- Compliance with applicable laws and regulations.

This definition reflects certain fundamental concepts:

- Internal control is an ongoing process.
- Internal control is performed and maintained by the actions of the District personnel. It is not merely policy manuals and forms, but people functioning at every level of the District.
- Internal control is geared to achieve objectives in several overlapping categories- Operations, Finance, and Compliance.
- Internal control can be expected to provide only reasonable assurance to the District's administration and Board regarding achievement of operational, financial reporting, and compliance objectives.

Effective administration of a strong internal control environment involves proper planning, execution, and ongoing monitoring of activities. Internal control is a tool used to protect District assets from intentional or unintentional loss.

Risk Assessment

Risk assessment is defined as the identification and analysis of relevant risks in the achievement of the objectives, forming the basis for determining how the risks should be managed. Risk assessment is one of the five elements of internal control, which are described in the appendix of this report. The other components include control environment, control activities, information and communication, and monitoring. Objective setting is necessary for assessment.

Control activities are closely related to the risks in the District. Examples of control activities are policies, authorization, financial information reconciliations, asset verifications, and appropriate segregation and delegation of duties within the business operations of the District. Control activities are either **preventive** or **detective** in nature and need to be evaluated as to benefits to the District and/or associated costs to the District.

Risk arises out of uncertainty, from either internal or external sources. As a result of pursuing or not pursuing a particular course of action, there is the possibility of economic/financial loss or gain, physical damage, injury or delay. Risk is defined as the chance of something happening that will have an adverse impact upon the achievement of objectives. There will always be some risk involved in anything an individual chooses. The choice is between the actions we dare to take, given the level of risk we will accept and the level of remediation we will attempt to treat.

Risk has two key elements: the **likelihood** of something happening and the **consequences** if it happens. The level of risk is the relationship between the likelihood of something happening and the consequences if it does. Action taken to address the level of risk must address the likelihood of the event occurring, or the consequences if it does occur, or both.

Internal Audit Process

Although every audit and each school district is unique, the internal audit development process is similar for most engagements and normally consists of five stages:

- 1) Planning
- 2) Survey
- 3) Fieldwork
- 4) Reporting
- 5) Ongoing monitoring, follow-up and corrective action

These stages are described in more detail further in Section III. The active involvement of District personnel is critical at each stage of the process, and involves a collaborative effort from departmental personnel. We realize a certain amount of time is diverted from regular routines as a result of Internal Audit activities. Therefore, one of our key objectives is to minimize the disruption of operations by performing the internal audit in a timely and efficient manner.

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the District's operations, policies, procedures and internal controls. Internal auditing is a critical element of assisting in accomplishing the District's objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

An internal audit is generated within the District, including all departments, at the direction of the Audit Committee for the purpose of appraising, examining, or evaluating:

- 1) Financial transactions for accuracy and compliance with Board of Education policies
- 2) Financial and operational procedures for adequate internal controls
- 3) Timeliness, reliability and appropriateness of District records and reports
- 4) The level of compliance with required internal policies and procedures, state and federal laws and government regulations

Management or program reviews designed to improve departmental operations and procedures

A) Five Elements of Internal Control

This report focuses on the internal audit function and risk assessment of the District. For purposes of reporting on internal controls, we must understand the following elements:

- 1) Control environment
- 2) Risk assessment
- 3) Control activities
- 4) Information and communication
- 5) Monitoring

B) Control Environment

The control environment sets the cultural tone of compliance for the District, influencing the control consciousness of its personnel. It is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include the integrity, ethical values and competence of the District's personnel; management's philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its personnel; and the attention and direction provided by the Board of Education.

C) Risk Assessment

Every district faces a variety of risks from external and internal sources that must be assessed. A precondition to risk assessment is establishment of objectives, linked at different levels and internally consistent. Risk assessment is the identification and analysis of relevant risks to achievement of the objectives, forming a basis for determining how the risks should be managed. Because economic, industry, regulatory and operating conditions will continue to change, mechanisms are needed to identify and deal with the special risks associated with change.

D) Control Activities

Control activities are the policies and procedures that help ensure that the administrative directives are carried out. They help ensure that necessary actions are taken to address risks to achievement of the District's objectives for compliant activities. Control activities occur throughout the District, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

E) Information and Communication

Pertinent information must be identified, captured and communicated in a form and timeframe that enable the personnel to carry out their responsibilities. Information systems produce reports, containing operational, financial and compliance-related information, that make it possible to run and control the programs of the District. They deal not only with internally generated data, but also information about external events, activities and conditions necessary for informed program decision-making and external reporting. Effective communication also must occur in a broader sense, flowing down, across and up to the District levels. All personnel must receive a clear message from top management that control responsibilities must be taken seriously. They must understand their own role in the internal control system, as well as how individual activities relate to the work of others. They must have a means of communicating significant information to the oversight body. There also needs to be effective communication with external parties, such as the general public, vendors and suppliers, regulators and others.

F) Monitoring

Internal control systems need to be monitored, a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two. Ongoing monitoring occurs in the course of operations. It includes regular management and supervisory activities, and other actions personnel take in performing their duties. The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Known internal control deficiencies should be reported, with serious matters reported to the Administration and the Board of Education.

There is both synergy and linkage among these five components, forming an integrated system that reacts dynamically to changing conditions. The internal control system is intertwined with the District's operating activities and exists for fundamental educational reasons. Internal control is most effective when controls are built into the infrastructure and are a part of the essence of the District. "Built in" controls support quality and empowerment initiatives, avoid unnecessary costs and enable quick response to changing conditions.

RISK ASSESSMENT

There is a direct relationship between the objectives, which are what a District strives to achieve, and components, which represent what is needed to achieve the objectives of its educational programs. All components are relevant to each objectives category. When looking at any one category, the effectiveness and efficiency of operations, for instance, all five components must be present and functioning effectively to conclude that internal control over operations is effective.

The internal control definition, with its underlying fundamental concepts of a process, affected by people, providing reasonable assurance, together with the categorization of objectives and the components and criteria for effectiveness, and the associated discussions, constitute this internal control framework.

Management Responsibility

All levels of management are responsible for accomplishing and adhering to the District's Mission Statement by achieving the District's goals and objectives through effective and efficient use of resources and compliance with applicable laws, regulations and policies.

Specific areas of responsibility include:

- Maintaining a high ethical tone throughout the District.
- Assessing and managing the District's business operation risks.
- Developing cost effective internal controls over all operations.

The internal audit process and function can assist management in discharging these responsibilities by providing an independent and objective evaluation of existing internal controls over the business operations. The internal audit can also help management develop improved controls and processes over operations. However, management always retains control over their own operations and ultimate responsibility for their performance.

Employee Responsibility

Internal controls are the responsibility of all District employees. Individual employees of the District have the responsibility for maintaining work performance in a productive and conscientious manner. In the normal course of work, employees should be aware and alert for activities or situations, which pose actual or potential risks of loss, harm or misuse of assets, or obstruction to the attainment of District goals.

Individuals and department heads should commit to the principles of internal controls and support programs and activities, which strengthen systems and practices and implement any corrective action determined necessary. Individuals and department heads are responsible for development, maintenance, documentation, and supervision of internal controls.

Role of the Internal Auditor

The key role of internal audit is to provide the Board of Education, Audit Committee, and Administration with an independent and objective evaluation of internal controls over key business activities. This means we put a priority on reviewing the validity of financial and other management information, compliance with applicable laws, regulations and policies, and how District operations can be more effective and efficient.

The internal audit function can provide a variety of management assistance services to both District Administration and the Board. It is important to understand the services and roles of the internal auditor. Assistance services include:

- **Financial Reviews** (normally done in conjunction with external auditors) - These are "traditional" audits of financial records, such as accounts receivable or payable. The objective is to determine the accuracy of financial records and adherence to appropriate internal control procedures. Results will be communicated to District Administration and Board and usually incorporated in the external auditor's report on the financial statements.
- **Operational or Compliance Reviews** - These are projects directed by the Board District Administration and the internal auditors, based on perceived business and operational risks. The focus is on assessing specific processes and identifying cost effective ways to improve internal controls, efficiency, and effectiveness. Examples would be reviewing a capital project for compliance with contract terms bidding process or evaluating the internal controls over a purchasing process. Written audit reports are prepared, discussed with the District Administration and staff, presented to the Audit Committee, and then submitted to the Board of Education for approval.
- **Management Assistance** - For projects with District-wide impact or of high importance to the District, consulting assistance may be provided to help design plans and achieve effective implementation. Assistance might take the form of facilitating problem solving techniques, flow charting processes, or performing program based costing analyses and financial budgetary and actual comparisons. Status reports, in various formats, depending on the project, would be provided to the management and the Board of Education. "Best practices" may be discussed and implemented.
- **Technical Research** - Internal auditors can assist with questions dealing with Board of Education policies, New York State laws, regulations and policies, accounting and internal controls, and general school district practices.
- **Investigations** - At the direction of the Board of Education or the request of management, the internal auditor will investigate suspected cases of unethical behavior, including fraud, theft, and abuse of position. Depending on the facts uncovered, such cases may be referred to management, the Audit Committee, the Board, or legal authorities for further action.

Our focus is on the processes and how to make them best work to achieve the Board's and the District's strategic goals and objectives. If there are issues, we identify the business risks and their roots causes and work with the District Administration, Audit Committee and Board to develop and implement cost effective solutions.

Corrective Action Plan (Internal Auditor's Risk Assessment for the period ended June 30, 2013)

Audit Finding	Detailed Finding	Recommendation	Responsible Party	Date Implemented
Extraclassroom Funds	No independent review of Extraclassroom Activities Funds was performed	Designate an employee, committee or auditor to conduct periodic review	TBD	TBD
Wire Transfer Security	Unsecured computer is utilized to record district wire transfers	Designate a computer station specifically for wire transfers	IT Director	TBD
	The same employee may initiate a bank transfer and approve a bank transfer	Notify the bank that one employee must initiate and one employee must approve wires. No employee is permitted to perform both, initiating and approving of a wire transfer.	School Business Administrator	April 30, 2013
Medicaid Billing	District had not billed for services	District shall obtain appropriate training to conform with OMIG regulations and bill appropriate services	Director of Student Services	September 15, 2012
School Lunch Profitability	The school lunch fund has a deficit.	Analyze costs in an effort to reduce the deficit.	Board of Education, Administration, & Food Service Director	July 1, 2012 and ongoing
Firewall Security	The district did not have an intrusion test of their firewall.	Annually complete an intrusion test or whenever the firmware is updated.	IT Director	TBD

