



Memorandum

To: Dr. Kevin McGowan

From: Dahlia Watts

Date: June 27, 2022

Re: Approval of Revised Corrective Action Plans – Independent Financial Audit

Attached please find two revised corrective action plans documented in response to audit findings and recommendations prepared by our independent external and internal auditors. The plans were previously reviewed and approved by the Audit Committee and Board of Education; however the State is requesting more specificity of anticipated implementation dates and additional documentation for recommendations.

Recommended Resolution:

RESOLVED, that the Board of Education of the Brighton Central School District hereby approves the revised corrective action plan prepared in response to the management letter and risk assessment issued by the District's independent external and internal auditors related to the 2019-20 and 2020-21 independent internal audit.

Attachments (4)

C: Lou Alaimo, Assistant Superintendent for Administration



Corrective Action Plan Summary Status / Resolutions For Internal Control Risk Assessment – March 30, 2021

The following summarizes the status of all the Internal audit comments from the **2020–21** Internal Control Risk Assessment Audit. Items that have been completed are shaded.

	Internal Audit Review Comment	Source	Assigned to	Target Date for Completion	Date Completed	Status/Resolution
1.	Budgeting: Comment – We encourage the District to ensure that conversations between the Board of Education and management are timely and transparent with respect to state aid updates that could impact budgeting and spending decisions	Internal Control Risk Assessment	Lou Alaimo	Implemented April 2021		The District timely presents the impact of State Aid when decisions are pending by the State Legislature and prepares contingency plans when there are forecasted changes that may be material to district finances. These presentations are provided to the Board of Education in budget development presentations and in monthly treasurer’s reports.
2.	Facilities, Equipment, and Inventory: Comment – We encourage the District to consult with appropriate parties to determine whether there are potential legal remedies that could be successful in helping the District to recover any excessive costs resulting from negligence and/or breach of contract.	Internal Control Risk Assessment	Superintendent ASA		Completed December 2021	The District has reviewed change order reports and summaries with legal counsel. The District has been advise that the cost of litigation and uncertainly of outcomes may not be in the best financial interest of the district.



**Corrective Action Plan Summary
Status / Resolutions
For Internal Control Risk Assessment – March 30, 2021**

	Internal Audit Review Comment	Source	Assigned to	Target Date for Completion	Date Completed	Status/Resolution
3.	Accounting, Reporting, and Information Technology: Comment – The District has partnered with a third-party vendor with expertise in computer security services. This vendor is providing assistance to the District in its efforts to comply with Ed Law 2d requirements and implement improvements with respect to cybersecurity practices, among other services.	Internal Control Risk Assessment	Lou Alaimo	Implemented June 2021		The District agrees with the recommendation regarding accounting, reporting, and information technology. The district subscribes to Monroe 1 BOCES Data Privacy and Security service, along with 19 other school districts to help with the full implementation of NY2D. The district has also contracted with SEDARA to outline a comprehensive cybersecurity plan for the district. Ny working with SEDARA on a Cybersecurity Development Program, roadmap, and playbook, the district will have the benefit of an experienced and dedicated cybersecurity team to help accomplish compliance with NY2D requirements and security goals.



Corrective Action Plan Summary Status / Resolutions For Internal Control Risk Assessment – March 26, 2020

The following summarizes the status of all the Internal audit comments from the **2019-20** Internal Control Risk Assessment Audit.

	Internal Audit Review Comment	Source	Assigned to	Target Date for Completion	Date Completed	Status/Resolution
1.	Cash Receipts and Revenues: Comments - We encourage the District to continue working towards reviewing these items and taking corrective action to address these outstanding balances	Internal Control Risk Assessment	Lou Alaimo	Completed	September 2020	The District agrees with the comment regarding cash receipts and revenues and has implemented a process for reviewing and acting on outstanding balances
2.	Extra classroom Activity Fund: Comment: - During our review of the Extraclassroom Activity Funds, we noted that the year-end account balance for the Performing Arts had grown to a significant level at the end of the 2018-19 school year. We encourage the District to monitor club balances and make inquiries as to the proposed use of funds when a club's balance becomes significant.	Internal Control Risk Assessment	Lou Alaimo	Implemented September 2020		On a quarterly basis, the Central Treasurer reports balances to the Director of Finance. Together they review significant balances and assess plans for use of the funds.



**Corrective Action Plan Summary
Status / Resolutions
For Internal Control Risk Assessment – March 26, 2020**

	Internal Audit Review Comment	Source	Assigned to	Target Date for Completion	Date Completed	Status/Resolution
3.	Facilities, Equipment, and Inventory: Comment – We encourage the District and the Board of Education to closely monitor the progress of these projects and take appropriate steps to minimize any further delays and/or cost increases to the projects.	Internal Control Risk Assessment	Lou Alaimo	June 2023		The District has engaged Campus Construction as the project construction manager. On a monthly basis, the District’s Owners, Architects, and Construction Manager review the project status report prepared by Campus. The report shows all change orders and outstanding requests for information that may have a financial impact. The report is also provided to the Board of Education and periodic updates are provided to the Board in public session.
4.	Payroll and Personnel: Comment – This area has experienced staffing turnover in the past year. We encourage the District to continue to monitor this area closely to ensure payroll is processed accurately	Internal Control Risk Assessment	Director of Finance	Implemented April 2020		The District has implement management review controls to ensure payroll is accurate.



**Corrective Action Plan Summary
Status / Resolutions
For Internal Control Risk Assessment – March 26, 2020**

	Internal Audit Review Comment	Source	Assigned to	Target Date for Completion	Date Completed	Status/Resolution
5.	<p>Accounting, Reporting, and Information Technology: Finding – Maintaining offline data backups of the District’s file servers and key operating systems is critically important to ensuring that they are free from malicious attempts to compromise or corrupt this information. While the Technology Department is currently working to ensure the District’s backups are properly segregated from the network, this practice is not currently in place</p>	Internal Control Risk Assessment	Lou Alaimo	Completed	April 2022	<p>The District agrees with the recommendation regarding accounting, reporting, and information technology. The district subscribes to Monroe 1 BOCES Data Privacy and Security service, along with 19 other school districts to help with the full implementation of NY2D. The district has also contracted with SEDARA to outline a comprehensive cybersecurity plan for the district. We are working with SEDARA on a Cybersecurity Development Program, roadmap, and playbook, the district will have the benefit of an experienced and dedicated cybersecurity team to help accomplish compliance with NY2D requirements and security goals.</p>