

HORNELL CITY SCHOOL DISTRICT
2016-2017 INDEPENDENT AUDIT REPORT
CORRECTIVE ACTION PLAN

Finding – Extraclassroom Programs: In reviewing the cash receipts in the extraclassroom activities, three transactions from a sample of twenty-five where it appears sales tax should have been charged, however no sales tax was charged. Further, it was found that certain invoices paid during the 2016-2017 fiscal year related to the prior fiscal year in one club, which resulted in late fees. Finally, there are limited controls in place surrounding certain club activities, such as bake sales and dances.

Recommendation: The District should ensure that sales tax is being collected on all items that meet the criteria for sales tax. Further, it is recommended that all clubs are reminded to submit invoices as soon as they are received so as to avoid late fees and ensure timeliness of payment. Lastly, it is recommended that the District evaluate the current procedures surrounding club activities and consider adding additional controls over these activities. Controls such as pre-numbering tickets for dances, and developing a list of items to be sold and their prices for bake sales would help ensure proper segregation of duties.

District Response: The District agrees with these recommendations and will be working with the Auditors to provide additional training to all Advisors, Student Treasurers, Central Treasurer, Deputy Central Treasurer, and the Chief Faculty Counselor. We will also make sure that all Clubs are given copies of the District policy that governs Extraclassroom, “The Safeguarding, Accounting and Auditing of Extraclassroom Activity Fund” along with a sales tax chart.

Responsible: Patti Clancy, Central Treasurer, Scott Carroll, Chief Faculty Counselor, Susan L. Brown, District Treasurer and Patrick Flaitz, Business Official

Implementation Date: As soon as possible

****approved by BOE 10/04/2017**