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Mr. Anibal Soler, Jr.
Superintendent of Schools

April 1, 2025

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

Dear Mr. Cushin:

Below, please find the Yonkers City School District's response to findings and recommendations of the "Yonkers City School District, Annual Risk Assessment Update Pertaining to the Internal Controls of District Operations, November 2024", which was performed by the district's internal auditors, Nawrocki Smith, LLP (Exhibit 1).

The Yonkers City School District (YCSD) hereby submits corrective action measures imbedded in this writing under the category "Responses" for the Risk Assessment Report required under Section 170.12 of the Regulations of the Commissioner of Education in response to issues identified by the auditors in the 2024 Risk Assessment Report. Please note that the information below is intended to ensure that the district properly accounts for the findings contained in the report.

Recommendation #1 - Payroll

We conducted key control testing in the area of payroll overtime disbursements made during the fiscal year 2023/2024. We compared the number of hours reported on the overtime sheets for 10 employees to the number of overtime hours reported on the payroll transaction journals. There were no exceptions. However, we noted one (1) instance where a timesheet did not contain a supervisor's approval signature (YCSD Annual Risk Assessment Report, page 8).

Response

We agree with the recommendation made by the internal auditors. Central Payroll will make every effort to confirm necessary signatures are on timesheets before processing them for payment. Central Payroll will return overtime sheets that arrive incomplete or unsigned by a supervisor or administrator. This will go into effect by May 1, 2025.

Recommendation #2 – Human Resources

We analyzed the District's employee listing and identified several active employees (e.g., Director of Special Education, Guidance Counselor, Hourly Administrators, Teachers, Substitute Teachers) whose registered residence is outside New York, (e.g., Pennsylvania, Florida, and North Carolina.) Furthermore, the District does not have a formal remote work policy or procedures allowing employees to work from out-of-state locations. The absence of a structured review process for monitoring employee residency increases the risk of unauthorized remote work and noncompliance with tax withholding and reporting requirements (YCSD Annual Risk Assessment Report, page 8).

Response

The District holds monthly Policy Committee review meetings, during which the Human Resources (HR) Department will introduce a formal out-of-state Board policy. HR will also review and verify all active out-of-state employees. For these employees, HR will collaborate with Payroll to ensure tax compliance by October 1, 2025.

Recommendation #3 – Human Resources

The Human Resources Department does not fully utilize the ePersonality application's capabilities to automate the calculation of benefits deductions, relying instead on a manual process. Additionally, while an annual review of Medicare-enrolled individuals is conducted against an internal list, there is no formal quarterly review of individual eligibility and status, potentially increasing the risk of errors or omissions in benefits calculations during the fiscal year (YCSD Annual Risk Assessment Report, page 9).

Response

The Human Resources Department acknowledges the findings regarding the ePersonality application's underutilization and the need for more frequent eligibility reviews. We are implementing the following corrective actions:

1. The HR Department is conducting a comprehensive assessment of the ePersonality (eP) system to fully leverage its automated calculation capabilities for benefits deductions. This technical review will be completed by the end of Q2 2025, at which point we will establish a detailed implementation timeline with specific milestones.
2. While we currently receive and process monthly Medicare enrollment updates for all individuals, we recognize the need for more robust verification protocols. To address this, we will:
 - o Continue utilizing monthly Medicare notifications as our primary update mechanism
 - o Implement systematic quarterly reviews of all enrollee eligibility and status
 - o Document all verification activities through standardized protocols
3. We have initiated a Request for Proposal (RFP) process to engage an independent third-party auditor who will conduct multiple reconciliations throughout the fiscal year. This external validation will provide additional oversight and help identify any discrepancies in benefits calculations. The independent audit program will be fully implemented by October 1, 2025.

Recommendation #4 – Facilities Management

It was represented that the Facilities Department has a formal process of annually inspecting the completed work orders and ensuring the work was adequately and appropriately performed. However, based on our analysis of the work order report for the fiscal year 2023/2024, we noted several reporting inconsistencies, such as a substantial number of work orders had completion dates that preceded the request dates, and several work orders remained open for more than 200

days. These reporting inconsistencies increase the risk of data inaccuracy and process inefficiencies (YCSD Annual Risk Assessment Report, page 9).

Response

The Supervisor of Maintenance will check on the status of all open work orders on a weekly basis. At that time, he will close out work that has previously been completed or make a note explaining why the work cannot be done. This will go into effect by July 1, 2025.

Recommendation #5 – Fixed Assets/Inventory Control

We conducted key control testing in the inventory control area. We noted that certain information technology equipment was not tagged or their inventory tags and location did not agree with the District's property ledger. While an information technology equipment inventory is maintained, the District does not maintain a comprehensive physical inventory for non-IT equipment, including furniture, machinery, etc. The District relies on manual spreadsheets and a self-reporting system where Department Heads are expected to tag and report assets. However, there is no formalized process for independent verification or follow-up to confirm compliance. The Inventory Control Staff under Infrastructure Support - Technology is not performing routine reconciliations between newly purchased assets recorded in New World and the property ledger. As a result, discrepancies in asset records may go undetected. The lack of comprehensive inventory records and oversight controls presents financial, operational, and compliance risks, including potential loss of assets (YCSD Annual Risk Assessment Report, page 9).

Response

- In an effort to improve tracking and reporting of fixed assets, Inventory Control worked with the Finance Department to develop a comprehensive report detailing purchase orders of items qualifying as fixed assets. On February 20, 2025, Finance completed and provided this report, ensuring a full overview of all fixed asset purchases. Moving forward, this report will be automatically updated and shared with Schools and Department Heads to notify them of newly purchased fixed assets requiring asset tagging and entry into the inventory system. Department Heads and Principals will receive automated emails when a fixed asset order is recorded, requiring them to confirm receipt and location to Inventory Control. Assets should be asset tagged. Once an asset order arrives the receiving office of the school or department shall be responsible for documenting and submitting related asset information within a seven-day timeframe. Assets are not to be deployed or utilized until the items have been tagged and Inventory Control notified of the asset information. We expect this new process to be fully implemented by April 30, 2025.
- Beginning in May 2025, monthly reconciliations between newly purchased assets and physical inventory records will commence. Inventory Control will conduct periodic on-site verifications in all District locations, prioritizing sites with the highest number of discrepancies. The first round of these verifications is expected to be completed by May 30, 2025, with ongoing monthly checks occurring thereafter.
- Inventory Control will continue to ensure all assets are recorded in the Frontline Asset Management system. Barcode scanning functionality within the software will be actively utilized to improve tracking accuracy. Non-IT equipment arriving at the warehouse should remain there until such time that it is tagged and its designated site is reported to Inventory Control. Schools and departments experiencing delays in tagging assets must notify Inventory Control so assistance can be provided. These procedures will be fully implemented beginning May 1, 2025.
- The District is actively developing a Request for Proposal for Physical Inventory Services. The contracted vendor will conduct independent physical inventories in an effort to enhance accuracy and compliance. We fully expect to be release it by April 30, 2025.

- The District will conduct a comprehensive review of the current structure of physical inventory and asset management responsibilities to determine whether they should remain under the Information Technology Director or be reassigned to a centralized administrative function. This assessment will consider factors such as efficiency, oversight, compliance with asset management policies and if more staffing should be provided. A final determination will be made by June 30, 2025, with any necessary structural changes implemented thereafter to strengthen oversight and improve accountability.

This corrective action plan is expected to increase compliance with inventory tracking requirements, provide more accurate and up-to-date fixed asset records, reduce the risk of asset loss or mismanagement, improve efficiency through automated tracking and verification, and strengthen oversight and accountability across all District sites.

Recommendation #6 – Food Services

We conducted key control testing in the area of food service reporting and monitoring and identified discrepancies between the number of meals recorded in the school lunch software and the number of meals reported to the New York State Education Department (NYSED) Child Nutrition Program. These reporting discrepancies increase the risk of data inaccuracies and inefficiencies in meal tracking and reporting, and noncompliance with state reporting purposes (YCSD Annual Risk Assessment Report, page 10).

Response

In response to discrepancies identified between meal counts recorded in the school lunch software and those reported to the New York State Education Department (NYSED) Child Nutrition Program, Food Services will implement the following comprehensive corrective measures by April 30, 2025:

New Point-of-Sale (POS) Monitoring Procedure

- Implemented standardized procedures across all thirty-nine kitchen facilities
- Designated Food Service team members now monitor and update the POS system throughout meal service periods
- Established dual-verification system using both digital and physical count methods

Meal Count Verification Process

- Prior to service: Food Service Managers prepare trays in precise stacks of 120
- During service: Each meal is served on a recyclable tray
- Post-service verification:
 - Remaining trays are counted
 - Tray count is compared against POS system count
 - When counts match, data is reported to Food Service office for recording
 - When discrepancies occur, actual food portions served are reviewed to reconcile the count

Reporting Protocol Enhancement

- Food Service Managers now generate Daily Sales Reports from the POS system
- Reports are cross-referenced with Daily Call-in Counts
- Both validated data sources are used for monthly reporting to NYSED for reimbursement

Staff Training and Oversight

- Comprehensive retraining on POS entry and accountability procedures conducted by:
 - Director of Food Services
 - Four Assistant Directors
 - Twelve managers

Quality Control

- Director of Food Services now personally reviews all school breakfast and lunch entries

- Multiple verification points established:
 - POS system entries
 - Daily Call-in Counts
 - Final review prior to NYSED submission

These measures ensure accurate meal tracking, efficient reporting, and full compliance with state reporting requirements.

Recommendation #7 – Safety and Security

The District has not implemented a formal review process to reconcile the list of individuals with access to District buildings (as recorded in the building access security system) with the active employee list maintained in ePersonality. We conducted key control testing in the area of building access controls and noted the following reporting discrepancies (YCSD Annual Risk Assessment Report, page 10):

- Several employees had building access assignments inconsistent with their building or job descriptions.
- Several employees' last names were missing from the building access database.

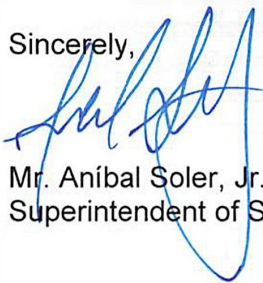
Response

The District acknowledges the findings regarding inconsistent building access controls. We have worked with our HR Department, Safety and Security Team, and our software vendor to address the recommendations.

1. We have compared the building access security system with the active employee list in ePersonality and corrected all discrepancies, including:
 - Updating incorrect building access assignments
 - Adding missing employee last names to the database
2. We will create a formal review process that includes:
 - Regular data comparison between HR records and building access systems
 - Clear protocols for updating access when employees change positions or leave
 - Quarterly reviews to catch and correct any inconsistencies
3. Working with our software vendor, we will:
 - Create a monthly exemption report to alert when discrepancies occur
 - Establish clearer data entry standards
 - Improve communication between our HR and security department

We are committed to maintaining accurate building access controls and appreciate the opportunity to improve our systems. This will go into effect by September 1, 2025.

Sincerely,



Mr. Aníbal Soler, Jr.
Superintendent of Schools