

KINGSTON SCHOOL DISTRICT

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November 4, 2020

Office of the State Comptroller
Division of Local Government & School Accountability
PSU- CAP Submission
110 State Street, 12th Floor
Albany, New York 12236

New York State Education Department
Office of Audit Services, Room 524 EB
89 Washington Avenue
Albany, New York 12234

RE: Corrective Action Plan (CAP)

Unit Name: ***Kingston City School District***

Audit Report Title: June 30, 2020 Extra-Classroom Activity Fund-Cash Basis

Prepared by Raymond G. Preusser, CPA, P.C.

Audit Report Number: na

The Kingston City School District Administration, Board of Education and Audit and Finance Committee have received and reviewed the annual audit report of the Extra-Classroom Activity Funds for the fiscal year ended June 30, 2020. The audit report was accepted by the Board of Education on November 4, 2020. Included as part of the auditor's examination are findings and general recommendations for procedures and policies to improve internal controls and protect student activity funds. The findings and recommendations, as well as the district's corrective action plans are detailed below.

I. Audit Recommendation: Cash Receipts

"We found that generally, the internal accounting controls with regards to cash receipts were adequate to maintain proper accountability beyond the point of initial recording of the cash receipts."

J.W. Bailey (Middle) School:

During the audit of cash receipts the following were noted:

1. Some instances where deposits were not made within three days of receipt of funds.
2. Some instances of receipts lacking supporting documentation (Copies of checks, tally sheets, etc.)

M.C. Miller Middle School:

1. Some instances where deposits were not made within three days of receipt of funds.
2. Some instances of receipts lacking supporting documentation (Copies of checks, tally sheets, etc.)

Kingston High School:

1. Some instances where deposits were not made within three days of receipt of funds.

“We recommend that cash receipts be properly completed and funds are forwarded by the Clubs to the Central Treasurer for deposit within three days. In turn, the Central Treasurer should then deposit within a three-day period after receipt of these funds. The cash receipts should then be properly filed and accessible.”

- a. **Implementation Plan of Action(s) - Prior Year and Continuous:** Club officers and Central Treasurers make every effort to deposit funds on a timely basis and include proper documentation to support the deposit. District Treasurers will continue to stress the importance of properly documented and deposited cash receipts and timely bank deposits.
Additionally, Kingston High School has implemented a secure online payment system through School Bucks which will minimize the handling and deposit of cash receipts. This process may be expanded to other schools in the future.
- b. **Implementation Date:** These procedures have been in place and are generally adhered to. However, unanticipated situations with students, advisors holding the funds or school closures may result in exceptions to such timely or accurate transactions. The clerks make every effort to make deposits within a reasonable amount of time and the funds are locked securely in a safe in the main office until such deposits are made.
Timely deposits in the latter half of 2019-2020 were interrupted as a result of COVID-19 related school closures.

II. **Audit Recommendation:** Inactive Clubs

J.W. Bailey Middle School:

During the audit, it was noted that three student activities were financially inactive during the current year.

M.C. Miller Middle School:

During the audit, it was noted that eight student activities were financially inactive during the current year.

“We recommend that inactive clubs be reviewed and if the club is no longer in existence, the remaining funds should be disposed of as prescribed by the Board of Education.”

- a. **Implementation Plan of Action(s) - Prior Year and Continuous:** The Central Treasurers and Principals annually review all clubs with no activity and determine whether they should continue as a club. The district also has a Board Policy dictating the handling of inactive clubs. Club activity for many clubs during the 2019-2020 school year was interrupted due to COVID-19 school closures.
- b. **Implementation Date:** The District Treasurers, Central Treasurers and Principals evaluate on an annual basis. The Faculty Auditor at Central Administration further reviews, monitors and records listings of discontinued clubs for each school. This procedure began in 2016 and will continue to be followed.

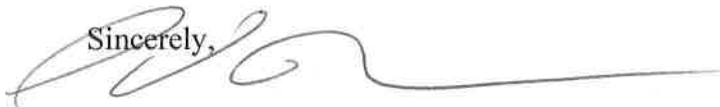
III. Cash Disbursements (All Schools):

Due to the COVID-19 pandemic not all required signatures on payment orders were able to be obtained from March – June.

- a. **Implementation Plan of Action(s):** The district has made every effort to safeguard student account funds and has initiated alternative controls for cash disbursements during the pandemic. When club activity resumes following COVID-19 school closures, efforts will be made to obtain all of the necessary documentation and signatures for cash disbursements.

District officials have made a significant commitment of time, resources and training to ensure that Extra-Classroom Student Activity Funds are properly accounted for, and that policies, procedures and guidance promote effective internal controls. While the monitoring and supervision of the funds management has increased, the objective of the Student Activity Clubs as business learning opportunities for the district’s students remains a key focus.

Sincerely,



Dr. Paul J. Padalino

Superintendent of Schools