

# Hoosic Valley Central School District

## CENTRAL OFFICES

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Schaghticoke, New York 12154

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School Business Administrator

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October 25, 2023

### Hoosic Valley Central School District Corrective Action Plan for the 2022-23 Independent Audit

#### 2023-001 Computer Controls Access and Review

**Finding:** There should be proper segregation of duties in regards to functions in the business office, including within the general ledger software. The business office employees have more access than is necessary to perform their assigned duties including access to create and post journal entries. As there is no review of the journal entries this creates a weakness in internal controls coupled with the excessive access. Access within the software has not been restricted and compensating controls are not performed. Inappropriate, unauthorized or incorrect journal entries could be made to financial data.

**Recommendation:** The School Business Administrator should review all the business office employees' access and adjust based on the requirements of the position. All the journal entries being created should be reviewed prior to posting, to verify that they are appropriate, reasonable, and properly supported. This review can be done electronically in the software, prior to their posting or a manual file can be kept.

**Implementation plan of action:** The Business Manager will review user rights and compare them to the business office employee's job duties and modify the rights as applicable. The district will also establish an approval process for signature of journal entries after entered in the accounting software to be verified by the district Deputy Treasurers or School Business Manager.

**Person Responsible for Implementation:** Jodi Birch, Business Manager

**Anticipated Completion Date:** November 30, 2023

#### 2023-002 Compliance with School Food Service Resource Management

**Finding:** According to the code of federal regulations section CFR § 210.14 (b) the school food authority shall limit its net cash resources to no more than 3 months' worth of average expenditures. The fund balance of the school lunch fund exceeds 3 months of the average expenditure of the fund by approximately \$263,000. The cumulative effect of expenditures being less than revenue for a number of years was impacted by the increase in federal reimbursement rates and funding. The District was not in compliance with federal guidelines. As part of audit procedures, the compliance with this federal guideline is reviewed.

**Recommendation:** The District should develop a plan regarding how to address and use the excess in future years. The District is required to submit a plan to the Child Nutrition Program Administration detailing how the District will reduce the fund balance to an acceptable level.

**Implementation plan of action:** The Business Manager will work with the Cook/Manager and will plan to utilize the funds to upgrade various equipment in the cafeteria.

**Person Responsible for Implementation:** Jodi Birch, Business Manager and Michelle Gillespie, Cook/Manager

**Anticipated Completion Date:** June 30, 2024

 10/25/2023

Jodi A. Birch – Business Manager