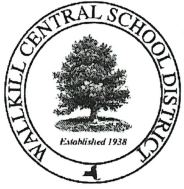


WCSD



Wallkill Central School District, 1500 Route 208, PO Box 310, Wallkill, New York 12589

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Kevin Castle
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for Support Services

September 5, 2023

State of New York
Office of the State Comptroller
Newburgh Regional Office
33 Airport Center Drive, Suite 102
New Windsor, NY 12553

Dear Ms. Disko-McCadd,

On behalf of the Board of Education, we appreciate the opportunity to respond to the Internal Claims Audit performed for our District that was conducted by your office. I would like to commend the audit team for their professionalism and courtesy in undertaking their responsibilities and interacting with District personnel throughout the entire audit process. The purpose of this letter is to address the draft results and recommendations in this report.

It should be noted that while the report did not state explicitly, it was verbally shared with the District that no improper payments were made and all claims being audited were appropriate and payments to vendors were accurate.

One finding noted in your report were that claims did not have proper supporting documentation. In response, the District has created a checklist that will be used when auditing each packet. By creating this checklist, the internal claims auditor will have an easy reference to ensure that all necessary documentation is attached to each packet prior to approval for payment being given. Additionally, the District has internal controls in place to ensure that budget lines are not overspent. If funds are required in a budget line, budget transfers are made to ensure budget lines are not overspent. In fact, at the end of each fiscal year, the District has had zero fiscal stress as reported in the Comptroller's Annual Fiscal Stress Report.

In the audit report, it was stated there were items that were noted as sole source but were incorrectly identified on the purchase order. The District did have proper documentation for the purchases noted in the report such as payments to the bus contractor. The District conducted a joint RFP for bus contracting services and awarded the contract based on the results of the RFP. The contract was approved by New York State Education Department and the contract payments were accurate based on the contract.

The draft report discussed purchases initiated through the maintenance department that did not have purchase orders. Health and safety purchases were made as emergency situations arose resulting in no purchase order. Notwithstanding, the District has initiated open purchase orders to vendors where purchases can be made in an emergency especially during non-business hours.

It was noted that several warrants were not reported to the Board. These warrants were audited and approved prior to payment; however, they were inadvertently not submitted to the District Clerk. The District will implement additional internal controls to ensure all warrants are provided to the Board.

The District was unaware of law preventing the individual from holding the position of internal claims auditor due to their relation to a board member. When the District was made aware, the District immediately appointed a new internal claims auditor in October 2022. In addition, the payments approved by the internal claims auditor to individuals related to the internal claims auditor had no evidence of fraud. The payments made for Medicare reimbursement were verified by the Assistant Superintendent for Support Services and the Senior Account Clerk who oversees benefits. Notwithstanding this, the District will ensure that the spreadsheet that is audited is initialed to confirm that the file has been reviewed prior to the internal auditor reviewing the claim.

One of the recommendations was for the new internal claims auditor to receive training. The District has not only supplied the individual with internal training but also had the individual attend several outside trainings. The District wanted to ensure that the new internal claims auditor received training in order to assist them with the claims auditing process.

The District receives two reports performed by the internal auditor annually. A complete internal audit is performed as well as agreed upon tested areas. Each year, the District has received positive reports from the internal auditors. Furthermore, the District's external auditor, which performs an annual external audit, has commended the District for its business operations and commitment to protecting District assets from loss and misuse. Notwithstanding, we welcome the opportunity to strengthen and improve our internal control procedures relative to the internal claims audit process where it is necessary.

The Wallkill Central School District is dedicated to the efficient and effective use of taxpayer approved resources. We appreciate and welcome recommendations and feedback from our internal and external auditors as well as the Office of the State Comptroller to help assist us in the overall management of the District and work towards the best interest of the Wallkill community.

Sincerely,



*Joseph LoCicero
Board of Education President*



*Kevin Castle
Superintendent of Schools*

BD/sh