

## **2025 Top Ten Internal Control Deficiencies Cited in the New York State Comptroller's Reports – School Districts**

### **10. Treasurer**

- The Treasurer's monthly reports were not accurate, completed, or submitted in a timely manner.
- The Treasurer's duties were not appropriately segregated and compensating controls were not in place.

### **9. Emergency Drills**

- The District did not properly conduct and report all emergency drills for buildings and buses.
- District officials did not properly notify parents of the drills that required prior notification.
- The District did not properly complete the required reports to New York State Education Department (NYSED) that bus drills were conducted.

### **8. Other Revenue**

- The District did not file for Medicaid reimbursement to help offset the costs for providing services to eligible students.
- The Board of Education (the "Board") and District officials did not establish written policies and procedures for filing Medicaid reimbursements.
- BOCES officials did not establish an adequate review and reconciliation process to ensure that all BOCES aid claimed was accurately paid by NYSED and distributed to component school districts.

### **7. Information Technology**

- Required comprehensive financial and administrative information was not posted on the District's website.
- The District did not establish sufficient procedures such as an inventory of personal, private, and sensitive information (PPSI) to manage and safeguard the aforementioned information.

### **6. Claims Auditing**

- The District's Claims Auditor did not ensure claims were adequately supported, properly authorized, approved before payment, for valid purposes, billed correctly, complied with the purchasing policy, and properly reported to the Board.
- The Claims Auditor did not report directly to the Board, did not note exceptions on the warrants, and did not include all exceptions on monthly reports to the Board.
- The Board did not properly appoint a Claims Auditor as per Education Law 1709(20-a).
- Credit card charges were not always properly approved or supported by itemized receipts.

## **5. Financial Management**

- Budget transfers were not properly approved and reported to the Board.
- The District did not establish a comprehensive fund balance and reserve policy.
- District officials did not have a written multiyear financial plan.
- The District officials did not effectively manage the District's fund balance and reserves.
- The Board appropriated fund balance that was not needed.
- The District had transfers that were made from reserves without Board approval.
- The District made transfers at year-end to reserves that were not included in the original budget.
- The District developed and adopted unrealistic budgets.

## **4. Capital Assets**

- The District's capital asset policy did not require officials to perform periodic inventory counts.
- The District's capital asset policy did not include specific cost thresholds or other criteria for determining whether capital assets should be capitalized.
- Capital assets had missing and inaccurate information in their capital asset records.
- The District did not properly record, tag, and account for capital asset purchases.
- The District did not maintain a complete and accurate inventory of information technology assets.
- The District did not always obtain prior Board approval for and accurately record disposals as per District policy.

## **3. Payroll and Personnel**

- Several employees were paid amounts that were inconsistent with Board approved employment contracts or collective bargaining agreements.
- The District did not adopt policies and procedures for overtime and separation payments.
- The District did not calculate and pay unused leave benefits and accruals accurately.
- Payroll processing duties were not properly segregated from the human resource functions.
- Leave accruals were not made in accordance with the terms reflected in the respective employment contracts.

## **2. Purchasing and Procurement**

- The District did not develop adequate purchasing policies and procedures or update the purchasing policy.
- District officials did not seek professional services for the District's capital and energy performance improvement project.
- District officials did not always have written agreements for professional service providers.
- The District did not seek competition when procuring professional services.
- District officials did not always procure goods and services according to policy requirements or maintain adequate supporting documentation for the purchases.
- The Superintendent directed the Food Service Manager to make improper cafeteria purchases.

## **1. Lead Testing and Reporting**

- District officials did not identify which water outlets exceeded the lead action level and remove them from service until it was confirmed they were below the lead action level or secured against use with proper controls.
- The District did not develop procedures identifying all individuals involved in lead sampling and testing and define their roles and responsibilities.
- The District did not develop sampling and remedial action plans for all District water outlets that could be used for drinking and cooking, including details on which water outlets would be considered exempt from sampling and their controls to secure against use.

- The District did not update the remedial action plan to include a maintenance and monitoring schedule detailing the water outlets exempt from testing and how they were secured against use.
- The District did not remediate or implement effective long-term controls for all water outlets that exceeded the lead action level.
- The District did not review all work related to the lead testing program for accuracy and completeness.