

**St. Lawrence-Lewis BOCES
Corrective Action Plan
(External Audit for Fiscal Year Ending June 30, 2012)**

<u>Recommendation</u>	<u>District Actions</u>	<u>Person(s) Responsible & Probable Date of Completion</u>
<p>We noted that the Food Service Fund's unassigned fund balance as of June 30, 2012 was a deficit \$62,760. Also the Due to General Fund at June 30, 2012 was \$122,465, with no current funding stream to pay back the interfund loan. We did note that the interfund transfer from the general fund to the food service fund was increased from \$95,000 to \$129,000 during the year ended June 30, 2012, however, we noted that the budgeted transfer from the general fund to the food service fund for 2012-13 was only \$95,000. Therefore, it would appear that the fund deficit will not be reduced in the 2012-13 year without additional transfers from the general fund..</p>	<p>The BOCES recognizes the need to continue its focus on the food service program. In 2011-2012, changes were made to staffing in one tech center, which led to a more balance budget.</p> <p>Future plans will include more administrative oversight of the program. This will include working with the Food Service Director who oversees a shared food service program in the component districts. This director will be able to assist the cafeteria managers in analyzing their meal costs, reviewing reimbursement claims and will help strengthen internal controls of the program. This year will be particularly challenging as new federal regulations are implemented which could adversely impact the profitability of the program.</p>	<p>Building Principals, Food Service Director and Cafeteria Managers- Ongoing</p>
<p>We noted during our confirmation process, that the billing to SLC Dept. of Social Services for the Job Readiness Training Program and the Home Based Parenting Program for the period 1/1/12-6/30/12 was not issued until August 28, 2012. Also, the billing does not appear to be based on actual expenditures incurred as noted in the agreement, as the billings for each month are the same amount for each program.</p>	<p>Procedures on the management of grant budgets were developed in 2011-2012 for BOCES. The administration will continue to implement these new procedures with an emphasis on following the deadlines in each grant project's contractual agreement.</p>	<p>Program Supervisors, Federal Fund Clerk- Ongoing</p>
<p>We noted that BOCES is responsible to reconcile the healthcare insurance checking account for the St. Lawrence-Lewis Counties School District Employees Medical Plan and the reconciled balances are reported as cash in the BOCES Trust and Agency Funds. During our review of the bank reconciliation as of June 30, 2012, we noted that the reconciliation report has an un-reconciled difference of \$11,135.28 which has carried forward from the previous year reconciliation as well as 833 checks totaling \$126,807.74 that have been outstanding greater than 1 year (oldest check dated 4/11/06). Through discussions with accounting personnel, it was determined that the status of these "old" outstanding checks had not been investigated.</p>	<p>The administration will work with the healthcare plan auditors and the plan consultant in addressing the issue of outstanding checks. Due to the nature of the healthcare plan, any adjustments to outstanding checks must be made in accordance with regulations under the Municipal Cooperative Agreement and the New York State Insurance Department Laws.</p>	<p>Healthcare Administrator, Principal Fiscal Officer, Treasurer</p>

