



Yonkers City School District
Annual Risk Assessment Update
Pertaining to the Internal Controls
of District Operations

November 2019

DRAFT

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

The Board of Education
Yonkers City School District

We have performed the procedures enumerated below, which were agreed to by the Yonkers City School District (the "District"), solely to assist the District. This agreed upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have updated our November 2018 Risk Assessment by performing certain internal audit procedures pertaining to the time period starting December 1, 2018 through November 30, 2019. The updated Risk Assessment and related internal audit plan concentrates on the following key internal control areas:

- Governance and Planning
- Budget Development
- Accounting and Reporting
- Revenue and Cash Management
- Grants
- Payroll
- Human Resources
- Benefits
- Purchasing and Related Expenditures
- Facilities/Capital Projects
- Fixed Assets
- Food Service
- Extraclassroom Activity Fund
- Information Systems
- Cybersecurity
- Student Data Management
- Pupil Personnel Services
- Transportation
- Security and Safety

Our engagement is limited in scope and will be confined to our agreed-upon procedures. We will not be conducting an audit or review of the district's financial statements and therefore we will not express an opinion or any other form of assurance on them.

At the end of our engagement, we will present the results of applying the agreed-upon procedures in the form of our findings in a report. Our accountants' report should be used only for the intent of the original users of this report and will include a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. As such, using this report for anything other than the original intent of the agreed-upon procedures could mislead the readers. You must notify us immediately if the original users of the report change.

Very truly yours,

Nawrocki Smith LLP
March 17, 2020



Yonkers City School District

**Annual Risk Assessment Update
Pertaining to the Internal Controls
of District Operations**

November 2019

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Yonkers City School District
Annual Risk Assessment
November 2019

Risk Assessment Overview

This Risk Assessment report provides a presentation of our view of the school district's risk pertaining to its financial operations. It gives the District's administration the information necessary to help optimize its overall performance. The report identifies, expresses, and prioritizes the key program risks so that the District's administration can focus on those areas most critical to its success. This analysis is used to define the District's risk profile. It will provide an overview of the risks facing the District's operations.

In accordance with the laws of New York, 2005, Chapter 263, all school districts and BOCES were required to establish an internal audit function no later than July 1, 2006 and be in operation no later than December 31, 2006. This function should include, at a minimum, development of a risk assessment of district operations, including but not limited to:

- A review of financial policies, procedures and practices
- An annual review and update of such risk assessment
- Annual testing and evaluation of one or more areas of the District's internal controls
- Preparation of reports which analyze significant risk assessment findings
- Recommended changes for strengthening controls and reducing identified risk; and specifying time frames for implementation of such recommendations

Pursuant to Section 170.12 – Regulations of the Commissioner of Education – School District Financial Accountability, each school district must prepare a corrective action plan, approved by the Board of Education in response to findings to final reports issued by the internal auditor. This plan should include expected dates of implementation and should be filed with the New York State Education Department.

Internal Audit Objectives

The objectives of our engagement are as follows:

- Develop an understanding of the critical business processes of the District within each functional area
- Identify and qualify risks based on the understanding of the business processes and stated business rules
- Identify stated controls that are currently in place to address those risks and ascertain if they are operating effectively
- Recommend improvements in internal controls

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Scope and Methodology

The Board of Education has engaged Nawrocki Smith as the District's internal auditor. In compliance with New York State Laws, we have performed an annual update to the District risk assessment with respect to policies, procedures, and internal controls pertaining to District operations. The procedures applicable to the annual update of the District's risk assessment were performed during the twelve months ending November 2019 and were carried out in order to determine an internal audit plan for calendar year 2020 and thereafter. This risk assessment will be updated annually to reflect any changes in the current control environment and the existing internal audit plan.

Our risk assessment consisted of the following methodology:

- Perform interviews of Administration and other appropriate personnel
- Document procedures within key Functional Areas
- Identify key controls and perform audit tests of those controls
- Assess effectiveness of the key controls
- Identification and review of organization structure
- Analysis of risks that are a threat to the achievement of objectives
- Create a risk profile and internal audit plan

In addition to the above procedures, we have also evaluated and considered the following within our overall risk assessment:

- District policies and procedures
- Recent focus of State Comptroller Audits
- Board of Education/Audit Committee Meetings
- Materiality to Financial Statements
- Changes in management or key personnel
- Financial reports provided to the Board
- External auditor management letters
- District corrective action plans
- Organizational chart and job descriptions

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Internal Audit Risk Assessment Update Summary

We have analyzed nineteen (19) Business Process areas within the District and have developed an internal audit plan based upon our assessment of each area. Each of the nineteen (19) Business Processes contains multiple categories for which an extensive cycle analysis will be performed during the proposed time period noted within the risk rating and internal audit plan. The plan as presented will be revised each year based upon the annual risk assessment update and events/requests that occur during the year which impact the priority of future internal audit services.

The results of our update risk assessment are summarized below and, in the tables, presented on pages 5 through 6. We have utilized a “Low,” “Moderate,” and “High” control risk rating assessment scale in our assessment of the District which is summarized below:

#	<u>Business Process</u>	<u>Current Year Ratings</u>			<u>Total</u>	<u>Recommendation(s)</u>
		<u>Low</u>	<u>Moderate</u>	<u>High</u>		
1	Governance & Planning	2	-	-	2	-
2	Budget Development	2	-	-	2	-
3	Accounting and Reporting	3	-	-	3	-
4	Revenue & Cash Management	12	-	-	12	-
5	Grants	5	-	-	5	-
6	Payroll	3	2	-	5	1
7	Human Resources	2	2	-	4	1
8	Benefits	4	-	1	5	-
9	Purchasing & Related Expenditures	5	-	-	5	-
10	Facilities/Capital Projects	4	-	-	4	-
11	Fixed Assets	2	1	-	3	1
12	Food Services	5	-	-	5	-
13	Extraclassroom Activity	-	4	-	4	-
14	Information Systems	4	2	-	6	-
15	Cyber Security	2	2	-	4	-
16	Student Data Management	3	-	-	3	-
17	Pupil Personnel Services	3	1	-	4	-
18	Transportation	5	-	-	5	-
19	Safety & Security	3	1	-	4	2
	Total	69	15	1	85	5
	<i>% of Total</i>	<i>81.18%</i>	<i>17.65%</i>	<i>1.18%</i>	<i>100.00%</i>	

(*) Refer to pages 5 through 6 for business process rating changes.

- The District has completed or taken action on the fifteen (15) prior risk assessment report recommendations as follows:

	<u>Complete</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
Recommendations	11	3	1	15

We have summarized below the areas for consideration regarding our work plan for calendar year 2020:

<u>Cycle Reviews:</u>	<u>Other 2020 Planned Internal Audit Services:</u>	
<ul style="list-style-type: none"> Information Technology 	<ul style="list-style-type: none"> Key Control/Other Testing (See “T” categories on Pages 5-6) 	<ul style="list-style-type: none"> Extraclassroom Activity Cycle Recommendations Follow-Up
<ul style="list-style-type: none"> Cybersecurity 	<ul style="list-style-type: none"> External Audit Corrective Action Plan Monitoring 	<ul style="list-style-type: none"> Annual Risk Assessment Update as of November 2020
<ul style="list-style-type: none"> Human Resources 		<ul style="list-style-type: none"> Other Internal Audit Services at the Request of the District/BOE

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Risk Rating and Internal Audit Plan

√ = Internal Audit Services Provided
★ = Business Cycle Review Complete

X = Proposed Business Cycle Review
T = Limited Testing of Business Process

	Business Process	Business Process Categories	Inherent	RISK			YEAR OF SERVICE		
				Control	Change from PY	Prior Years	2020	Subsequent	
									2018
1	Governance and Planning	1 Governance Environment	H	L	L	—	✓		X
		2 Control Environment / Policies & Proc.	H	L	L	—			X
2	Budget Development	3 Budget Development	H	L	L	—	✓		X
		4 Budget Monitoring & Reporting	H	M	L	▼	✓		X
3	Accounting & Reporting	5 Financial Accounting and Reporting	H	L	L	—	✓		X
		6 External/Internal/Claims Auditing	H	L	L	—			X
		7 Fund Balance Management	H	L	L	—			X
4	Revenue and Cash Management	8 Real Property Tax	M	L	L	—			X
		9 State Aid	H	L	L	—			X
		10 Out of District Tuition/Reimbursable Exp.	M	L	L	—		T	X
		11 Use of Facilities	L	L	L	—			X
		12 Donations	M	L	L	—			X
		13 Vending Machines	H	L	L	—			X
		14 Cash Receipts	H	L	L	—			X
		15 Cash & Investment Management	H	L	L	—			X
		16 Petty Cash	L	L	L	—			X
		17 Bank Reconciliations	H	L	L	—			X
18 Online Banking	H	L	L	—			X		
19 Accounts Receivable	H	L	L	—		T	X		
5	Grants	20 General Processing	H	L	L	—			X
		21 Grant Application	M	L	L	—			X
		22 Allowable Costs & Expenditures	H	L	L	—		T	X
		23 Monitoring	M	L	L	—		T	X
		24 Reporting	H	L	L	—			X
6	Payroll	25 Payroll Disbursements	H	L	L	—			X
		26 Overtime Reporting	H	M	M	—	✓		X
		27 Payroll Accounting & Reporting	H	L	L	—			X
		28 Payroll Tax Filings	H	L	L	—			X
		29 Payroll Reconciliation	H	M	M	—			X
7	Human Resources	30 Employment Requisition/Hiring	H	L	L	—	✓	X	
		31 Personnel Evaluation	H	M	L	▼	✓	X	
		32 Termination	H	M	M	—	✓	X	
		33 Employee Attendance	H	L	M	▲	✓	X	
8	Benefits	34 Eligibility	H	L	L	—			X
		35 Benefit Calculations	H	L	L	—	✓		X
		36 Patient Protection and Affordable Care Act	H	H	H	—	✓		X
		37 Retiree Benefits	H	L	L	—			X
		38 ERS/TRS	H	L	L	—			X
9	Purchasing and Related Expenditures	39 PO System & Vendor Database	H	L	L	—		T	X
		40 Purchasing Process	H	L	L	—			X
		41 Payment Processing	H	L	L	—			X
		42 Employee Reimbursements	H	L	L	—	✓		X
		43 Credit Cards	H	L	L	—			X

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T = Limited Testing of Business Process

	Business Process	Business Process Categories	Inherent	RISK			YEAR OF SERVICE		
				Control	Change from PY	Prior Years	2020	Subsequent	
									2018
10	Facilities/Capital Projects	44 Facilities Maintenance & Work Order Process	H	L	L	—			X
		45 Construction Planning & Monitoring	M	L	L	—			X
		46 Capital Project Funding & Payments	M	L	L	—			X
		47 Recordkeeping & Reporting	M	L	L	—			X
11	Fixed Assets	48 Inventory/ Capitalization Policy	H	L	L	—	✓		X
		49 Acquisition and Disposal	H	L	L	—	✓		X
		50 Inventory Process & Recordkeeping	H	M	M	—	✓		X
12	Food Service	51 Sales Cycle and System	M	L	L	—			X
		52 Inventory and Purchasing	M	L	L	—			X
		53 Free & Reduced Meals	M	L	L	—			X
		54 Federal and State Reimbursement	H	M	L	▼			X
		55 Financial Reporting & Monitoring	H	L	L	—			X
13	Extracurricular Activity Fund	56 General Controls	H	M	M	—	★		
		57 Revenue	H	M	M	—	★		
		58 Expenditures	M	M	M	—	★		
		59 Reporting	M	M	M	—	★		
14	Information System	60 Governance	H	L	L	—			X
		61 Inventory	H	L	L	—			X
		62 Network Security	H	L	L	—			X
		63 Application Security	H	M	M	—			X
		64 Physical Security	H	L	L	—			X
		65 Disaster Recovery	H	M	M	—	✓		X
15	Cyber Security	66 General Controls	H	L	L	—			X
		67 Information & Asset Security	H	L	L	—			X
		68 Vulnerability Assessment	H	M	M	—			X
		69 Incident Response & Recovery	H	M	M	—			X
16	Student Data Management	70 Registration & Enrolment	H	L	L	—	★		
		71 Student Attendance	H	L	L	—	★		
		72 Student Performance	H	L	L	—	★		
17	Pupil Personnel Services	73 Budgeting and Planning	H	L	L	—			X
		74 STAC Reimbursement	H	L	L	—			X
		75 Medicaid Reimbursement	H	M	M	—	★		X
		76 RFP and Contracts	H	L	L	—			X
18	Transportation	77 Fleet Inventory and Maintenance	H	L	L	—	★		
		78 Bus Routing and Planning	H	M	L	▼	★		
		79 Labor and Supervision	H	M	L	▼	★		
		80 Contract Management	H	M	L	▼	★		
		81 Federal and State Reimbursement	H	L	L	—	★		
19	Safety & Security	82 Plan Development & Strategy	H	L	L	—	✓		X
		83 Building Access & Security System	H	L	M	▲	✓		X
		84 Compliance and Incident Reporting	H	L	L	—			X
		85 Safety & Security Monitoring	H	L	L	—			X

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Inherent Risk - Inherent risk pertains to the overall school district industry. Inherent risk is the risk of a material misstatement may occur assuming the absence of internal controls.

Control Risk - Control risk pertains specifically to the Yonkers City School District. Control risk is the risk that a material misstatement will not be detected and corrected by Management's internal controls on a timely basis.

Risk Assessment Observations and Recommendations

Current Year Observations and Recommendations

Payroll

1. The District has not established a process for Building and Grounds employees to receive written approval from their direct Supervisors prior to working overtime.
 - *We recommend that the Building and Grounds Department develop a weekly overtime schedule indicating the projects, applicable budget accounts codes, custodians, and hours of required overtime. The Buildings and Grounds Department should compare the overtime sheets to the overtime schedule to ensure that the overtime hours were properly documented and worked. This allows management to make sure that overtime is incurred for a valid and needed purpose, and that funding for the nonemergency overtime is provided for in the budget.*

Human Resources

2. We conducted key control testing in the employee attendance area and noted the following instances:
 - Employee absences recorded in Ceridian were not supported by the applicable *Absent Request Forms*.
 - *Absent Request Forms* were not signed or were signed by the employee's supervisor subsequent to the actual personal days taken by the employees.
 - The dates of the absences did not agree with the *Absent Request Form* and the Ceridian employee attendance report.
 - *All District employees should document their leave requests on the Absent Request Form. The District employees should obtain written pre-approval for personal and vacation days from their respective building level supervisors. This pre-approval should be documented on the standardized employee Absent Request Form prior to being entered into Ceridian.*

The District should consider having its internal auditors perform quarterly or semi-annually reconciliations of the date, amount, and type of leave days recorded in Ceridian to the date, amount, and type of leave days reported on employee Absent Request Forms and the building level attendance reports. This review process should also be documented and communicated to the Manager of Administration.

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Fixed Assets

3. We conducted key control testing in the fixed asset inventory area and noted that the acquisition cost did not agree when comparing the District's property ledger to the applicable invoices.
- *All fixed assets should be recorded in the District's Property Ledger at the purchase price as indicated on the applicable invoice. The District should designate the employee who performs the physical inspections to review the accuracy of the fixed asset data entry within the inventory schedule. The review function should be conducted on a monthly basis by reconciling the information reported on the warrant reports and applicable invoices to the information reported on the inventory schedule. Any discrepancies should be investigated and communicated to the Information Technology Director.*

Safety and Security

4. We conducted an unannounced visit to the High School buildings and observed the building access protocols for visitors. We noted that the security procedures carried out were not consistent at each building.
- *The District should implement consistent procedures for all buildings that allow entrance to visitors. According to the National School Safety and Security Services, school access controls should include, but not limited to, the following:*
 - *Each building should have a designated secured single point of entry to be used by all visitors, students or other non-staff. Signs should be placed identifying the doors to be used to enter the building. All other exterior doors should be noted as Secure Doors. Unauthorized entrance through a Secure Door may be considered trespassing.*
 - *Each building should consider use of a camera, intercom, and buzzer at the school main entrance. Visitors should be asked to state their name and purpose of their visit. The building greeter should confirm the purpose of the visit prior to entry.*
 - *Visitors who are not recognized should be required to provide government issued identification.*
 - *Visitors who do not have an appointment should not be allowed to enter the building, or in some cases may need to wait a considerable time before being allowed entry.*
 - *Parents/Guardians coming to a building to drop-off their child for late entrance, to drop off belongings for their child, to pick-up their child for appointments, or pick-up their child in the case of emergency situations should be expected to follow the same procedures.*
 - *Upon entrance, all visitors should sign-in, note the time of entrance and receive a badge. The badge should state their name, date and destination. The badge must be visible at all times.*
 - *Each building should train its school staff, including support personnel, to greet and challenge strangers. Staff should be trained to at least report strangers to the office if they do not feel safe in approaching someone, they believe to be an intruder.*

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- *All visitors should sign out, note the time and exit the building from the main entrance.*
5. We analyzed District’s building access reports generated by the security management system and noted that certain active cardholders were not listed as active employees within the Ceridian financial and employee management application.
- *The School Safety and Security Department should review the results of our analysis and confirm the reasons surrounding these discrepancies between the building access and financial application systems. If the discrepancies pertain to former employees or duplicate entries, the School Safety and Security Department should deactivate the access rights to these cardholders. The District should establish a process whereby the Building Principals inform the School Safety and Security Department of any retirements, lay-offs, resignations, etc. in order to deactivate their access rights in a timely manner. It is also recommended that the Safety and Security Department reconcile the cardholder listing to the active employee listing in Ceridian at the end of each year and update the card holder databases accordingly.*

Status of Prior Year Recommendations

We have performed follow-up internal audit services applicable to our previously issued risk assessment update report dated November 2018. The services we performed included observing and evaluating the implementation status of the District’s action plan in respect to our prior risk assessment recommendations. The November 2018 risk assessment update identified fifteen (15) recommendations within seven (7) distinct areas. The District has completed or taken action on the fifteen (15) recommendations as follows:

<u>Business Process</u>	<u>Complete</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
Human Resources	1	-	-	1
Benefits	1	-	-	1
Purchasing and Related Expenditures	1	-	-	1
Fixed Assets	1	-	-	1
Extraclassroom Activity Fund	-	1	-	1
Transportation	6	1	-	7
Cybersecurity	1	1	1	3
Total	11	3	1	15

Human Resources

- Employee evaluations are used as a tool by Administrators to identify employees’ strengths and weaknesses, document personnel decisions (including promotions, layoffs and transfers), and to meet legal requirements. The District should continue its efforts to evaluate the employees on an annual basis to adhere to the respective employee bargaining unit agreement or contract. The District should include all employee evaluations in their respective employee personnel files.

Status at November 2019: Complete

Benefits

- The Benefits Department should obtain documentation, including marriage certificates, birth certificates, and social security numbers from District employees to support their insurance coverage elections prior to transmitting any changes in benefits to the insurance carriers.

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Status at November 2019: Complete

Purchasing and Related Expenditures

- The District should consider updating its Policy 6830 – Employee Reimbursement to provide for employees to submit to the Accounts Payable Department certificates of attendance or other contemporaneous documentation supporting the employees’ attendance at conferences. This will enhance the District’s controls over employee reimbursements by ensuring that the required documentation is provided and reviewed prior to the payment processing.

Status at November 2019: Complete

Fixed Assets

- The District should continue its efforts to reconcile the property ledger to the third-party consultant inventory observations and document the circumstances which resulted in those items being marked missing. The District should assign an employee separate from the Information Technology Department (Inventory Control) to conduct walk-through observations and verify whether the fixed asset tags are properly affixed to newly acquired equipment. As an alternative Nawrocki Smith can perform this observation on behalf of the District. The observation function should be conducted on an annual basis during the month of March and the results should be documented and communicated to the Information Technology Department (Inventory Control). Any exceptions should be investigated, and corrective action should be implemented in a timely manner.

Status at November 2019: Complete

Extraclassroom Activity Fund

- The District should consider reviewing and updating, where needed, the District’s extraclassroom activity training and guidance pertaining to the process of student involvement and attendance in fundraising, deposits, disbursements, sales tax, and accounting procedures.

Status at November 2019: In- Process

Transportation

- The Transportation Department should continue its efforts in finalizing the documented guidelines pertaining to transportation planning, administering, purchasing, contracting, routing, and accounting and reporting of transportation services. The documented procedures should be reviewed and updated annually to maintain relevance and reflect regular changes in the Transportation Department. Nawrocki Smith provided the District with narratives in this regard that should serve as a supplement to the existing and draft transportation guidelines.

Status at November 2019: Complete

- The Transportation Department should develop a process along with Southern Westchester BOCES and parentally placed schools to obtain student attendance records to support the transportation services reported on the invoices submitted to the District for payment. This will assist the Transportation Department in verifying the accuracy of the reported services.

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Status at November 2019: Complete

- The Transportation Department should obtain confirmation from each vendor that all drivers currently transporting students are in compliance with 19A requirements. The Transportation Department should also request from its transportation vendors at the beginning of each school year updates of their bus driver listings and abstracts. The Transportation Department should also consider requesting from its transportation vendors complete copies of a sample of bus driver DMV 19A files and perform spot checks of their files to ensure compliance with DMV 19A requirements.

Status at November 2019: Complete

- The Transportation Department should maintain evidence of CPR, pre-service and refresher course training certifications, and physical performance evaluation results for all bus monitors on file. The Transportation Department should also maintain a bus monitor file checklist to review and verify the existence of the aforementioned documents.

Status at November 2019: Complete

- The Transportation Department should develop a process whereby the transportation Bus Dispatchers or Safety Officers document bus student attendance three (3) times per year on a random sample of bus routes. The data collected should be analyzed to assess the necessity of bus routes, bus capacity, and applicable bus stops and for trends and planning needs.

Status at November 2019: Complete

- According to the New York State Education Law Section 3623, the Transportation Department and the contracted bus companies should perform a minimum of three (3) drills to be held on each school bus during the school year, the first to be conducted during the first seven days of school, the second between November 1st and December 31st and the third between March 1st and April 30th. These drills should not be conducted when buses are on routes. The Transportation Department should certify on the annual report to the State Education Department that the District has complied with this subdivision.

Status at November 2019: Complete

- The Transportation Department should request and obtain the red-light camera reports on an annual basis from the City of Yonkers Police Department. This will assist the Transportation Department to review the traffic violations or crashes occurring at intersections from the bus companies. Based on the review results, the Transportation Department should assess corrective action plans in the bus route schedules or with the bus driver assignments.

Status at November 2019: In- Process

Cybersecurity

- The Information Technology Department should develop controls to encrypt and/or password protect information that flows in and out of the system through emails. Encryption provides another level of

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security for the data in case someone gains access to the email. Since the data is encrypted or password protected, the information may be inaccessible to unauthorized use.

Status at November 2019: Not Started

- The District should develop and provide periodic cybersecurity awareness training for all employees including new hires, Information Technology Department, and job positions that handle PII. The training should explain the proper rules of behavior for using information technology systems, the insider type of threats from a cybersecurity perspective, and the implications of a cybersecurity breach. The training should also include guidance on use of social media, Bring Your Own Device (“BYOD”), and how to respond to a phishing or ransomware attacks.

Status at November 2019: In- Process

- The Information Technology department should develop an intrusion detection system (IDS) to inspect all inbound and outbound network activity and identify suspicious patterns that may indicate a network or system attack from someone attempting to break into or compromise the District’s network. By reviewing the recorded activity and any potential intruders into the network, the Information Technology Department will be able to determine if the firewall or IDS settings will indicate potential attacks or other problems that need to be addressed.

Status at November 2019: Complete

Exhibits

Exhibit I History of Internal Audit Work Performed

Exhibit II Internal Audit Plan for 2020



Yonkers City School District

2020 INTERNAL AUDIT PLAN

**(Based upon November 2019 Risk Assessment Update)
Exhibit II**

Cycle Reviews

Status

- | | |
|---------------------------------|-------------------------|
| • Information Technology | Commencement TBD |
| • Cybersecurity | Commencement TBD |
| • Human Resources | Commencement TBD |

Key Control Testing Areas

Status

- | | |
|--|-------------------------|
| • Out of District Tuition Reimbursement | Commencement TBD |
| • Accounts Receivable | Commencement TBD |
| • Grants-Allowable Costs & Expenditures | Commencement TBD |
| • Grants-Monitoring | Commencement TBD |
| • Vendor Database Analysis | Commencement TBD |

Additional Internal Audit Services

Status

- | | |
|---|---------------------------|
| • Annual Risk Assessment Update as of November 2019 | Draft Complete |
| • Extraclassroom Activity Fund Training or Follow Up | Upon Request |
| • External Audit Corrective Action Plan Monitoring | Planned for Nov-20 |
| • Annual Risk Assessment Update as of December 2020 | Planned for Nov-20 |
| • Other Internal Audit Services at the Request of the District | As Requested |

Tentative On-Site Internal Audit Schedule

TBD



**Yonkers City School District
History of Internal Audit Work Performed
Exhibit I**

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete
 ✓ = Limited Testing on Business Process Provided ◆ = Special Request Services Provided

			YEAR OF SERVICE					
Business Process	Business Process Categories	09/10	14/15	2017	2018	2019	2020	
<u>Risk Assessment</u>	Risk Assessment			◆	◆	◆	◆	
<u>1</u>	<u>Governance and Planning</u>	Governance Environment						
		Control Environment / Policies & Procedures						
<u>2</u>	<u>Budget Development</u>	Budget Development					★	
		Budget Monitoring & Reporting			★			
<u>3</u>	<u>Accounting & Reporting</u>	Financial Accounting (Journal Entries)				✓		
		External/Internal/Claims Auditing						
		Fund Balance Management						
<u>4</u>	<u>Revenue and Cash Management</u>	Real Property Tax						
		State Aid						
		Out of District Tuition/Reimbursable Expenses						
		Use of Facilities						
		Donations						
		Vending Machines						
		Cash Receipts						
		Cash & Investment Management						
		Petty Cash						
		Bank Reconciliations						
Online Banking								
Accounts Receivable								
<u>5</u>	<u>Grants</u>	General Processing						
		Grant Application						
		Allowable Costs & Expenditures						
		Monitoring						
		Reporting						
<u>6</u>	<u>Payroll</u>	Payroll Disbursements						
		Overtime Reporting					✓	
		Payroll Accounting & Reporting						
		Payroll Tax Filings				✓		
		Payroll Reconciliation						
<u>7</u>	<u>Human Resources</u>	Employment Requisition/Hiring		P★		✓		
		Personnel Evaluation		P★		✓		
		Termination		P★		✓		
		Employee Attendance		P★		✓	✓	
<u>8</u>	<u>Benefits</u>	Eligibility						
		Benefit Calculations				✓		
		Patient Protection and Affordable Care Act						
		Retiree Benefits						
		ERS/TRS						
		Retirement Payouts						
<u>9</u>	<u>Purchasing and Related Expenditures</u>	PO System & Vendor Database	S★	P★				
		Purchasing Process	S★	P★				
		Payment Processing	S★	P★				
		Employee Reimbursements	S★	P★		✓		
		Credit Cards	S★	P★				





**Yonkers City School District
History of Internal Audit Work Performed
Exhibit I**

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete
 ✓ = Limited Testing on Business Process Provided ◆ = Special Request Services Provided

	Business Process	Business Process Categories	YEAR OF SERVICE					
			09/10	14/15	2017	2018	2019	2020
10	<u>Facilities/Capital Projects</u>	Facilities Maintenance & Work Orders						
		Construction Planning & Monitoring						
		Capital Project Funding & Payments						
		Recordkeeping & Reporting						
11	<u>Fixed Assets</u>	Inventory/ Capitalization Policy	S★					
		Acquisition and Disposal	S★					
		Inventory Process & Recordkeeping	S★				✓	
12	<u>Food Service</u>	Sales Cycle and System						
		Inventory and Purchasing						
		Free & Reduced Meals						
		Federal and State Reimbursement						
		Financial Reporting & Monitoring						
13	<u>Extraclassroom Activity Fund</u>	General Controls			★			★
		Revenue						★
		Expenditures						★
		Reporting						★
		Stipends						★
14	<u>Information System</u>	Governance	S★					
		Inventory	S★					
		Network Security	S★					
		Application Security	S★					
		Physical Security	S★					
		Disaster Recovery	S★			✓		
15	<u>Cyber Security</u>	General Controls						
		Information & Asset Security						
		Vulnerability Assessment						
		Incident Response & Recovery						
16	<u>Student Data Management</u>	Registration & Enrollment				✓		★
		Student Attendance						★
		Student Performance						★
17	<u>Pupil Personnel Services</u>	Budgeting and Planning						
		STAC Reimbursement						
		Medicaid Reimbursement			★			
		RFP and Contracts						
18	<u>Transportation</u>	Fleet Inventory and Maintenance		P★			★	
		Bus Routing and Planning		P★			★	
		Labor and Supervision		P★			★	
		Contract Management		P★			★	
		Federal and State Reimbursement		P★			★	
19	<u>Safety & Security</u>	Plan Development & Strategy				✓		
		Building Access & Security System					✓	
		Compliance and Incident Reporting						
		Safety & Security Monitoring						

Notes:
 P: Prior Auditors
 S: State Auditors

