



**Business Administrator**  
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**To:** Robert Edwards, Superintendent of Schools  
**From:** Laurie Widman, Business Administrator *lw*  
**Date:** August 24, 2021  
**Re:** Corrective Action Plan for Internal Audit

The 2019-20 fiscal year internal audit was performed by D’Arcangelo & Co. for the 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 on July 24, 2020 and the follow-up responses are stated in italics.

On August 3, 2021 the original corrective action report was unsubmitted by NYSED asking for dates for the plan – this is the revised document.

### **Current Year Risks and Recommendation**

To be completed by 12/31/2021:

1. 2020-01. State Privacy Regulation Implementation  
*The district will continue to work with OCM BOCES to complete the remaining two initiatives. This includes moving forward with establishing a complete PII inventory and establishing a mechanism to identify NIST components that need to enhance data security and privacy controls.*
2. 2020-02. Vendor Management - Nutrikids  
*The district will work with the CNYRIC which we purchase Nutrikids through to determine if they have any information regarding a SOC 2 review and if the request is from the District or CNYRIC who assists numerous districts.*
3. 2020-03. Application Log-on Security - Transfinder  
*Transfinder upgrades will be installed as soon as they are available from the vendor.*

### **Prior Year Risks and Recommendations**

#### **Ongoing Process – We are continually updating this document**

##### 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.*

**To be completed by 12/31/2021 or as soon as BOCES has it available:**

**2018-01. Information Technology Governance/Security Vendor Management.**

*OCM BOCES underwent an SSAE 16 audit during 2018. This should be done annually by OCM BOCES. The district will ask for a copy of this report when it is completed for key district staff to review.*

**This is an ongoing process.**

**2015-4. Information Technology Governance/Security Data Classification**

*The district will make every effort to allocate time during the 2020-21 year to complete the data classification project. This is an ongoing process.*

**Completed July 2021**

**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 disposal spreadsheet has been implemented in 21/22.*

**To be completed by 6/30/2022 or as soon as CYNRIC has it available:**

**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. The CNYRIC did hold a business continuity training that was attended during the 2019-20 year. There is an established timeframe for payroll and payables to be processed ahead of time. There are other items that need to be reviewed.*

**This is an ongoing process.**

**2016-02, 03 & 2020-04,05. Risk & Observation Segregation of Duties – Payroll/Human Resources**

*There are two levels of controls: (1) The district utilizes the Treasurer and Business Office Executive Secretary to compile a spreadsheet to check the salaries for all personnel (2) The Business Administrator analyzes the “pennies” Report every payment to ensure proper payments are being made.*

**To be completed by 6/30/2022**

**2017-02. Special Aid Uniform Guidance Procurement Policies**

*Uniform guidance template was received from NYSASBO and is very close to being finalized.*

**Completed 20/21.**

**2017-03. Information Technology Security:**

*The district has deployed Aristotle Software on all district managed endpoints which provide content filtering and protects these endpoints from BOT viruses when they are on and off the district’s network.*

**To be completed by December 2021**

**2017-04. Information Technology Security of IT Service Accounts:**

*The District will be using two-factor authentication beginning 9/2021*

**To be completed by 6/30/2022 or as soon as CYNRIC has it available:**

**2017-05. Information Technology Application Security nVision:**

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



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**Completed 20/21.**

**2018-03, 04, 05, 06. Extraclass Cash Receipts, Disbursements and Club Folders:**

*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 worked with the Athletic Booster Club and all sports related activities have been moved in addition to other accounts that are being run as bonafide extraclassroom activities. Annual trainings are held at the beginning of the year and stipends are only paid after training has occurred.*

**This is an ongoing process.**

**Medicaid**

*The district will continue to work with OCM BOCES to assist us with areas we can improve to maximize reimbursement.*

cc: Board of Education