CORTLAND ENLARGED CITY SCHOOL DISTRICT
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To: Mr. Michael Hoose, Superintendent
From: Kimberly A. Vile, Business Administrator KAV
Date: April 16, 2019
Re: Corrective Action Plan for Internal Audit

The 2018-19 fiscal year internal audit was performed by D'Arcangelo & Co for Cortland Enlarged City School District. During the audit, the items listed below were found as opportunities for strengthening internal controls and operating efficiency. The audit committee reviewed this report in April of 2019 and the follow up responses are stated in italics.

Current Year Risks and Recommendation

2019-01. Security Awareness
The IT Director plans to attend a presentation by DHS to assist with developing a program. Recommendations for implementation will be discussed at the weekly IT meetings with District Administration.

Prior Year Risks and Recommendations

2015-01 Accounting Procedures Manual
The District does have job descriptions for business office staff. The District continues to create and update a procedure manual that will include guidance regarding specific day to day operations. This will be utilized as a reference to assist with cross training and promote smoother transitions should an employee leave or is not able to perform their duties. Eventually this will include details regarding segregation of duties, internal controls, and standardized forms that support the processes. The intent is for this to be a living document that is updated regularly.

2015-02. Conflict of Interest Statements.
The BOE signed during the 2018-19 school year. Key administrators will also be signing these in the subsequent year at least annually or as a concern arrives.

2015-03. Internal Claims Auditor Procedures
There is a list of items that the claims auditor does review. The claims auditor does review and discuss the current policies to ensure compliance. The list of tasks will be reviewed annual by the BOE.

2018-01. Information Technology Governance /Security Vendor Management.
The BOCES SSAE 16 audit during 2018 this should be done annually by BOCES.   CECSD will ask to review

this when this is completed for key district staff to review.

2015-4 Information Technology Governance/Security Data Classification
The District will make every effort to allocate time during the 2019-20 year to complete the data classification project. A template was provided from the auditor for the District to utilize as we are able.

2015-05 Information Technology Governance/Records Retention
The Business Administrator continues to attend records retention training and reference ED-1 to address questions that arise. A plan of action will be created and implemented in the future.

2015-06 Information Technology Disaster Recovery Contingency Plan.
Backups are automated and performed effectively. The recommendation is for the District to develop a Business Impact Analysis. Estimated date to complete this has not been established at this time.

2017-01 Information Technology Security Network Security
The District has a Cisco firewall that was installed during the 2017-18 school year for the District network. The Aruba Wifi network, which includes a wireless guest network with no access to the District's internal network, was also installed. The District is working with BOCES to configure and test the access rules for the redundant firewall housed at BOCES. Implementation of the virtual servers is underway. The District also continues to purchase cyber insurance.

2016-02. Risk & Observation Segregation of Duties – Payroll/Human Resources
The District continues to discuss the importance of the segregation of duties in regards to the same person entering the employee's salary amount as well as processing payroll. Best practice is for the initial entry to be conducted by a non-payroll employee who has no ability in the electronic system to process payroll. The audit committee agreed to tolerate this risk based on other mitigating procedures that have been implemented. However, this will continue to be reviewed when staffing changes occur.

2016-03. Exit Interview Checklist
A formalized exit conference does take place in person with support staff, while the same form is mailed to instructional staff. Ideally a checklist and process will be formally implemented to ensure all we are doing is documented. Discussions have started regarding using an electronic onboarding system. This type of system will assist us in moving toward some of the recommendations noted from last year that are still outstanding.

2017-02 Special Aid Uniform Guidance Procurement Policies
The procurement policy has been updated. Uniform guidance template is being reviewed at this time.

2018-02. Information Technology Application Security Network Monitoring:
The district implemented a Cisco Firepower firewall to control external traffic We continue to work with BOCES to implement netwook security monitoring and install a firewall log server. . .

2017-03. Information TechnologySecurity:
The new Aruba Wi-Fi network has been installed and includes a guest wireless network which is certificate based and does not permit access to the internal network.

2017-04. Information Technology Security of IT Service Accounts:
The District plans to address over the summer with new virtual servers.

<u>2017-05. Information Technology Application Security nVision:</u>

The District has been working with the CNYRIC and will continue to update information.

<u>2018-03, 04, 05, 06, . Extra Class Cash Receipts, Disbursements and Club Folders:</u>

The District has established a bi-annual review of the extraclass binders that reflect the policies and procedures based on the recommendations of NYS Finance Pamphlet 2. The District is dividing the accounts between the junior high and senior high as well as working with the booster club to assist us with the sports related activities that are not currently being ran as bonafide extraclassroom activities. The district is working on an annual training that will be required for all advisories.

<u>Medicaid</u>

The consent form is signed at the time of registration for all new entrants. The new Director of Special Education is working on processes and procedures to ensure all scripts are obtained and that we continue to maximize our dollars for reimbursement. We have been meeting and will continue to meet annually with our BOCES services representatives to ensure we are taking full advantage of the service as well as following up with our staff.

cc: Board of Education