



Yonkers City School District
Annual Risk Assessment Update
Pertaining to the Internal Controls
of District Operations

November 2021

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

The Board of Education
Yonkers City School District

We have performed the procedures enumerated below, which were agreed to by the Yonkers City School District (the "District"), solely to assist the District. This agreed upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We have updated our November 2020 Risk Assessment by performing certain internal audit procedures pertaining to the time period starting December 1, 2020 through November 30, 2021. The updated Risk Assessment and related internal audit plan concentrates on the following key internal control areas:

- Governance and Planning
- Budget Development
- Accounting and Reporting
- Revenue and Cash Management
- Grants
- Payroll
- Human Resources
- Benefits
- Purchasing and Related Expenditures
- Facilities Maintenance
- Capital Projects
- Fixed Assets
- Food Service
- Extraclassroom Activity Fund
- Information Systems
- Cybersecurity
- Student Data Management
- Pupil Personnel Services
- Transportation
- Security and Safety
- Insurance / Risk Management

Our engagement is limited in scope and will be confined to our agreed-upon procedures. We will not be conducting an audit or review of the district's financial statements and therefore we will not express an opinion or any other form of assurance on them.

At the end of our engagement, we will present the results of applying the agreed-upon procedures in the form of our findings in a report. Our accountants' report should be used only for the intent of the original users of this report and will include a statement indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. As such, using this report for anything other than the original intent of the agreed-upon procedures could mislead the readers. You must notify us immediately if the original users of the report change.

Very truly yours,

Nawrocki Smith LLP
February 3, 2022



Yonkers City School District

**Annual Risk Assessment Update
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RISK ASSESSMENT OVERVIEW

This Risk Assessment report provides a presentation of our view of the school district's risk pertaining to its financial operations. It gives the District's administration the information necessary to help optimize its overall performance. The report identifies, expresses, and prioritizes the key program risks so that the District's administration can focus on those areas most critical to its success. This analysis is used to define the District's risk profile. It will provide an overview of the risks facing the District's operations.

In accordance with the laws of New York, 2005, Chapter 263, all school districts and BOCES were required to establish an internal audit function no later than July 1, 2006 and be in operation no later than December 31, 2006. This function should include, at a minimum, development of a risk assessment of district operations, including but not limited to:

- A review of financial policies, procedures, and practices.
- An annual review and update of such risk assessment.
- Annual testing and evaluation of one or more areas of the District's internal controls.
- Preparation of reports which analyze significant risk assessment findings.
- Recommended changes for strengthening controls and reducing identified risk; and specifying time frames for implementation of such recommendations.

Pursuant to Section 170.12 – Regulations of the Commissioner of Education – School District Financial Accountability, each school district must prepare a corrective action plan, approved by the Board of Education in response to findings to final reports issued by the internal auditor. This plan should include expected dates of implementation and should be filed with the New York State Education Department.

INTERNAL AUDIT OBJECTIVES

The objectives of our engagement are as follows:

- Develop an understanding of the critical business processes of the District within each functional area.
- Identify and qualify risks based on the understanding of the business processes and stated business rules.
- Identify stated controls that are currently in place to address those risks and ascertain if they are operating effectively.
- Recommend improvements in internal controls.

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SCOPE AND METHODOLOGY

The Board of Education has engaged Nawrocki Smith as the District's internal auditor. In compliance with New York State Laws, we have performed an annual update to the District risk assessment with respect to policies, procedures, and internal controls pertaining to District operations. The procedures applicable to the annual update of the District's risk assessment were performed during the twelve months ending November 2021 and were carried out in order to determine an internal audit plan for the calendar year 2022 and thereafter. This risk assessment will be updated annually to reflect any changes in the current control environment and the existing internal audit plan.

Our risk assessment consisted of the following methodology:

- Perform interviews of Administration and other appropriate personnel.
- Document procedures within key Functional Areas.
- Identify key controls and perform audit tests of those controls.
- Assess the effectiveness of the key controls.
- Identification and review of organization structure.
- Analysis of risks that are a threat to the achievement of objectives.
- Create a risk profile and internal audit plan.

In addition to the above procedures, we have also evaluated and considered the following within our overall risk assessment:

- District policies and procedures.
- Recent focus of State Comptroller Audits.
- Board of Education/Audit Committee Meetings.
- Materiality to Financial Statements.
- Changes in management or key personnel.
- Financial reports provided to the Board.
- External auditor management letters.
- District corrective action plans.
- Organizational chart and job descriptions.

INTERNAL AUDIT COVID PANDEMIC CONSIDERATIONS

As Districts are challenged in carrying out certain internal control procedures during the COVID pandemic, our risk assessment included the following environmental considerations:

- Has Management's risk tolerance increased allowing for a lower level of control effectiveness?
- Have staff changes (reorganization, furloughs, and terminations) impacted controls, processes, performance, and increased opportunities for potential fraud?
- Have segregation of duty conflicts been managed with changes in people and processes?
- Has Management assessed the impact on key processes and controls including technology?
- Have there been any material changes in internal control over financial reporting that will require disclosure in the previous and upcoming audit report?

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INTERNAL AUDIT RISK ASSESSMENT UPDATE SUMMARY

We have analyzed twenty-one (21) Business Process areas within the District and have developed an internal audit plan based upon our assessment of each area. Each of the twenty-one (21) Business Processes contains multiple categories for which an extensive cycle analysis will be performed during the proposed time period noted within the risk rating and internal audit plan. The plan as presented will be revised each year based upon the annual risk assessment update and events/requests that occur during the year which impact the priority of future internal audit services.

The results of our risk assessment update are summarized below and, in the tables, presented on pages 5 through 7. We have utilized a “Low,” “Moderate,” and “High” control risk rating assessment scale of the organization.

CURRENT YEAR RATINGS

<u>Rating</u>	<u>2020/2021</u>
High	- 0.00%
Moderate	19 20.65%
Low	73 79.35%
Total	92 100.00%

CHANGE FROM PRIOR YEAR

<u>Category (*)</u>	<u>Count</u>
“High” to “Low”	- 0.00%
“High” to “Moderate”	- 0.00%
“Moderate” to “Low”	3 37.50%
“Low” to “Moderate”	5 62.50%
“Moderate” to “High”	- 0.00%
Total	8 100.00%

Our November 2021 risk assessment update contains nine (9) recommendations, as follows:

<u>Business Process</u>	<u>Recommendation(s)</u>
Human Resources	4
Facilities Maintenance	3
Transportation	2
Total Recommendations	9

The status of the four (4) prior year risk assessment recommendations is as follows:

	<u>Completed</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
PY Recommendations	-	3	1	4

We recommend the District consider the following areas for internal audit cycle and/or key control procedures to be performed during the calendar year 2022:

<u>Cycle Reviews:</u>	<u>Other 2022 Planned Internal Audit Services:</u>	
• Human Resources	• Key Control/Other Testing (See “T” categories on Pages 5-7)	• NIST Gap Analysis
• Capital Projects	• External Audit Corrective Action Plan Monitoring	• Transportation Cycle Recommendations Follow-Up
	• Mid-Year Internal Audit Status Reports	• Annual Risk Assessment Update as of Nov 2022
	• Cybersecurity Cycle Recommendations Follow-Up	• Other Internal Audit Services at the Request of the District/BOE

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Risk Rating and Internal Audit Plan

√ = Internal Audit Services Provided
★ = Business Cycle Review Complete

X = Proposed Business Cycle Review
T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK			YEAR OF SERVICE		
			Inherent	Control		Prior	2022	Subsequent
				2020	2021			
1	Governance and Planning	1 Governance Environment	H	L	L	★		
		2 Control Environment / Policies & Proc.	H	L	L			X
2	Budget Development	3 Budget Development	H	L	L	★		
		4 Budget Monitoring & Reporting	H	L	L	★		
3	Accounting & Reporting	5 Financial Accounting and Reporting	H	L	L	√		
		6 External/Internal/Claims Auditing	H	L	L			X
		7 Fund Balance Management	H	L	L			X
4	Revenue and Cash Management	8 Real Property Tax	M	L	L			X
		9 State Aid	H	L	L			X
		10 Out of District Tuition/Reimb. Exp.	M	L	L		T	X
		11 Use of Facilities	L	L	L			X
		12 Donations	M	L	L			X
		13 Vending Machines	H	M	L	★		
		14 Cash Receipts	H	L	L	√		X
		15 Cash & Investment Management	H	L	L			X
		16 Petty Cash	L	L	L			X
		17 Bank Reconciliations	H	L	L			X
		18 Online Banking	H	L	L			X
19 Accounts Receivable	H	L	L			X		
5	Grants	20 General Processing	H	L	L			X
		21 Grant Application	M	L	L			X
		22 Allowable Costs & Expenditures	H	L	L	√		X
		23 Monitoring	M	L	L			X
		24 Reporting	H	L	L			X
6	Payroll	25 Payroll Disbursements	H	L	L			X
		26 Overtime Reporting	H	M	M	√	T	X
		27 Payroll Accounting & Reporting	H	L	L			X
		28 Payroll Tax Filings	H	L	L	√		X
		29 Payroll Reconciliation	H	M	M			X
7	Human Resources	30 Employment Requisition/Hiring	H	L	M	√	X	
		31 Personnel Evaluation	H	L	M	√	X	
		32 Termination	H	M	M	√	X	
		33 Employee Attendance	H	M	M	√	X	

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Risk Rating and Internal Audit Plan (Continued)

√ = Internal Audit Services Provided	X = Proposed Business Cycle Review
★ = Business Cycle Review Complete	T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK			YEAR OF SERVICE		
			Inherent	Control		Prior	2022	Subsequent
				2020	2021			
8	Benefits	34 Eligibility	H	L	L			X
		35 Benefit Calculations	H	L	L	√		X
		36 Patient Protection & Affordable Care Act	H	L	L			X
		37 Retiree Benefits	H	L	L			X
		38 ERS/TRS	H	L	L			X
9	Purchasing and Related Expenditures	39 PO System & Vendor Database	H	L	L	★		
		40 Purchasing Process	H	L	L			X
		41 Payment Processing	H	L	L			X
		42 Employee Reimbursements	H	L	L	√		X
		43 Credit Cards	H	L	L			X
10	Facilities Maintenance	44 Facilities Maintenance/Work Orders	H	L	L		T	X
		45 Staff Supervision	M	L	L			X
		46 Preventive Maintenance	M	L	L			X
		47 Coordination with Outside Vendors	M	L	M		T	X
11	Capital Projects	48 Construction Planning & Monitoring	H	L	L		X	
		49 Capital Project Funding & Payments	M	L	L		X	
		50 Recordkeeping & Reporting	M	L	L		X	
12	Fixed Assets	51 Inventory/ Capitalization Policy	H	L	L			X
		52 Acquisition and Disposal	H	L	L			X
		53 Inventory Process & Recordkeeping	H	L	L	√	T	X
13	Food Service	54 Sales Cycle and System	M	L	L			X
		55 Inventory and Purchasing	M	L	L			X
		56 Free & Reduced Meals	M	L	L			X
		57 Federal and State Reimbursement	H	L	L			X
		58 Financial Reporting & Monitoring	H	L	L			X
14	Extraclassroom Activity Fund	59 General Controls	H	M	M	★		
		60 Revenue	H	L	M	★		
		61 Expenditures	M	L	M	★		
		62 Reporting	M	M	M	★		

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Risk Rating and Internal Audit Plan (Continued)

√ = Internal Audit Services Provided	X = Proposed Business Cycle Review
★ = Business Cycle Review Complete	T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK			YEAR OF SERVICE		
			Inherent	Control		Prior	2022	Subsequent
				2020	2021			
15	Information System	63 Governance	H	L	L			X
		64 Inventory	H	L	L			X
		65 Network Security	H	L	M			X
		66 Application Security	H	M	M			X
		67 Physical Security	H	L	L			X
		68 Disaster Recovery	H	M	M	√		X
16	Cybersecurity	69 General Controls	H	M	M	★		
		70 Information & Asset Security	H	M	M	★		
		71 Vulnerability Assessment	H	M	M	★		
		72 Incident Response & Recovery	H	M	M	★		
17	Student Data Management	73 Registration & Enrolment	H	L	L	★	T	
		74 Student Attendance	H	L	L	★		
		75 Student Performance	H	M	L	★		
		76 Student Eligibility	H	L	L			X
18	Pupil Personnel Services	77 Budgeting and Planning	H	L	L		T	X
		78 STAC Reimbursement	H	L	L		T	X
		79 Medicaid Reimbursement	H	M	L	★		
		80 RFP and Contracts	H	L	L			X
19	Transportation	81 Fleet Inventory and Maintenance	H	L	L	★		
		82 Bus Routing and Planning	H	M	M	★		
		83 Labor and Supervision	H	M	M	★		
		84 Contract Management	H	L	L	★		
		85 Federal and State Reimbursement	H	L	L	★		
20	Safety & Security	86 Plan Development & Strategy	H	L	L	√		X
		87 Building Access & Security System	H	L	L	√		X
		88 Compliance and Incident Reporting	H	L	L			X
		89 Safety & Security Monitoring	H	L	L			X
21	Insurance / Risk Management	90 General	H	L	L			X
		91 Policy Management	H	L	L			X
		92 Claims Reporting	H	L	L			X

Inherent Risk – Inherent risk pertains to the overall school district industry. Inherent risk is the risk of a material misstatement that may occur assuming the absence of internal controls.

Control Risk – Control risk pertains specifically to the Yonkers City School District. Control risk is the risk that a material misstatement will not be detected and corrected by Management’s internal controls on a timely basis.

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RISK ASSESSMENT OBSERVATIONS AND RECOMMENDATIONS

Current Year Risk Assessment Observations and Recommendations

Human Resources

1. Non-instructional employees do not utilize a leave request form to document the request and approval of their absences. It is current practice for non-instructional employees to request and receive approval from their Direct Supervisor verbally or via email.
 - *We recommend the Human Resources Department develop a leave request form for non-instructional employees to formally document their request and approval of their absences. The non-instructional employees should obtain pre-approval from their building level Supervisors for vacations, personal days, maternity, bereavement, military, jury duty, extended sick, and conference leave days. Once the form is implemented, the Human Resources Department should be reviewing the leave forms received to ensure that the proper approval has been acquired. Any incomplete absence forms should be forwarded back to the employee's immediate Supervisor for approval. The leave request forms should be filed and maintained within the employees' personnel file in the Human Resources Department.*
2. For the District employees that are required to be evaluated on an annual basis, the Human Resources Department has a process to maintain copies of the annual evaluations within the employees' personnel files. The evaluation completion is not tracked within the District's human resources/payroll application, ePersonality.
 - *The Human Resources Department should utilize the full capabilities of the application ePersonality and track the completion of the evaluations for the District employees that are required to be evaluated on an annual basis. This will ensure that the employee personnel files are complete.*
3. The Human Resource Department has not developed a process to track teaching certification within the human resources/payroll application, ePersonality, and does not maintain the current certifications within the employee personnel files.
 - *The Human Resource Department should maintain complete, accurate, and up-to-date certification information in ePersonality and up-to-date certification documents within an employee's personnel file. Subsequent to the hiring process, the Human Resource Department should designate an employee to review the certification information for accuracy and completeness. The review process should be documented, and any discrepancies should be communicated to the Deputy Commissioner for Human Resources. This will ensure that the employee certifications are accurate and reliable for the Human Resource Department to evaluate whether the District employees are in compliance with the New York State Education requirements in respect to holding a New York State certificate for employment in state public schools and that they have met the required degree, coursework, assessment, and experience requirements.*

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4. The Human Resource Department does not utilize an exit checklist when employees terminate or leave the District.
 - *We recommend the Human Resources Department develop an exit checklist to utilize when an employee is terminated or leaves the District. The District should utilize the exit checklist to document that all property in the custody of the employee including, but not limited to laptops, badges, keys, cell phones, etc. has been returned. The exit checklist will provide the support that proper procedures are followed when employees have been terminated and their access has been removed from the District's financial and other applications.*

Facilities Maintenance

5. It was indicated that the Facilities Department has a substantial number of work orders for which the status remains open in SchoolDude as the Facilities Department has not obtained from the building level Supervisor/Staff the required information and documentation to update the status and close the work orders.
 - *We recommend the Facilities Department explore the software capabilities in SchoolDude and develop a monthly reporting process for the building level Supervisors/Staff to submit documentation and information regarding the status of open work orders. This will assist the Facilities Department in monitoring outstanding work orders and managing its workload and personnel in an efficient manner. This will increase the District's internal controls over its resources and work order system.*
6. The Facilities Department has not established a process for its employees to receive written approval from their direct Supervisors prior to working overtime.
 - *We recommend that the Building and Facilities Department develop a weekly overtime schedule indicating the projects, applicable budget accounts codes, custodians, and hours of required overtime. The Facilities Department Department should compare the overtime sheets to the overtime schedule to ensure that the overtime hours were properly documented and worked. This allows management to make sure that overtime is incurred for a valid and needed purpose, and that funding for the non-emergency overtime is provided for in the budget.*
7. The Claims Auditor reports indicated several instances that the invoices and contractual rates did not agree for purchases made by the Facilities Department. The Facilities Department needs improvement in reviewing the voucher packages applicable to its departmental purchases prior to submitting them to Accounts Payable and Claims Auditor for processing.
 - *The Facilities Department should review each voucher to ensure that payments will only be authorized for goods and services received, that are of acceptable quality, and that the invoice rates agree to the contractual rates. A complete review of a voucher package lessens the risk that unauthorized purchases and incorrect payments are processed without detection. Payments may be delayed if there are discrepancies between invoice and contractual rates until those discrepancies are rectified prior to being submitted to the Claims Auditor for review.*

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Transportation

8. The Transportation Department has not developed a formal procedure or form to document the request and approval of adding, editing, or deleting a student bus route within the transportation bus route application Transfinder. It is current practice for the Transportation Dispatchers to request and receive approval from the Transportation Director verbally or via email.
- *We recommend the Transportation Department develop a bus route form to formally document the request and approval of adding, editing, or deleting a student bus route within the transportation bus route application Transfinder. This bus route request form should include the reason a bus route needs to be added/edited/ deleted, anticipated additional expenses for the District, effective date, requestor’s name and date, and approval’s name and date. This will assist the Transportation Department in enhancing its oversight controls in bus routing and planning.*
9. We analyzed the user permission reports of the bus routing applications Transfinder and noted that the Transportation and Dispatchers had the same administrative user access rights to create/modify bus routes, roles, maps, databases, contractors, vehicles, and passwords. This creates a risk in the bus route development and monitoring process as edits made by the Dispatchers to the bus routes, maps, contractors, and vehicles may become undetected by the Transportation Director. We also analyzed the user permission reports of the bus routing applications Viewfinder noted that the users had the same generic password to access the application. This creates a risk as the user passwords can be easily used by multiple people or guessed by unauthorized users to access student personal identifiable information.
- *We recommend that the Transportation Department review the user permissions in Transfinder and revise the access to the Dispatchers to reflect their current job responsibilities and ensure proper segregation of duties in the bus routing development and monitoring process. The Transportation Department should explore the software capabilities in Viewfinder to implement strong password policies and password change frequencies to avoid the usage of generic or default passwords. This will reduce the risk of unauthorized access to the bus routing system and student information.*

Status of Prior Year Recommendations

We have performed follow-up internal audit services applicable to our previously issued risk assessment update report dated November 2020. The services we performed included observing and evaluating the implementation status of the District’s action plan in respect to our prior year risk assessment recommendations. The November 2020 risk assessment update identified four (4) recommendations within three (3) distinct areas. The District has taken action on the four (4) recommendations as follows:

<u>Business Process</u>	<u>Complete</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
Governance and Planning	-	1	-	1
Benefits	-	-	1	1
Purchasing & Related Expenditures	-	2	-	2
Total	-	3	1	4

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Governance and Planning

- The District should consider developing an automated workflow process for certain transactions that currently require physical forms to document their requests and approvals. The electronic workflow system should automatically route the request for approval and collect all required documents and attachments to the designated approver every time. Audit logs should be developed to capture the details of the transactions including the individuals requesting and approving the transactions for further review by Management and Auditors. This will assist the District in maintaining an efficient workflow management process, processing transactions in a timely manner, and increasing the accountability of the requestors and approvers. Upon request, Nawrocki Smith will assist in the development of the automated workflow system(s).

Status as of November 2021: In-Process

Benefits

- During its implementation and testing process, we recommend that the Benefits Departments consult with the Information Technology Department to evaluate the system's controls in protecting PII (Personally Identifiable Information) to ensure that only authorized administrators are able to access the information.

Status as of November 2021: Not Started

Purchasing & Related Expenditures

- The Finance Department should review the detail of our observations and confirm the reasons surrounding the identical vendor IDs, names, addresses, and Federal IDs. Additionally, the Finance Department should confirm that there are no duplicate payments to vendors with identical vendor IDs, names, addresses, and Federal IDs. The Finance Department should determine whether or not the vendors with identical vendor IDs, names, addresses, and Federal IDs have business activity with the District and consider deactivating their status within the vendor database, if appropriate.

The Finance Department should establish a practice of reviewing the vendors' federal ID numbers as reported on the Form W9 – Request for Taxpayer Identification Number and Certification for possible identical information in the database prior to entering the vendor's information into the District's vendor database.

Status as of November 2021: In Process

- The Finance Department should establish a practice of reviewing the activity of each vendor at the end of a fiscal year and update the District's vendor database by inactivating the vendors that have not been utilized within the three (3) prior consecutive fiscal years.

Status as of November 2021: In Process

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EXHIBITS

Exhibit I History of Internal Audit Reports Issued

Exhibit II Internal Audit Plan for 2022

DRAFT



**Yonker City School District
History of Internal Audit Reports Issued**

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete
 ✓ = Limited Testing on Business Process Provided ◆ = Special Request Services Provided

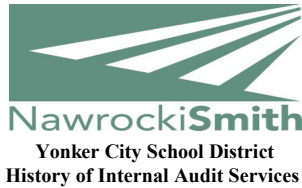
	Business Process	Business Process Categories	Years of Service				
			2016	2017	2018	2019	2020
	Risk Assessment	Risk Assessment	◆	◆	◆	◆	◆
1	Governance and Planning	Governance Environment					★
		Control Environment / Policies & Proc.					
2	Budget Development	Budget Development	★				
		Budget Monitoring & Reporting	★				
3	Accounting & Reporting	Financial Accounting and Reporting (Journal Entries)		✓			
		External/Internal/Claims Auditing					
		Fund Balance Management					
4	Revenue and Cash Management	Real Property Tax					
		State Aid					
		Out of District Tuition/Reimb. Exp.					
		Use of Facilities					
		Donations					
		Vending Machines					★
		Cash Receipts				✓	
		Cash & Investment Management					
		Petty Cash					
		Bank Reconciliations					
Online Banking							
Accounts Receivable							
5	Grants	General Processing					
		Grant Application					
		Allowable Costs & Expenditures Monitoring					✓
		Reporting					
6	Payroll	Payroll Disbursements			✓		✓
		Overtime Reporting					
		Payroll Accounting & Reporting					
		Payroll Tax Filings		✓			
		Payroll Reconciliation					
7	Human Resources	Employment Requisition/Hiring		✓			
		Personnel Evaluation		✓			
		Termination		✓			
		Employee Attendance		✓	✓		★
8	Benefits	Eligibility					
		Benefit Calculations		✓			
		Patient Protection & Affordable Care Act					
		Retiree Benefits					
		ERS/TRS					
9	Purchasing and Related Expenditures	PO System & Vendor Database					★
		Purchasing Process					
		Payment Processing					
		Employee Reimbursements		✓			
Credit Cards							
10	Facilities Maintenance	Facilities Maint. & Work Order Proc.					
		Custodial Overtime & Training					
		Preventive Maintenance					
		Coordination with Outside Vendors					



**Yonker City School District
History of Internal Audit Reports Issued**

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete
 ✓ = Limited Testing on Business Process Provided ◆ = Special Request Services Provided

	Business Process	Business Process Categories	Years of Service				
			2016	2017	2018	2019	2020
11	Capital Projects	Construction Planning & Monitoring					
		Capital Project Funding & Payments					
		Recordkeeping & Reporting					
12	Fixed Assets	Inventory/ Capitalization Policy					
		Acquisition and Disposal					
		Inventory Process & Recordkeeping			✓		
13	Food Service	Sales Cycle and System					
		Inventory and Purchasing					
		Free & Reduced Meals					
		Federal and State Reimbursement					
		Financial Reporting & Monitoring					
14	Extraclassroom Activity Fund	General Controls	★			★	
		Revenue				★	
		Expenditures				★	
		Reporting				★	
15	Information System	Governance					
		Inventory					
		Network Security					
		Application Security					
		Physical Security					
		Disaster Recovery	✓				
16	Cybersecurity	General Controls					★
		Information & Asset Security					★
		Vulnerability Assessment					★
		Incident Response & Recovery					★
17	Student Data Management	Registration & Enrolment		✓		★	
		Student Attendance				★	
		Student Performance				★	
		Student Eligibility					
		Adult Education					
18	Pupil Personnel Services	Budgeting and Planning					
		STAC Reimbursement					
		Medicaid Reimbursement	★				
		RFP and Contracts					
19	Transportation	Fleet Inventory and Maintenance			★		★
		Bus Routing and Planning			★		★
		Labor and Supervision			★		★
		Contract Management			★		★
		Federal and State Reimbursement			★		★
20	Safety & Security	Plan Development & Strategy		✓			
		Building Access & Security System			✓		
		Compliance and Incident Reporting					
		Safety & Security Monitoring					
21	Insurance / Risk Management	Actuary & Underwriting					
		Policy Management					
		Claims Reporting					



◆ = Risk Assessment Complete ★ = Business Cycle Review Complete
 ✓ = Testing on Business Process Provided ◆ = Special Request Services Provided

	Business Process	Business Process Categories	Years of Service					
			2016	2017	2018	2019	2020	2021
	Risk Assessment	Risk Assessment (Includes all Business Processes Below)	◆	◆	◆	◆	◆	◆
1	Governance and Planning	Governance Environment					★	
		Control Environment / Policies & Proc.						
2	Budget Development	Budget Development	★					
		Budget Monitoring & Reporting	★					
3	Accounting & Reporting	Financial Accounting and Reporting (Journal Entries)		✓				
		External/Internal/Claims Auditing						
		Fund Balance Management						
4	Revenue and Cash Management	Real Property Tax						
		State Aid						
		Out of District Tuition/Reimb. Exp.						
		Use of Facilities						
		Donations						
		Vending Machines						★
		Cash Receipts				✓		
		Cash & Investment Management						
		Petty Cash						
		Bank Reconciliations						
Online Banking								
Accounts Receivable								
5	Grants	General Processing						
		Grant Application						
		Allowable Costs & Expenditures						✓
		Monitoring Reporting						
6	Payroll	Payroll Disbursements						
		Overtime Reporting			✓		✓	
		Payroll Accounting & Reporting						
		Payroll Tax Filings		✓				
		Payroll Reconciliation						
7	Human Resources	Employment Requisition/Hiring		✓				
		Personnel Evaluation		✓				
		Termination		✓				
		Employee Attendance		✓	✓		★	
8	Benefits	Eligibility						
		Benefit Calculations		✓				
		Patient Protection & Affordable Care Act						
		Retiree Benefits						
		ERS/TRS						
9	Purchasing and Related Expenditures	PO System & Vendor Database					★	
		Purchasing Process						
		Payment Processing						
		Employee Reimbursements		✓				
		Credit Cards						
10	Facilities Maintenance	Facilities Maint. & Work Order Proc.						
		Custodial Overtime & Training						
		Preventive Maintenance						
		Coordination with Outside Vendors						

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete
 ✓ = Testing on Business Process Provided ◆ = Special Request Services Provided

Business Process	Business Process Categories	Years of Service					
		2016	2017	2018	2019	2020	2021
11 Capital Projects	Construction Planning & Monitoring						
	Capital Project Funding & Payments						
	Recordkeeping & Reporting						
12 Fixed Assets	Inventory/ Capitalization Policy						
	Acquisition and Disposal						
	Inventory Process & Recordkeeping			✓			
13 Food Service	Sales Cycle and System						
	Inventory and Purchasing						
	Free & Reduced Meals						
	Federal and State Reimbursement						
	Financial Reporting & Monitoring						
14 Extraclassroom Activity Fund	General Controls		★			★	
	Revenue					★	
	Expenditures					★	
	Reporting					★	
15 Information System	Governance						
	Inventory						
	Network Security						
	Application Security						
	Physical Security						
	Disaster Recovery		✓				
16 Cybersecurity	General Controls						★
	Information & Asset Security						★
	Vulnerability Assessment						★
	Incident Response & Recovery						★
17 Student Data Management	Registration & Enrolment		✓			★	
	Student Attendance					★	
	Student Performance					★	
	Student Eligibility						
	Adult Education						★
18 Pupil Personnel Services	Budgeting and Planning						
	STAC Reimbursement						
	Medicaid Reimbursement		★				
	RFP and Contracts						
19 Transportation	Fleet Inventory and Maintenance				★		★
	Bus Routing and Planning				★		★
	Labor and Supervision				★		★
	Contract Management				★		★
	Federal and State Reimbursement				★		★
20 Safety & Security	Plan Development & Strategy		✓				
	Building Access & Security System			✓			
	Compliance and Incident Reporting						
	Safety & Security Monitoring						
21 Insurance / Risk Management	Actuary & Underwriting						
	Policy Management						
	Claims Reporting						



Yonkers City School District

2022 INTERNAL AUDIT PLAN

**(Based upon November 2021 Risk Assessment Update)
Exhibit II**

Cycle Reviews

- Human Resources
- Capital Projects

Status

Planned for Apr-22
Commencement TBD

Key Control Testing Areas

- Out of District Tuition Reimbursement
- Payroll Overtime
- Facilities - Work Order System
- Facilities - Coordination with Outside Vendors
- Fixed Assets Inventory Process & Recordkeeping
- Student Registration & Enrollment
- Special Education - Budgeting and Planning
- Special Education - STAC Reimbursement

Status

Planned for Jul-22
Planned for Jul -22
Planned for Jul -22
Planned for Jul -22
Planned for Jul -22
Planned for Jul -22
Planned for Jul -22
Planned for Jul -22

Additional Internal Audit Services

- Annual Risk Assessment Update as of November 2021
- NIST Gap Analysis
- External Audit Corrective Action Plan Monitoring
- Adult Education Cycle Recommendations Follow Up
- Annual Risk Assessment Update as of Nov 2022
- Mid-Year Status Reports
- Extraclassroom Activity Fund Training or Follow Up
- Other Internal Audit Services at the Request of the District

Status

Draft Complete
Planned for Sep-22
Planned for Nov-22
Planned for Nov-22
Planned for Nov-22
Planned for Jul-22
Upon Request
As Requested

Audit Committee Meeting

- April 07, 2022