

March 28, 2023

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**Dr. Edwin M. Quezada**  
Superintendent of Schools

Dear Mr. Cushin:

Below, please find the Yonkers City School District's response to findings and recommendations of the Risk Assessment Report, which was performed by the district's internal auditors, Nawrocki Smith, LLP.

The Yonkers City School District hereby submits a Corrective Action Plan for the Risk Assessment Report which is required under Section 170.12 of the Regulations of the Commissioner of Education in response to issues identified in the 2021 Risk Assessment Update Report provided to the district by our internal auditors. Please note that the information below is intended to ensure that the district properly accounts for the findings contained in the report titled "Yonkers City School District, Risk Assessment Update Pertaining to the Internal Controls of District Operations, November 2021."

### **Recommendation #1**

Cash receipts at the building level are not secured in a safe nor documented in a safe deposit log in a consistent manner.

The District should consider having its internal auditors conduct surprise audits of the cash management process for a sample of school locations. The objective of the surprise audit will be to assess the operating effectiveness of the Building level safe, cash receipts process, and to obtain knowledge as to each individual's job duties and involvement in the cash receipt process.

### **Response**

The District agrees with the recommendation and will request the internal auditors to conduct surprise audits of the cash management process for a sample of school locations. This will go into effect by June 1, 2023.

### **Recommendation #2**

The Payroll Department has not established a formal process to document the calculation of the employee's accrued leave balances and applicable employee retirement payouts.

The Payroll Department should maintain detailed employee attendance leave accrual balances to support the calculation of retirement payouts. The Human Resources Department should

review the retirement payout calculations prepared by the Payroll Department for accuracy. The review process should include a detailed analysis of the supporting documentation, including but not limited to the bargaining unit agreement provisions, daily salary rates, accrual leave days, and other entitlements, if applicable. As an alternative, and upon request, the District should consider having an individual outside of the calculation process review the District's retirement/separation payout calculations and its adherence to employee contracts prior to District final approval and payment processing.

### **Response**

The City of Yonkers Payroll Department will establish a form for termination payouts for Yonkers Public School Employees. This form will document employee payments at termination and be routed from payroll clerk, to payroll supervisor for approval then to Human Resources for signoff. On the form HR will review and signoff on the eligibility and related entitlements of a termination. Payroll and Finance will be responsible for calculation, reviewing and approving the calculation of termination pay. The documentation will identify the employee with all relevant title and contractual provisions and include entitlements, dates, hourly / salary rates that form the basis of the calculation. The form and backup documentation will be filed in the City Payroll Department or appropriate off site or electronic storage. This will go into effect by April 30, 2023.

### **Recommendation #3**

We analyzed the user permissions report in ePersonality to assess the appropriateness of user accounts and permissions based on the user's job functions. Based on our analysis, we noted that all staff and administrative members within the Human Resources Department had the same level of access to add and update information in the application, which creates a segregation of duties risk.

The Human Resources Department and Information Technology Department should review the permissions user account report and verify the appropriateness of user accounts and permissions on an individual employee basis. Any permissions determined to be a segregation of duties issue should be revised or deactivated. This recommendation will assist the Human Resources Department and Information Technology Department in assigning only those access rights needed to perform the job duties and minimize the risk of unauthorized changes being made.

### **Response**

The Human Resources and Information Technology Departments continue to review permissions and how they relate to segregation of duties. Inter- vs. intra-departmental responsibilities are the focus of the review and revisions or deactivations are applied where necessary. This will go into effect by July 1, 2023.

### **Recommendation #4**

The Human Resources Department has not established a formal process to review the data entry of demographic information, position information, general ledger account, location, program codes, certifications, and salaries in ePersonality for new employees or when changes occur in employment status. The lack of review creates a risk of undetected incorrect employee information.

The Human Resources Department should establish a formal review process of the data entry of demographic information, position information, general ledger account, location, program codes, certifications, salaries in ePersonality, and the payroll deductions entered into ePersonality. This will assist the District in improving its oversight controls over the employee information entered into ePersonality.

### **Response**

The Human Resources Department has established a formal review process of the data entry of demographic information. The data is reviewed through Personnel Action Form routing along with weekly management reports detailing actions that were processed by all Clerks in HR who have the responsibility for a particular title. This will go into effect by July 1, 2023.

### **Recommendation #5**

The Human Resources Department is responsible for activating and deactivating employees from the security management system. However, the Human Resources Department s not established a formal process to notify the Security Department when cardholders are activated or deactivated from the system. This is a risk as the Security Department may not be notified in a timely manner when employees are authorized to enter the District's buildings.

As part of the offboarding process, the Human Resource Department should deactivate former employees' access from the security management system and inform the Building Principals and the Security Department of any retirements, lay-offs, resignations, etc., immediately of the change in building access permissions.

### **Response**

Deactivation of building access permissions is occurring immediately via a file download between systems, based on the processing of a terminated record in eP. Communication of specific separation reasons between Principals and Security has either already occurred prior to termination, or occurs very shortly thereafter in the case of an unexpected circumstance. This will go into effect by March 1, 2023.

### **Recommendation #6**

We conducted key control testing in the fixed asset area and noted that certain fixed assets were not tagged, were not in the location as per the inventory schedule, and their inventory tags and location did not agree to the District's property ledger.

Each building-level Department Head should be responsible for tagging fixed assets. This recommendation applies to any and all individuals who order equipment from the Finance and/or Information Technology Departments. The District should perform physical inspections of the District's fixed assets at a minimum once a year. The results of the physical inspections should be forwarded and communicated to the Finance and/or Information Technology Departments.

### **Response**

The District agrees with the recommendation of the Internal Auditors as it relates to Fixed Assets. We will work closely with building administrators and their staff as well as District-wide department heads, to review District policies and procedures surrounding fixed assets and the inventory thereof. We expect to begin this procedure and policy review prior to the end of the 2022-2023 fiscal year in conjunction with our annual physical inventory of all schools and departments. This will go into effect by September 30, 2023.

### **Recommendation #7**

Club Advisor and Central Treasurer ledgers are not reviewed or reconciled in a consistent manner.

The Student Treasurers should prepare the ledgers for each club and profit/loss statements for all fundraising and events. The Club Advisors and Principals should review these reports for

accuracy and completeness. We also recommend that the Club Advisors and Central Treasurer periodically reconcile the reports to ensure they are complete and prepared appropriately. This will ensure the accuracy and consistency of reporting from the clubs.

**Response**

The District is in the process of standardizing the review process of the club books. An updated formalized process has been created and will be sent to schools. This will go into effect by June 30, 2023.

**Recommendation #8**

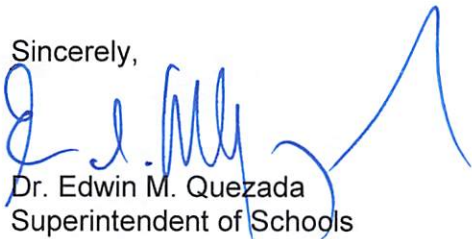
We conducted key control testing in the area of student registration and noted instances that the digital copies of the student files (e.g. primary proof of residency, secondary proof of residency, and proof of immunization) in PowerSchool were not maintained in a consistent manner.

The Central Registration Office should maintain in PowerSchool digital copies of the residency and immunization documentation for all students at the time of registration to ensure that the student meets the District's enrollment requirements. The Central Registration Office should explore the software capabilities in maintaining a student file checklist to monitor outstanding items. This will increase the District's internal controls over its student registration, enrollment, and recordkeeping process.

**Response**

The Central Registration Office will maintain an electronic document for monitoring outstanding items. This will increase the District's internal controls over its student registration, enrollment, and recordkeeping process. This will go into effect by July 1, 2023.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dr. Edwin M. Quezada", with a large, sweeping flourish extending to the right.

Dr. Edwin M. Quezada  
Superintendent of Schools