



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

November 2022

**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 2021 Risk Assessment by performing certain internal audit procedures pertaining to the time period starting December 1, 2021 through November 30, 2022. 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
March 29, 2023



Yonkers City School District

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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 the following:

- 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 2022 and were carried out in order to determine an internal audit plan for the calendar year 2023 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.

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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 on 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 on 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>2022/2023</u>	
High	1	1.09%
Moderate	38	41.30%
Low	53	57.61%
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”	- 0.00%
“Low” to “Moderate”	17 94.44%
“Low” to “High”	1 5.56%
“Moderate” to “High”	- 0.00%
Total	18 100.00%

Our November 2022 risk assessment update contains eight (8) recommendations, as follows:

<u>Business Process</u>	<u>Recommendation(s)</u>
Revenue & Cash Management	1
Payroll	1
Human Resources	3
Fixed Assets	1
Extraclassroom Activity Fund	1
Student Data Management	1
Total	8

The status of the nine (9) prior year risk assessment recommendations is as follows:

<u>PY Recommendations</u>	<u>Completed</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
	3	2	4	9

Based on the work performed and discussions with the District, we have summarized below the internal audit plan for the calendar year 2023:

<u>Cycle Reviews:</u>	<u>Other 2023 Planned Internal Audit Services:</u>	
<ul style="list-style-type: none"> Purchasing & Related Expenditures 	<ul style="list-style-type: none"> Key Control/Other Testing (See “T” categories on Pages 5-7) 	<ul style="list-style-type: none"> Adult Education Cycle Recommendations Follow-Up
<ul style="list-style-type: none"> Human Resources – Tenure Process 	<ul style="list-style-type: none"> External Audit Corrective Action Plan Monitoring 	<ul style="list-style-type: none"> MetroCards Follow-Up (Upon Request)
<ul style="list-style-type: none"> Human Resources – Termination of Non-Tenured Employees 	<ul style="list-style-type: none"> Mid-Year Internal Audit Status Reports 	<ul style="list-style-type: none"> Annual Risk Assessment Update as of November 2023
		<ul style="list-style-type: none"> 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	2023	Subsequent
				2021	2022			
1	Governance and Planning	1 Governance Environment	H	L	L	★		
		2 Control Environment / Policies & Proc.	H	L	M			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			X
		11 Use of Facilities	L	L	L			X
		12 Donations	M	L	L	★		
		13 Vending Machines	H	L	L	★		
		14 Cash Receipts	H	L	M	✓	T	X
		15 Cash & Investment Management	H	L	L			X
		16 Petty Cash	L	L	L			X
		17 Bank Reconciliations	H	L	M			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	M		T	X
		26 Overtime Reporting	H	M	M	✓		X
		27 Payroll Accounting & Reporting	H	L	M			X
		28 Payroll Tax Filings	H	L	L	✓		X
		29 Payroll Reconciliation	H	M	M			X
7	Human Resources	30 Employment Requisition/Hiring	H	M	M	✓	T	X
		31 Personnel Evaluation	H	M	M	✓	X	X
		32 Termination	H	M	M	✓	X	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	2023	Subsequent
				2021	2022			
8	Benefits	34 Eligibility	H	L	L			X
		35 Benefit Calculations	H	L	L	√	T	X
		36 Patient Protection & Affordable Care Act	H	L	L			X
		37 Retiree Benefits	H	L	L			X
		38 ERS/TRS	H	L	M		T	X
9	Purchasing and Related Expenditures	39 PO System & Vendor Database	H	L	L	★	X	
		40 Purchasing Process	H	L	M		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	M	√		X
		45 Staff Supervision	M	L	L			X
		46 Preventive Maintenance	M	L	M			X
		47 Coordination with Outside Vendors	M	M	M			X
11	Capital Projects	48 Construction Planning & Monitoring	H	L	L			X
		49 Capital Project Funding & Payments	M	L	L		T	X
		50 Recordkeeping & Reporting	M	L	L			X
12	Fixed Assets	51 Inventory/ Capitalization Policy	H	L	M			X
		52 Acquisition and Disposal	H	L	M			X
		53 Inventory Process & Recordkeeping	H	L	H	√	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	M	M	★		
		61 Expenditures	M	M	M	★	T	
		62 Reporting	M	M	M	★	T	

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Risk Rating and Internal Audit Plan (Continued)

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

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T = Proposed Key Control Testing

	Business Process	Business Process Categories	RISK		YEAR OF SERVICE			
			Inherent	Control	Prior	2023	Subsequent	
				2021	2022			
15	Information System	63 Governance	H	L	L			X
		64 Inventory	H	L	M			X
		65 Network Security	H	M	M			X
		66 Application Security	H	M	M			X
		67 Physical Security	H	L	M			X
		68 Disaster Recovery	H	M	M			X
16	Cybersecurity	69 General Controls	H	M	M	★	X	
		70 Information & Asset Security	H	M	M	★	X	
		71 Vulnerability Assessment	H	M	M	★	X	
		72 Incident Response & Recovery	H	M	M	★	X	
17	Student Data Management	73 Registration & Enrollment	H	L	M	★		
		74 Student Attendance	H	L	M	★		
		75 Student Performance	H	M	M	★		
		76 Student Eligibility	H	L	L		T	X
18	Pupil Personnel Services	77 Budgeting and Planning	H	L	L	√		X
		78 STAC Reimbursement	H	L	L	√		X
		79 Medicaid Reimbursement	H	L	L	★		X
		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	M	★		
		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	M	√		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.

RISK ASSESSMENT OBSERVATIONS AND RECOMMENDATIONS

Current Year Risk Assessment Observations and Recommendations

Revenue & Cash Management

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 of each individual's job duties and involvement in the cash receipt process.*

Payroll

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.*

Human Resources

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.*
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.

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- *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.*
5. The Human Resources Department is responsible for activating and deactivating employees from the security management system. However, the Human Resources Department has 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.*

Fixed Assets

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.*

Extraclassroom Activity Fund

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.*

Subsequent to our review, the District has taken corrective action and is in the process of implementing this recommendation.

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Student Data Management

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 residence, and proof of immunization) in PowerSchool were not maintained in a consistent manner.
- *The Student Enrollment 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 Student Enrollment 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 student registration, enrollment, and recordkeeping processes.*

Status of Prior Year Recommendations

We have performed follow-up internal audit services applicable to our previously issued risk assessment update report dated November 2021. The services we performed included observing and evaluating the implementation status of the District’s action plan in respect to our prior year’s risk assessment recommendations. The November 2021 risk assessment update identified nine (9) recommendations within three (3) distinct areas. The District has taken action on the nine (9) recommendations as follows:

<u>Business Process</u>	<u>Complete</u>	<u>In-Process</u>	<u>Not Started</u>	<u>Total</u>
Human Resources	-	-	4	4
Facilities Maintenance	1	2	-	3
Transportation	2	-	-	2
Total	3	2	4	9

Human Resources

- 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.

Status as of November 2022: Not Started

- 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.

Status as of November 2022: Not Started

- 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

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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.

Status as of November 2022: Not Started

- 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.

Status as of November 2022: Not Started

Facilities Maintenance

- 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.

Status as of November 2022: In-Process

- 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 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.

Status as of November 2022: Complete

- 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.

Status as of November 2022: In-Process

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Transportation

- 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.

Status as of November 2022: Complete

- 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 as of November 2022: Complete

EXHIBITS

Exhibit I History of Internal Audit Services

Exhibit II Internal Audit Plan for 2023/2024



**Yonker City School District
History of Internal Audit Services**

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete != Not Audible
 ✓ = Testing on Business Process Provided ◆ = Special Request Services Provided

	Business Process	Business Process Categories	Years of Service							
			2016	2017	2018	2019	2020	2021	2022	
	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								



**Yonker City School District
History of Internal Audit Services**

◆ = Risk Assessment Complete ★ = Business Cycle Review Complete != Not Audible
 ✓ = Testing on Business Process Provided ◆ = Special Request Services Provided

	Business Process	Business Process Categories	Years of Service							
			2016	2017	2018	2019	2020	2021	2022	
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	Extracurricular 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 & Enrollment		✓		★				✓
		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			★				★	
		MetroCards								★
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

2023 INTERNAL AUDIT PLAN

**(Based upon November 2022 Risk Assessment Update)
Exhibit II**

Cycle Reviews

Planned For

- | | |
|--|----------------|
| • Cybersecurity NIST Gap Analysis | In-Process |
| • Purchasing & Related Expenditures | April 2023 |
| • Human Resources – Tenured Employees | June 2023 |
| • Human Resources – Termination of Non-Tenured Employees | September 2023 |

Key Control Testing Areas

Planned For

- | | |
|---|------------|
| • Benefits –Retirement/Separation Payout Calculations | April 2023 |
| • Cash Receipts | April 2023 |
| • Payroll Disbursements | April 2023 |
| • Employee Onboarding | April 2023 |
| • Employee Terminations | May 2023 |
| • ERS/TRS Reporting | May 2023 |
| • Capital Project Funding & Payments | May 2023 |
| • Fixed Asset Inventory | May 2023 |
| • Extraclassroom Activity Expenditures | June 2023 |
| • Extraclassroom Activity Reporting | June 2023 |
| • Student Eligibility for Athletics & ECAF Events | June 2023 |

Additional Internal Audit Services

Planned For

- | | |
|--|---------------|
| • Annual Risk Assessment Update | November 2023 |
| • External Audit Corrective Action Plan Monitoring | November 2023 |
| • Adult Education Cycle Recommendations Follow Up | November 2023 |
| • Mid-Year Status Reports | July 2023 |
| • MetroCard Cycle Follow Up | Upon Request |
| • Extraclassroom Activity Fund Training or Follow Up | Upon Request |
| • Other Internal Audit Services at the Request of the District | As Requested |