

Greene Central School District

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Office of the State Comptroller
Division of Local Government Services & Economic Development
Bureau of Examinations
110 State Street, 12th Floor
Albany, NY 12236

April 4, 2007

To Whom It May Concern:

The Greene Central School District prides itself on maintaining quality financial controls, systems, and operating procedures over our financial activities. With this in mind, the Comptroller's Audit recommendations for operational improvement are another opportunity for us to improve upon the quality of our district.

The District would like to respond to each of the three recommendations and to offer the following action plan to the Report of Examination for the period July 1, 2004 through April 4, 2006.

The first recommendation involved the internal claims auditor. Presently, this service is provided by DCMO BOCES as part of the business office functions they perform on our behalf. The internal claims audit function is performed by a person who is independent of the staff associated with our daily processing activities. This claims review has proven effective in providing a processing environment that ensures payments are made based on the satisfaction of rules and guidelines. The SED's position toward the use of BOCES for this service has been noted in their rules and regulations. In an effort to comply with the new regulation, Greene CSD will review options for changing this process.

Corrective Action Plan:

Greene CSD would like to continue to utilize the BOCES claims audit process to audit all payments. We recognize the SED's concern with BOCES auditing business functions they perform on our behalf. That function is performed by someone who has no other responsibilities related to the business operation of the school district. In consideration of this concern, controls have been stepped up to ensure funds have been encumbered up to service request limits and monthly invoices are reviewed thoroughly by the Greene Business Office with approval indicating the exact payment levels.

We understand the SED is continuing its review of this business practice, and should a final decision require we change our practice, we will be supportive and responsive to this directive.

The second recommendation addressed the documenting of internal control policies and procedures for capital assets and consumable inventories. The audit highlighted a need for documented processes in the areas of capital assets and consumable inventories, specifically cafeteria food/supplies and transportation fuel. It was noted that the staff executed a consistent process that provided for accurate tracking of inventory, but the process lacked documentation. The areas identified will be reviewed for change, and the subsequent review may be expanded to other areas to ensure this documentation is effectively in place.

Corrective Action Plan:

Greene CSD has reviewed with its Capital Asset stakeholders and School Lunch/Transportation management the present processes and the internal control requirements for accurate and timely records. Policies and procedures are presently being documented and will be presented to the Board of Education for approval by May 16, 2007.

The third and final recommendation dealt with the need to maintain accurate and timely inventory records for fixed assets. In several instances, inventory tags were not affixed to capital assets and property records were inaccurately recorded on the property system report. The accuracy and ability to track fixed assets within the District requires a defined process that involves a central focal point and timely communication with the other stakeholders in this process. I am pleased to note several changes were recently implemented within this process, even prior to the Comptroller's preliminary report. We will continue to review, document, and execute a change management process to ensure we accurately account for fixed assets.

Corrective Action Plan:

Greene CSD has reviewed with its Capital Asset stakeholders required process changes and these have already been implemented. The Capital Asset Management plan is being finalized and will be presented to the Board of Education for approval by May 16, 2007.

In closing, the Greene Central School District Board of Education and Administration, are committed to ensuring the recommendations are implemented in an effort to continually improve the effective and efficient management of the Greene Central School System.

Respectfully,

Gary P. Smith
Superintendent