



PUBLIC SCHOOLS

300 Harbor Hill Road, Roslyn, NY 11576 516-801-5000 www.roslynschools.org

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December 13, 2024

Office of the NYS Comptroller

Office of Audit Services, NYS Education Department

RE: 2023-24 RESPONSE TO MANAGEMENT LETTER

Control Deficiencies

- **Interfund Balances**

General Municipal Law Section 9-a provides in part that monies advanced from one fund to another shall be repaid to the fund from which they were advanced as soon as available but in no event later than the close of the fiscal year in which the advance was made. Such advances are reported in the School District's financial statements as "due from/due to other funds" on the balance sheets of the School District's various funds. During our audit, we noted that the prior year interfund balances were unadjusted and remained in the current year-ending balances.

Recommendation

We recommend that these accounts be reviewed on a quarterly basis and transactions netted to the extent feasible; any interfund loan should be repaid prior to the end of the year.

Response

Going forward, the Treasurer/Accountant will make all efforts to make these interfund adjusted balance entries on a quarterly basis, so that they do not remain in the current year end balances.

Anticipated Completion Date: June 30, 2025

- Special Purpose Fund

The Special Purpose Fund is used to account for assets held by the School District in accordance with the terms of a trust agreement or bequests of which the School district is a recipient. These bequests are used for scholarship awards to students and a variety of other purposes. During our audit, we noted the following:

Inactive Trust Accounts

We noted that thirteen individual trusts, with a total ending balance of \$30,800 have remained financially inactive, except for interest earnings for the entire year.

Recommendation

We recommend that the School District determine if these trusts need remain open, or if they should be closed and the monies be moved elsewhere.

Response

If these inactive accounts have been sitting dormant for an extended period of time the District will determine the source of these funds. We will have the High School Assistant Principal reach out to the proper administrator of these scholarship funds to help designate these scholarship funds to eligible students. Dormant accounts other than the scholarship funds that have been idle for an extended period of time will be closed and reviewed with our auditors to see where those monies should be transferred and for what designated purpose they may now be used.

Anticipated Completion Date: June 30, 2025

- Extra Classroom Activity Funds

Inactive Clubs

There were eleven (11) High School clubs (Art Club, Diversity Club, JANE, Key Club, Math Team, Model Congress, Muslim Group discussions, Quiz Bowl Team, Students for Social Responsibility, Stock Market, Student Prints) with a cumulative total balance of approximately \$7,500 and three (3) Middle School clubs (Languages Club, Home & Careers and Scrabble Club) with

aggregate balances of approximately \$700 that were inactive during the fiscal year. State Education Regulations provide that the funds of a discontinued activity shall automatically revert to the account of the general student organization or the student council and shall be expended in accordance with that organization's constitution.

Recommendation

We recommend that the School District investigate and review these balances and take the appropriate action to close out these old amounts. A determination of the status of a club with no financial activity should be made to determine the proper disposition of funds. This action will deter clubs from being inactive in future years.

Response

The Middle School does not have any inactive clubs. However, please note that "The Scrabble Club" has been renamed as the "Chess and Strategic Game Club".

All of the High School clubs noted are still active, but may not have had any current financial activity. If a club is still active but has not had any financial activity for 2 consecutive years, the Central Treasurer will determine if the Club is still active (but has no financial activity). If it is not active, the Central Treasurer will transfer the balance to the OCC (The General Student Organization). It should be noted that many of the clubs only have financial activity periodically as fundraising is done on an "as needed" basis.

Anticipated Completion Date: June 30, 2025

Timeliness of Deposits

Extraclassroom activities receipts currently do not include formal documentation on when monies are received.

Recommendation

We recommend that the client properly document when cash is received to ensure deposits are made in a timely manner and tracked efficiently.

Response

In the past, the High School permitted students to transfer any sums under \$200 from an ExtraClassroom event, directly to the Central Treasurer, without going through the Club Advisor. Some students inadvertently held onto those sums for over a week before they were delivered to the Central Treasurer. Although the Central Treasurer made those deposits on a weekly basis, the delay of receiving the deposits exacerbated the length of time between the collection of the monies to the deposit. To remedy this situation, students will no longer be

permitted to transport any sums directly to the Central Treasurer. A new process will be implemented where in all sums will be given to the Club Advisor, who will be required to deliver the monies to the Central Treasurer within 1-3 business days. Consequently no monies should be held for more than a week before being deposited. Written documentation will be required to be completed by the Club Advisor and the Central Treasurer to account for each of the following dates: the dates monies are collected by the Club Advisor, delivered to the Central Treasurer and deposited by the Central Treasurer to properly track those sums.

Anticipated Completion Date: June 30, 2025

Interest and Bank Charges

The Extraclassroom activities report includes a club titled "Interest and Bank Charges," which is used to keep track of the bank charges and interest incurred in the Extraclassroom account during the year. As of fiscal year end, the balance in this "club" is \$2,346, with the balance has declining each year. As this is not a club or activity that supports a student activity, it should not be separately identified on the activity report.

Recommendation

We recommend that management should review the activity, operations and policies of the activity accounts to determine the appropriate distribution of the fund to the different clubs.

Response

This dates back to when this Bank Account still earned interest and charged fees. The interest accrued was used to offset the fees. The Club Advisors had signed off on a document permitting the interest to be used for that purpose. As the structure of the account the Bank Account has changed, interest is no longer received nor are fees charged on this account. However, these residual interest funds are still being used to purchase forms and checks. Going forward the balance of the interest being held in the account, will be submitted to the OCC (the general student organization) and the OCC will now be responsible for paying for the bank forms and the purchasing of checks.

Anticipated Completion Date: June 30, 2025

- Segregation of Duties – User Access

During our audit, we noted that the individual who processes payroll has access to add, delete and modify employee information in the payroll system.

Recommendation

We recommend that the access rights of users of the accounting software be limited to correlate with each individual's responsibilities. To establish stronger controls, we recommend

that full access be given to only one key user with others having limited access only to areas in which they would need to perform their job responsibilities.

Response

Wincap, our financial computer system, was contacted by our IT Director to fix an unrelated payroll problem. When trying to correct the problem, Wincap gave directions that ultimately created another glitch, inadvertently giving The Assistant Payroll Supervisor these unwarranted payroll permissions in Wincap. This unwarranted edit was therefore unbeknownst to the IT Department or the Payroll Department. Consequently, upon being advised of this by our auditors, the permissions were immediately changed to only allow modifications to the system. The unintended granting of the ability to add and delete employee information was removed from the payroll employee's permissions.

Completed

Responsible Contact Person:

Susan Warren, Assistant Superintendent for Business and Administration
Roslyn Union Free School District
300 Harbor Hill Road
Roslyn, New York 11576
516-801-5030

Sincerely,

A handwritten signature in blue ink that reads "Meryl Waxman Ben-Levy". The signature is fluid and cursive, with the last name "Levy" being particularly prominent and stylized.

Meryl Waxman Ben-Levy, President
Board of Education