



Nugent & Haeussler, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
ESTABLISHED 1925

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JUN 11 2019

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Date: June 4, 2019

To: Board of Education
Poughkeepsie City School District

From: Nugent & Haeussler, P.C.

Re: Internal Audit Services – Cash Receipts and Revenue
Reference #2019-1

In accordance with our proposal and the Annual Risk Based Internal Audit Plan, we have conducted our internal audit services with respect to the Cash Receipts and Revenue of the Poughkeepsie City School District.

CONCLUSION

The grading standards are Satisfactory, Acceptable, and Unsatisfactory.

The controls over Cash Receipts and Revenue are rated *Satisfactory*.

District management is to submit a response to the Board of Education with copies to interested management and the auditor by July 31, 2019.

OBJECTIVE/SCOPE

The purpose of the internal audit services is to assist the Board of Education in making a determination with respect to:

- To ensure that policies and procedures provide for the safeguard of District resources.
- To ensure that policies and procedures provide for timely and accurate accounting of cash receipts and revenue and related transactions.
- To ensure that adequate cash receipts and revenue documentation is maintained.

- To ensure that District cash receipts and revenue policies are maintained, disseminated and adhered to.
- To ensure that cash receipt processing duties are properly segregated.

The internal audit covered sampled transactions from July 1, 2018 through April 30, 2019. The internal audit services were conducted on May 21st and 22nd 2019.

PROCEDURES & FINDINGS

Cash Receipt Log

During our review of cash receipts, we found that cash receipts that come into the business office are being handled by the Administrative Secretary who is not bonded to perform such duties.

We recommend that a bonded individual who is independent from the recording of the cash receipts into Nvision be responsible for the logging of receipts and ultimately checking the accounting software to ensure items were recorded correctly.

Bank Courier

During our review of the procedures over cash receipts we found that the District Treasurer and District Tax Collector bring the deposits they have recorded on the accounting or tax collector software to the bank.

We recommend the use of a courier independent of the functions of the Treasurer and the Tax Collector office to physically bring the funds to the bank and bring back the bank receipt and District copy of the deposit slip to the business office for filing.

Tax Collector – Segregation of Duties

During our review of the tax collector duties we found that there is no oversight over the procedures performed by the tax collector. Including recording the payment in InfoTax, taking the deposit to the bank, and changing of taxpayer assessment values.

We recommend that another employee of the district aid in the receipt of cash and transporting to the bank for deposit.

We also recommend that another employee safeguard all tax assessment change reports and board approvals as well as verify assessment changes have been entered in InfoTax.

Other

In addition to the items listed above in the Procedures/Findings area of this letter we performed other procedures with respect to Cash Receipts and Revenue and have no further recommendations.

We reviewed the District's written policies and procedures with respect to cash receipts and revenue and used them as a reference throughout the internal audit process.

We made inquiries of District employees involved in the processes for cash receipts and revenue to get an understanding of the controls in that area.

We reviewed a sample of cash receipts from all funds from July 1, 2018 through April 30, 2019 to the corresponding treasurer's receipts, supporting documentation, deposit slips, bank receipts, and bank statements.

We reviewed all District depositories being used to the Reorganization meeting for the 2018/2019 school year to ensure that all were designated by the Board.

We reviewed the District's insurance policy to ensure that all employees that are required to be bonded were in fact bonded for the 18/19 school year.

We reviewed the nVision permissions of the employees of the business office to ensure that only employees with a logical need had access to the cash receipt and accounts receivable areas.

We reviewed the process for setting the rates, approving, and recording transactions for the District's facility rentals.

We reviewed the process for requesting reimbursement and receiving funds in the Federal Aid Fund.

We reviewed the process for recording the revenue and receivables related to the Cafeteria Fund sales and claims for federal and state lunch and breakfast reimbursements.

We reviewed the process for recording revenue and receivables for federal and state aid.

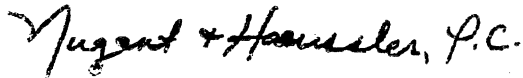
We reviewed the procedures for and tested a sample of wire transfers performed at the District from one District account to another and from the District to a third party.

We reviewed bank reconciliations as of March 31, 2019 to ensure they were performed timely and properly documented.

We reviewed the most recent Treasurer's Report submitted to the Board of Education to ensure they were submitted timely and properly documented.

This report is intended solely for the information and use of the Board of Education and management of the Poughkeepsie City District and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Nugent & Haeussler, P.C." is positioned above a horizontal line.

NUGENT & HAEUSSLER, P.C.