
**Blind Brook–Rye Union Free School District
School Business Office
390 North Ridge Street
Rye Brook, NY 10573**

TO: Bill Stark

FROM: Jonathan Ross

RE: **Response to the 2010 Risk Assessment Update Report &
Corrective Action Plan**

DATE: June 24, 2010

I have reviewed and respond herewith to the **2010 RISK ASSESSMENT UPDATE REPORT (RAR)** dated 4/26/10, submitted by the auditing firm, Cullen & Danowski, LLP. A draft copy is enclosed for perusal by the audit committee, the Board, and yourself. I ask that Sue Arkaway forward this memo and enclosures to all concerned.

This memorandum includes a plan for addressing operational deficiencies noted by the auditors. I am very pleased to report that there are only two areas in need of attention – roles and responsibilities and extraclassroom activity fund operations. We are in the process of transforming roles and responsibilities concepts into written procedures thus creating a procedure manual for all administrative positions within the District. With respect to addressing extraclassroom activities, in January we began to address deficiencies revealed in an earlier 2009-2010 internal audit and we will continue to improve operations in this area as we move into the new fiscal year.

Status of Prior Observations:

The internal auditors note that the following items from last year's assessment have been resolved satisfactorily and do not need further comment:

- Board policies and procedures
- Employee attendance
- Grants management
- Salary certification
- Year end accruals
- STAC accounting

In response to the current RAR recommendations, the following suggested corrective actions will be implemented in the months ahead.

Current Observations Requiring Corrective Actions:

Roles and Responsibilities – The District will continue to work on creating a procedure manual which delineates roles and responsibilities for each position to promote work efficiency. Enclosed with this memo is the “annual business office activity calendar” and “treasurer’s activity calendar”. These are used to ensure important aspects of business office operations are attended to. In the months ahead each employee will work on developing a list of procedures for the following areas of operations:

- Personnel & Payroll
- Purchasing / Disbursements
- Cash Receipts

Additionally, employees will attend workshops germane to their position as they become available and are deemed appropriate.

Extraclassroom Activity Fund Faculty Auditor - The District Treasurer now serves as Faculty Auditor (Extraclassroom Activity Auditor) and all faculty and students connected to extraclassroom activities will be trained by him and provided a copy of Pamphlet 2.

Extraclassroom Activity Fund Written Procedures – The administrative regulations (5520R) for this area of operations are now at final review and are expected to be adopted by the Board next month.

Extraclassroom Activity Fund Sales Tax - With all due respect to the auditors, I maintain that it is not the responsibility of club advisers or students to remind vendors that they must include sales tax when invoicing the club.

Extraclassroom Activity Fund Cash Receipts - The District treasurer working with the central treasurer will develop procedures to strengthen controls over cash receipts at the club level that are consistent with recommendations set forth in Pamphlet 2.

Again, I am pleased with the limited number of recommendations contained in this report and the work members of the business office have done since last spring to further tighten procedures and controls. At this point, please ask the Board if they want me to schedule a meeting with Don Hoffman in the weeks ahead wherein he would meet with the audit committee.

If you have any questions or suggestions please let me know.

Enclosure