

State audit lauds CSSD financial reporting

By SETH WALLACE swallace@palltimes.com | Posted: Thursday, December 8, 2016 6:00 am

ALBANY — A state audit of the Central Square School District's financial reporting process was released Wednesday and found the district to be generally in compliance and in good standing with one recommended policy change.

The audit was conducted by the office of State Comptroller Thomas DiNapoli from July 1, 2014 to March 31, 2016 and looked at the district's claims processing system.

Specifically, the audit addressed how certain funds spent from the district's budget — which totaled \$72.6 million in the 2015-2016 school year — were scrutinized, documented, audited and approved by the district, ensuring the amount of money spent is “actual and necessary.”

“An effective claims processing system ensures that all claims are subjected to an independent, thorough and deliberate review,” said the state's audit summary. “Such a review should ensure every claim contains enough supporting documentation to determine whether it complies with statutory requirements and district policies.”

The audit process reviewed 50 claims totaling approximately \$2.3 million out of 1,394 claims totaling approximately \$26.3 million in the time period during which the audit took place.

According to the comptroller, those 50 reviewed claims came back with flawless results.

“All payments tested were accurate, supporting invoices matched amounts charged, purchase orders for goods received were signed by the receiver and there was evidence of the claims audit prior to payments being remitted to the vendors,” according to the audit.

The one area of the claims processing procedure for which the comptroller faulted the district was how reports were provided to the board of education.

According to the comptroller, the district Board of Education appointed a claims auditor, and according to policy that individual was to report directly to the board on the results of claims audits.

“Instead, the claims auditor reported to the business manager, who is also the board-appointed purchasing agent,” the audit read.

“When the board does not provide proper oversight of the claims auditing process, there is an increased risk that errors or irregularities could occur and remain undetected and uncorrected,” according to the state audit.

The overall recommendation to the CSSD Board was to “ensure the claims auditor reports the results of the claims audit” directly to the board.

In a letter of response to the audit, CSSD Interim Superintendent Thomas J. Colabufo said the district “agreed with this finding and have taken the necessary actions to correct the process.”

According to Colabufo, a meeting of the district Audit Committee in June of this year reviewed the reporting process and established that a claims auditor report would be a part of every board of education meeting.

The response letter from Colabufo also said the district was “pleased the claims audit process was functioning properly,” referring to the unblemished record the comptroller’s audit found on the 50 reviewed claims.