



MONROE 2 – ORLEANS BOCES



RESULTS OF TESTING FOR THE YEAR ENDING JUNE 30, 2017

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RISK AREA: ACCOUNTS PAYABLE/PURCHASING – CREDIT CARDS	
RISK ASSESSMENT: 2016 – HIGH; 2017 – HIGH	
OBJECTIVES	<ul style="list-style-type: none"> • To review credit card usage for adherence to purchasing procedures and to ensure that purchases were for a proper business purpose
TESTING PERFORMED	<ul style="list-style-type: none"> • Selected the month of February 2017 and obtained all credit card statements for that month and reviewed for the following: <ul style="list-style-type: none"> ○ Credit card signed out by an authorized employee on the log sheet ○ Supporting documentation, proper approval and proper business purpose ○ Claims auditor approval • Reviewed transactions for possible bid opportunities
RESULTS	<ul style="list-style-type: none"> • BOCES maintains credit cards as follows: <ul style="list-style-type: none"> ○ M&T Bank (21); credit limits range from \$1,000 to \$20,000 ○ Sam’s Club (22); credit limit of \$20,000 ○ Tops (4); credit limit \$500 per day ○ Walmart (13); credit limit of \$10,000 ○ Wegmans (22); credit limits range from \$150 to \$5,000 ○ WEX Fuel (32); credit limit of \$6,000 • 36 purchases totaling \$5,657 made on six selected credit card statements • Purchases made with credit cards had proper approval and supporting documentation; all purchases appeared to have a proper business purpose • For purchases made with credit cards other than the M&T credit card, which is assigned to specific individuals, the purchaser signed the card in and out on the log sheet and returned the card within a reasonable time period • Claims auditor approved all transactions • Management reviews the credit card accounts on an annual basis to determine if accounts should be closed; Sunoco, Exxon, and Kwik Fill accounts were closed in November 2016 • Purchasers were on the authorized employee list
RECOMMENDATIONS	<ul style="list-style-type: none"> • None at this time

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RISK AREA: CAPITAL ASSETS – MAINTENANCE OF COMPREHENSIVE RECORDS
RISK ASSESSMENT: 2016 – LOW; 2017 - LOW

OBJECTIVES	<ul style="list-style-type: none"> • To verify existence of various items and test completeness of BOCES’ records upon implementation of a new tracking system (RAMI)
TESTING PERFORMED	<ul style="list-style-type: none"> • Obtained the capital asset listing as of April 2017 from RAMI • Selected 25 items from the capital asset listing to locate at BOCES (testing for existence) • Selected another 25 items throughout BOCES to determine whether they were included on the capital asset listing (testing for completeness)
RESULTS	<ul style="list-style-type: none"> • For the 25 assets selected from the capital asset listing to agree to the physical asset, the following was found: <ul style="list-style-type: none"> ○ A laptop was moved to another location; details of the transfer were provided ○ A file server that was previously disposed was still on the capital asset listing; item will be removed at year end ○ The remaining 23 assets agreed without exception • For the 25 assets selected to agree to the capital asset listing, the following was found: <ul style="list-style-type: none"> ○ The tag number for one item was included on the report; however, the item location was incorrect ○ CBIZ had tagged an item below BOCES’ capitalization threshold, therefore the asset was not listed in RAMI ○ Seven items identified during the walkthrough were included in RAMI for insurance purposes, but properly did not appear on the capital asset listing because the value of each item was under BOCES’ capitalization threshold ○ A server that is used by BOCES but is owned by another organization was properly tagged and excluded from the capital asset listing ○ The remaining 15 items agreed without exception
RECOMMENDATIONS	<ul style="list-style-type: none"> • Advise staff to notify the business office of any change in the location of an asset; consider requiring staff to sign off on items located in their rooms at the beginning and end of each school year • Consider periodic inventory checks comparing RAMI’s report to items located throughout BOCES • Continue to reiterate to buildings/departments that a list of disposed items should be given to the purchasing department annually

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UPDATE OF PRIOR RECOMMENDATIONS NOT INCLUDED ELSEWHERE*

- 1 - recommendations that BOCES has the ability to change and would likely provide a greater benefit to BOCES than the cost of implementation
- 2 - recommendations that BOCES should investigate, however, the cost of implementation may be greater than BOCES' benefit and the level of risk is not great enough to warrant significant changes to the structure of BOCES
- 3 - recommendations that are considered to be best practices and reminders to BOCES to continue with certain procedures

PAYROLL AND BENEFITS	• A second employee, such as the payroll specialist, should verify the information input from the Employee Recommendation Form into WinCap	3
	• Review access controls periodically for unauthorized changes; management is reviewing access controls on a biennial basis	3
CASH RECEIPTS	• Continue to stress the importance of making deposits timely at the Center for Workforce Development, especially around holidays and when the employees responsible for deposits are on vacation	3
	• If an employee is paying to register for a class at the Center for Workforce Development, a different employee should complete the cash receipt and accept the payment; management will implement this recommendation should the situation arise	3
	• If a check is going to be held at the Center for Workforce Development for longer than what is considered to be timely, document the reason why it is held	3
	• Work orders should include sufficient detail of parts used to verify costs calculated	1
	• Proper service charges should be calculated on all work orders	1
INFORMATION SYSTEM	• Periodically check laptops for items downloaded that may be inconsistent with BOCES policy	3

- *Items in blue and bold denote changes from the prior risk assessment.*

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