

VALLEY CENTRAL SCHOOL DISTRICT

*INDEPENDENT INTERNAL AUDIT REPORT
AGREED-UPON PROCEDURES RELATING TO
INTERNAL CONTROLS OVER LEAVE ACCRUAL PROCEDURES &
CALCULATIONS AND TRANSPORTATION ADMINISTRATION*

FEBRUARY 2019

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
RELATED TO INTERNAL CONTROLS

To the Board of Education of the
Valley Central School District
Central Administration – Education Center
944 State Route 17K
Montgomery, New York 12549

We have performed the procedures enumerated below, which were agreed to by the Board of Education of the Valley Central School District to determine whether their internal controls are adequate for the District's Employee Leave Accrual Procedures & Calculations and Transportation Administration as of February 2019. The District's management is responsible for the internal controls. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

EMPLOYEE LEAVE ACCRUAL PROCEDURES & CALCULATIONS

Overview

Employees earn various sick and vacation days annually per contract which can be accrued and paid out at retirement or departure from District if not used. This accrued time is tracked in the Wincap software program and is reviewed by the Treasurer at year end. The employees request leave via AESOPs program, WinCap program, written request or time sheet notation.

Procedure 1

We interviewed the District Treasurer, Human Resources, Accounts Payable Clerk, and various staff members to understand the Employee Leave Accrual procedures & calculation and reporting process.

Findings

No exceptions were found as a result of these procedures.

Procedure 2

We reviewed the prior year accrued amounts per the District Treasurer's schedule, traced the amounts to Wincap documentation and traced the total to the District's 6/30/18 financial statements.

Findings

No exceptions were found as a result of these procedures.

Procedure 3

We performed the following procedures to test current year accrual amounts for sampled employees:

- Determined days earned annually per applicable contract
- Selected sampling of employees with leave accruals from District Treasurer's schedule from WinCap.
- We traced the 7/1/18 beginning balance in WinCap to the employees accrued ending balance on the Treasurer's 6/30/18 Compensated Absences schedule.
- We documented the days earned and days used from the WinCap Employee Attendance Detail Activity Report
- We calculated the Employee's days accrued
- We traced the calculated days accrued to the AESOP or WinCAP Web Attendance Report
- We traced any variances to documentation of donated days by other employees or support for balance adjustments.

Findings

No exceptions were found as a result of these procedures.

Procedure 4

We performed the following procedure to test that days taken are properly accounted for in WinCap

- We traced leave requests from AESOP and WinCAP Web to days taken on WinCap Employee Attendance Detailed Activity Report

Findings

No exceptions were found as a result of these procedures.

TRANSPORTATION ADMINISTRATION

Procedure 1

We interviewed the Interim Assistant Superintendent for Business, Assistant to the Interim Assistant Superintendent for Business, District Treasurer, Accounts Payable Clerk and various staff members to understand the procedures and controls over the Transportation Administration in the District. We read the agreement with East End Bus Lines.

Findings

Most of the staff members involved in the Transportation Administration for the District are either no longer working at the District or on leave. The Interim Assistant Superintendent for Business and Account Clerk assigned to work on Transportation Administration are in the process of getting the system up to date.

Procedure 2

Determine what records, procedures and controls are in place for the Transportation Administration at the District in regards to the bus routes, billing and fuel reconciliation.

Findings

Due to the staff previously involved but not currently at the District, we were unable to determine the exact procedures done during the 2017-2018 fiscal year by those staff members. We found that the District purchased the Versatrans software in 2016-17 to track and manage the "bus routes". The billing for Transportation is processed through the Accounts Payable function at the District with review by the Assistant Superintendent for Business. The fuel reconciliation was also being done by the Assistant Superintendent for Business. See procedures noted below. The District has designated staff now being trained to use the Versatrans software program.

Procedure 3

Determine what information is in place in regards to the Transportation "routes" which includes the buses, vans etc. used for student transportation.

Overview

In 2016-17 the District assigned a staff member to enter the routes being used at the time into the system.

The District contracted with a new vendor to provide transportation services starting with the 2017-18 school year. The District was to provide the routes to the vendor. It was found that many of the routes in the system were not complete or correct in the system. There was also a change in bell times that required a change in the route schedule. An employee of the bus company assisted the District by preparing a manual route schedule to be used.

During 2017-18 another staff member was assigned to update the route information in the Versatrans system. Staff has indicated there were still problems with the transportation routes being used by the District. It was not interfacing with the student data software as expected.

In 2018-19 during the review by the Interim Assistant Superintendent for Business and the Account Clerk assigned, it was noted that the route information entered into Versatrans in many cases was not complete or in some cases not correct. They have noted inefficiencies which they are trying to correct for the 2019-2020 school year.

Findings

- The clerk had the vendor provide the District with bus route package reports to determine which routes are part of each referenced package used for billing.
- The Interim Assistant Superintendent for Business requested the vendor provide manual route “left right” sheets from each bus driver.
- The District is currently reviewing this information and entering it, or making corrections, in the Versatrans software program.
- The District is setting up the connection between Versatrans and the student data software for additions and changes to riders.
- The District is meeting weekly with representatives of the vendor and has created a team to address issues.

Recommendation

The District should continue training on the Versatrans program to be able to utilize all of its functions.

Procedure 4

We reviewed the procedures and controls over the Transportation billing in the District.

- We obtained the Fuel Use Mileage and Route Hours schedule prepared by the Assistant Superintendent for Business which listed the route package, live miles per route and total route time.
- We recalculated the live miles per route based on the schedule

Findings

Due to the staff previously involved but not currently at the District, we were unable to determine the exact procedures done during the 2017-2018 fiscal year by those staff members.

- Bills from the vendor are received at the District and go through the Accounts Payable process. The Senior Account Clerk in accounts payable provided the bills to the Assistant Superintendent for Business during 2017-18 and part of 2018-19 and now the Interim Assistant Superintendent for Business during 2018-19. There was also a period of time when the bills went to the Assistant Superintendent for review. Review was indicated by initials.
- Live miles used appear reasonable per route schedule provided

- We did not see a reconciliation of routes to billing. During 2018-19 the staff has been comparing billing to prior months to see if it appears reasonable and reviewing any adjustments.

Recommendation

The District should implement a procedure to reconcile the route packages and route time to billing submitted. The District has noted the Versatrans program will have reporting which can be used once the information has been updated and corrected in the system.

Procedure 5

We reviewed the procedures and controls in place over the Fuel purchases and use reconciliation by the Transportation services for the District. Due to the staff previously involved but not currently at the District, we were unable to determine the exact procedures done during the 2017-2018 fiscal year by those staff members.

- We obtained the Fuel Use Mileage and Route Hours schedule prepared by the Assistant Superintendent for Business which listed the route package, live miles per route and total route time for 2017-18 and 2018-19.
- We calculated the allowable gallons per contract and compared to the calculation per year on the schedule.
- We reviewed invoicing and payment from the fuel vendors to determine if the fuel vendors paid timely.

Findings

- The 2017-18 schedule was not complete. The reconciliation totals were present but monthly billings by fuel vendors were only partially entered. The 2018-19 schedule was present for some of the months of the school year. The reconciliation compares gallons purchased to gallons allowable.
- Gas and propane purchases for 2017-18 exceeded allowable. The gas appears to be credited on the 2018-19 reconciliation, which is not complete at this time. It does not appear that the propane overage was carried over on the schedule.
- It was noted that many of the 2017-18 fuel invoices were not paid by the District until August of 2018. There was no notation as to why payment was being withheld.
- We noted a double payment to a fuel vendor which was credited on a later statement.
- The current staff has not had the opportunity to review and update this schedule and reconciliation.

Recommendation

Update and complete the schedules to date and compare the actual purchases to the allowable gallons once the route information in Versatrans has been corrected and updated.

Please note due to the staff previously involved but not currently at the District, we were unable to determine the exact procedures and controls used during the 2017-2018 and the beginning of the 2018-19 fiscal year by these staff members. There may be other reconciliations and schedules which have not yet been located by the current staff members and administration.

We would like to take this opportunity to thank all of the staff for their assistance.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Education of the Valley Central School District and is not intended to be and should not be used by anyone other than those specified parties.



Mongaup Valley, New York
May 9, 2019