

**WAVERLY CENTRAL SCHOOL DISTRICT**  
**Waverly New York**  
**REGULAR MEETING – BOARD OF EDUCATION**  
**Thursday, March 21, 2019 @ 6 pm – Learning Commons**

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**AGENDA**

- 1.0 Call to Order and Pledge of Allegiance**
- 2.0 Statements by Waverly District Residents in Attendance**
- 3.0 Acceptance of the Agenda and Starred Items**
- 4.0 Approval of Minutes**
  - 4.1 March 7, 2019 Meeting Minutes**
- 5.0 Communication**
- 6.0 Student Involvement**
  - 6.1 Presentation.**
- 7.0 Personnel – Approval of the attached personnel recommendations report.**
- 8.0 Finance**
  - 8.1 Treasurer's Report**
  - 8.2 General Fund Revenue Report**
  - 8.3 School Lunch Fund Report**
  - 8.4 Recommendation to accept the 2018-2019 Internal Audit Risk Assessment Update Report from Tompkins Seneca Tioga BOCES Internal Audit Services, dated March 2019.**
  - 8.5 Budget Review – BOCES**
- 9.0 President's Report**
- 10.0 Old Business**
- 11.0 New Business**

- 11.1 Request approval for the transportation of Campbell Leigh Dougherty, Grade 11, Donovan Warren Dougherty, Grade 9, and Garrin Vincent Dougherty, Grade 8, from their residence to Notre Dame High School, 1400 Maple Avenue, Elmira, NY for the 2019-2020 school year.
- 11.2 Request approval for the transportation of Mckaylin Baldwin, Grade 9, from their residence to Twin Tiers Christian Academy, 1811 North Chemung Road, Breesport, NY for the 2019-2020 school year.
- 11.3 Request approval of the use of Benny, a Golden Doodle, who is a therapy dog from Love on a Leash, The Foundation for Pet Provided Therapy. Benny is an evaluated and recognized Love on a Leash Therapy Dog, and Kelly Goodwin is a Love on a Leash member in good standing.
- 11.4 Recommendation to adopt the 2019 Annual Meeting Resolution of the Waverly Central School District.

#### ROLL CALL

#### 12.0 Superintendent's Report

- 12.1 Thank you to George Greeno for his dedication to our students as a long-time crossing guard.
- 12.2 Update on Phase two of the building project.

#### 13.0 CSE/CPSE Recommendations

#### 14.0 Information and Reminders

- March 26 @ 5 pm – CAPP Meeting in District Office
- March 26 @ 6 pm – Policy Committee Meeting in District Office
- April 2 – GST BOCES Annual Meeting – 5:45 Reception 6:30 Meeting –  
(Superintendent and Board Members are invited.)
- April 11 @ 6 pm – Special BOE Meeting in Learning Commons
- April 24 @ 6 pm – (Wednesday) – Regular BOE Meeting & GST BOCES Budget  
Vote and Board Election

#### 15.0 Anticipated Executive Session

Anticipated Executive Session to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, or removal of a particular person or corporation.

#### 16.0 Resume Regular Order of Business

#### 17.0 Adjournment

4.1

WAVERLY CENTRAL SCHOOLS  
Waverly, NY  
REGULAR MEETING – BOARD OF EDUCATION  
Thursday, March 7, 2019 @ 6 pm in the Learning Commons

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MINUTES

**MEMBERS PRESENT**

Andrew Aronstam, Renee Kinsley, Donald Mattison, Parvin Mensch, Cory Robinson, Colleen Talada, Kasey Traub, Jennifer Vaughn and Krisi Zimmer

**MEMBERS ABSENT**

None

**OTHERS PRESENT**

Paul Vesci, Brian Miller, Ashlee Hunt, Elizabeth McIntosh, Jeff DeAngelo, Catherine Pichany, Johnny Williams, and Karen from WATS/WAVR.

**1.0 Call to Order and Pledge of Allegiance.**

Parvin Mensch called the meeting to order at 6 p.m.

**2.0 Statements by Waverly District Residents in Attendance**

None.

**3.0 Acceptance of the Agenda and Starred Items**

Upon motion of Cory Robinson, seconded by Kasey Traub and unanimously carried to accept the agenda and starred items for this meeting.

**4.0 Approval of Minutes**

**4.1** Upon motion of Jennifer Vaughn, seconded by Colleen Talada and unanimously carried to approve the minutes from February 14, 2019.

**5.0 Communication**

Rotary Top Ten Banquet will be held on May 2, 2019. Please let Michelle Keene know if you plan to attend.

Board of Education candidate packets are ready and can be picked up at the district office or downloaded from the website. The completed applications are due by April 22, 2019.

**6.0 Student Involvement**

**6.1 Presentation of REACH program.**

The REACH program presentation has been rescheduled for April 11, 2019.

**7.0 Personnel – Approval of the attached personnel recommendations report.**

**7.1 Recommendation to approve Resignation for Purpose of Retirement**

Upon motion of Cory Robinson, seconded by Kristi Zimmer and unanimously carried to approve the following Resignations for Purpose of Retirement, with regret:

**Cathy Trudeau**

Position: Bus Driver

Effective: March 29, 2019

**7.2 Recommendation to Approve Coaching Appointments**

Upon motion of Renee Kinsley, seconded by Kasey Traub and unanimously carried to approve the following coaching appointments for the 2018-2019 Spring Sports Season, effective March 8, 2019:

**Derek Bowman** – Modified Baseball Coach

**Patric Bronson** – Volunteer Modified Baseball Coach

**Katie LaFrance** – Modified Softball Coach

**Dylan Perry** – JV Baseball Coach

**Jason Pipher** – Volunteer JV Baseball Coach

**8.0 Finance**

**8.1 Budget Review – Co-curricular, Pupil Transportation, Debt Service and Review of Property Tax Cap**

Kathy Rote, Business Manager, reviewed the Co-curricular, Pupil Transportation, Debt Service and reviewed property tax cap, which is set at 1.88.

**9.0 President's Report**

Board President congratulated the winter sports teams on their successful season and wished good luck to the spring season athletes.

In addition, it was announced that there will be two open Board of Education seats beginning July 1. Board of Education candidate packets can be picked up at the district office or downloaded from our website. The completed applications are due by April 22, 2019.

**10.0 Old Business**

**10.1 Recommendation to approve the second reading and adoption of Policy #5684, Use of Surveillance Cameras in the District and on School Buses, and Policy # 5741, Drug and Alcohol Testing for School Bus Drivers**

Upon motion of Kasey Traub, seconded by Donald Mattison and unanimously carried to approve the second reading and adoption of the following policies:  
#5684 Use of Surveillance Cameras in the District and on School Buses  
#5741 Drug and Alcohol Testing for School Bus Drivers

**11.0 New Business**

**11.1 Recommendation to approve Agreement for Health and Welfare Services between Waverly Central School District and Elmira City School District.**

Upon motion of Colleen Talada, seconded by Renee Kinsley and unanimously carried to approve the Agreement for Health and Welfare Services between Waverly Central School District and Elmira City School District.

**12.0 Superintendent's Report**

Superintendent Knolles congratulated Waverly athletes for their very successful winter season. We are very proud of all of them.

**12.1 Presentation from Growth Team (DCIP):**

Superintendent Knolles reported that a team has been created and had a very productive meeting. The next meeting is scheduled for April 2, 2019.

**13.0 CSE/CPSE Recommendations**

Upon motion of Jennifer Vaughn, seconded by Donald Mattison and unanimously carried to approve the CSE/CPSE recommendations as presented.

**14.0 Information and Reminders**

March 13 @ 3:30 pm – Academic Committee Meeting in District Office  
March 20 @ 3:30 pm – Community Connections Meeting in Learning Commons  
March 21 @ 6 pm – Regular BOE Meeting in Learning Commons  
March 26 @ 5 pm – CAPP Meeting in District Office  
March 26 @ 6 pm – Policy Committee Meeting in District Office

**15.0 Anticipated Executive Session**

Upon motion of Kasey Traub, seconded by Kristi Zimmer and unanimously carried to enter into Executive Session at 6:14 p.m. to discuss collective bargaining negotiations.

**16.0 Resume Regular Order of Business**

Upon motion of Renee Kinsley, seconded by Kasey Traub and unanimously carried to resume the regular order of business at 6:29 p.m..

**17.0 Adjournment**

Upon motion of Donald Mattison, seconded by Jennifer Vaughn and unanimously carried to adjourn the meeting at 6:32 p.m.

Dated: March 8, 2019

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Michelle L. Keene, District Clerk

DRAFT

## Personnel Recommendations – March 21, 2019

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### 7.1 Recommendation to approve Non-Instructional Substitutes

**Amanda Gleason**

Substituting for Position(s): Teacher's Aide, Clerical Worker  
Effective: March 22, 2019

**Tiffany Glose**

Substituting for Position(s): Food Service Worker  
Effective: March 22, 2019

**Samantha Kasson**

Substituting for Position(s): Food Service Worker  
Effective: March 22, 2019

**John Woodcock**

Substituting for Position(s): Custodial Worker, Maintenance Worker, School Bus Driver  
Effective: March 22, 2019

### 7.2 Recommendation to Approve Game Personnel Appointments for the 2018-2019 Spring Sports Season

Baseball/Softball - Scoreboard (Modified, JV/Varsity)

Melissa Emerson

Ken Ellers

Michele Cain

Phil Beard

Teresa Rando

Michelle Bartlett

Track – Helpers (Modified, Varsity)

Ken Ellers

Phil Beard

Teresa Rando

Michelle Bartlett

Game Manager

Pam Beard

18	February 2019	General Fund Checking	General Fund Savings-CC	General Fund Savings -Tioga St	General Fund Savings - Chase	General Fund Savings - Dir Dep	General Fund Savings-1st Niagara/Key	General Fund Savings - Tax Cert	General Fund Savings- Liability	General Fund Savings - ERS	General Fund - Tax Account	General Fund - TRS
Beginning	89,945.11	2,002,533.29	98,496.06	1,940,655.69	2,121,606.21	14,315.03	1,017,642.65	146,034.41	409,808.39	46.09	92,272.04	
Receipts:												
Transfer	689,040.27	14,493.31	9,431.40	2,229,313.82	2,276,913.26	83.39	116.83	16.76	204.25	0.00	0.00	
Miscellaneous		501,696.00	319.30	0.75	333.96	1.10	116.83	16.76	204.25	0.00	0.00	
State Aid	14.98			2,229,647.78	2,276,996.65	1.10	116.83	16.76	204.25	0.00	0.00	
Interest												
Total receipts	689,055.25	525,940.01	0.75	2,229,647.78	2,276,996.65	1.10	116.83	16.76	204.25	0.00	0.00	
Disbursements:												
Checks	(165,959.38)	(922,218.82)	(953.55)	(748,143.85)	(2,234,823.28)	(14,316.13)	0.00	0.00	0.00	0.00	0.00	
Payroll/health	(34,172.04)	(923,172.37)	0.00	(748,143.85)	(2,234,823.28)	(14,316.13)	0.00	0.00	0.00	0.00	0.00	
Transfers												
Total Disbursements	(200,131.42)	(923,172.37)	0.00	(748,143.85)	(2,234,823.28)	(14,316.13)	0.00	0.00	0.00	0.00	0.00	
Balance	578,868.94	1,605,300.93	98,496.81	3,422,159.62	2,163,779.58	0.00	1,017,759.48	146,051.17	410,012.64	46.09	92,272.04	
Bank balance	583,046.52	1,605,300.93	98,496.81	3,422,159.65	2,163,779.58	0.00	1,017,759.48	146,051.17	410,012.64	49.74	92,272.04	
O/S deposits	4,561.97	0.00		0.00						(3.65)		
O/S checks	(8,739.55)			0.00								
Balance	578,868.94	1,605,300.93	98,496.81	3,422,159.65	2,163,779.58	0.00	1,017,759.48	146,051.17	410,012.64	46.09	92,272.04	

	School Lunch - Savings	School Lunch - Checking	Federal Fund - Savings	Federal Fund - Checking	Capital Project/ Reserve Savings	Capital Project Checking	Trust & Agency	Trust & Agency Flex	Trust & Agency - 105(h)	Trust & Agency - Payroll	General Fund - Unemploy ent Savings
Beginning	238,351.16	15,425.45	84,944.43	68,520.66	536,656.62	53,302.11	659,090.89	188,334.48	510,644.12	0.00	45,579.80
Receipts:											
Transfer	63,520.15	39,501.04	64,500.89	1,215.48	314,824.90	314,824.90	953.55	2,627.36	379.61	675,155.70	
Miscellaneous	1,294.14	3,373.04					11,134.87				
State Aid											
Health insurance							11,080.86				
Student accounts							7.02				
Interest	124.96	0.72	39.69	4.13	32.49	7.02	338,001.20	14.45	38.38	675,155.70	0.00
Total receipts	64,939.25	42,874.80	64,540.58	1,219.61	32.49	314,831.92	11,087.88	2,641.81	417.99	675,155.70	
Disbursements:											
Checks		(27,132.29)		(3,164.00)	(314,824.90)	(302,277.09)	(302,277.09)			(13,121.71)	
Payroll	(46,467.95)			(50,353.06)		(458.14)	(302,735.23)	(147.33)	(15,102.87)	(662,033.99)	
Transfers	(46,467.95)	(27,132.29)	(112,254.45)	(53,517.06)	(314,824.90)	(302,735.23)	694,356.86	(147.33)	(15,102.87)	(675,155.70)	
Total Disbursements	(46,467.95)	(27,132.29)	(112,254.45)	(53,517.06)	(314,824.90)	(302,735.23)	694,356.86	(147.33)	(15,102.87)	(675,155.70)	
Balance	256,822.46	31,167.96	37,230.56	16,223.21	221,864.21	65,398.80	283,278.92	190,828.96	495,959.24	0.00	45,579.80
Bank balance	256,395.46	31,029.28	37,230.56	16,400.21	221,864.21	65,398.80	296,380.75	189,515.28	495,959.24	2,503.81	45,574.06
O/S deposits	427.00	198.88	0.00	0.00		0.00	1,313.68			37.09	
O/S checks	0.00	(60.20)	0.00	(177.00)		0.00	(13,101.83)			(2,540.90)	
Balance	256,822.46	31,167.96	37,230.56	16,223.21	221,864.21	65,398.80	283,278.92	190,828.96	495,959.24	0.00	45,574.06



General Fund Revenue Report

<u>Budgeted Revenue (2018-19)</u>	<u>Budget</u>	<u>Received 02/19</u>	<u>Received to date</u>	<u>Over (Under) Budget</u>
<b><u>Real Property Tax Items</u></b>				
Real Property Taxes	5,808,926.00	0.00	5,386,795.66	(422,130.34)
Payments in Lieu of Taxes	502,693.00	760.00	497,485.55	(5,207.45)
STaR Reimbursement	1,304,531.00	0.00	1,273,119.87	(31,411.13)
Interest on Taxes	<u>17,000.00</u>	<u>0.00</u>	<u>14,361.87</u>	<u>(2,638.13)</u>
	7,633,150.00	760.00	7,171,762.95	(461,387.05)
<b><u>Other Charges for Services</u></b>				
Day School Tuition	0.00	0.00	12,831.50	12,831.50
Continuing Education	0.00	0.00	0.00	0.00
Summer School	0.00	0.00	0.00	0.00
Other Student Fees	0.00	0.00	17.00	17.00
Admissions	16,000.00	1,526.00	18,046.80	2,046.80
Other Charges for Services	69,300.00	3,450.00	30,155.78	(39,144.22)
Charges for Facilities	0.00	0.00	2,265.06	2,265.06
Youth Services	14,704.00	0.00	16,898.88	2,194.88
Services for BOCES	<u>60,000.00</u>	<u>1,178.00</u>	<u>11,697.00</u>	<u>(48,303.00)</u>
	160,004.00	6,154.00	91,912.02	(68,091.98)
<b><u>Use of Money/Property</u></b>				
Interest and Earnings	25,000.00	1,281.31	9,423.96	(15,576.04)
Rental of Property	12,000.00	0.00	3,000.00	(9,000.00)
Commissions	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	37,000.00	1,281.31	12,423.96	(24,576.04)
<b><u>Sale of Property &amp; Loss</u></b>				
Comp for Loss - not insurance	0.00	0.00	57.14	57.14
Sale of Equipment	0.00	0.00	3,514.00	3,514.00
Sale of Transportation Equipment	0.00	0.00	0.00	0.00
Sale of Scrap	0.00	0.00	283.05	283.05
Insurance Recovery	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	0.00	0.00	3,854.19	3,854.19
<b><u>Miscellaneous</u></b>				
Refund of Prior Year Expense	75,000.00	(6,022.92)	539,388.52	464,388.52
Gifts and Donations/Interfund Tran	3,000.00	0.00	0.00	(3,000.00)
Unclassified (Other) Revenue	<u>514,098.00</u>	<u>710.40</u>	<u>1,897.28</u>	<u>(512,200.72)</u>
	592,098.00	(5,312.52)	541,285.80	(50,812.20)
<b><u>State Sources</u></b>				
Basic Formula	18,301,511.00	2,173,672.06	8,298,371.89	(10,003,139.11)
Lottery Aid	1,940,105.00	0.00	1,825,519.03	(114,585.97)
BOCES Aid	2,102,294.00	448,493.00	464,875.00	(1,637,419.00)
Textbook/Library/Software Aid	119,692.00	0.00	22,635.00	(97,057.00)
Other State Aid	<u>83,564.00</u>	<u>12,118.20</u>	<u>173,983.78</u>	<u>90,419.78</u>
	22,547,166.00	2,634,283.26	10,785,384.70	(11,761,781.30)
Budgeted Revenue (2018-19)	30,969,418.00	2,637,166.05	18,606,623.62	(12,362,794.38)
Approp. Fund Bal (2017-18)	<u>1,664,126.00</u>	<u>0</u>	<u>0</u>	<u>0</u>
Budgeted Approp (2018-19)	32,633,544.00	2,637,166.05	18,606,623.62	(12,362,794.38)

Received by the Board of Education and entered as part of the meeting held March 7, 2019.

Signed Michelle L. Keene, Clerk

Waverly Central Schools  
 School Lunch Fund  
 February 2019

	<u>2018-19</u>	<u>%</u>	<u>2017-18</u>	<u>%</u>
<b><u>Sales</u></b>				
Class A Sales	0.00	0.00%	48,325.88	11.35%
Other Sales	35,379.33	8.75%	41,823.12	9.82%
State Aid Billed	<u>369,061.00</u>	91.25%	<u>335,664.00</u>	78.83%
	404,440.33		425,813.00	
<b><u>Cost of Food Sold</u></b>				
Beginning Inventory	40,587.95		35,490.98	
Food Purchases	160,201.70	84.44%	145,846.25	85.42%
Surplus Food	<u>33,175.33</u>	17.49%	<u>28,193.44</u>	16.51%
Total Purchases	233,964.98		209,530.67	
Ending Inventory	<u>44,232.26</u>		<u>38,788.84</u>	
Cost of Food Sold	<u>189,732.72</u>		<u>170,741.83</u>	
<b>Gross Profit</b>	<b>214,707.61</b>		<b>255,071.17</b>	
<b><u>Operating Expenses</u></b>				
Labor	96,429.55	38.29%	95,162.60	36.20%
Services	5,366.71	2.13%	8,582.65	3.27%
BOCES Services	52,377.00	20.80%	47,986.20	18.26%
Supplies	12,599.88	5.00%	13,383.04	5.09%
Equipment	0.00	0.00%	2,195.39	0.84%
Social Security	6,954.41	2.76%	6,855.33	2.61%
Health Insurance	48,066.68	19.08%	60,189.54	22.90%
Workers' Comp	11,349.00	4.51%	11,349.00	4.32%
State Retirement	<u>18,712.58</u>	7.43%	<u>17,152.00</u>	6.53%
	<u>251,855.81</u>		<u>262,855.75</u>	
<b>Operating Profit</b>	<b>(37,148.20)</b>		<b>(7,784.58)</b>	
<b><u>Other Revenue</u></b>				
Interest	645.24	0.69%	190.52	0.67%
Miscellaneous	59,225.92	63.65%	0.00	0.00%
Surplus Food	<u>33,175.33</u>	35.65%	28,193.44	99.33%
	<u>93,046.49</u>		<u>28,383.96</u>	
<b>Net Profit</b>	<b>55,898.29</b>		<b>20,599.38</b>	
<hr/>				
<b><u>Assets</u></b>			<b><u>Liabilities</u></b>	
Cash - Checking	\$ 21,864.04		Due to Other Fund	\$ 75,432.02
Cash - Savings	256,922.46		Due to Government	451.57
Due from State/Other	108,741.92		Accounts Payable	22,944.48
Inventory - Food	44,232.26		Accrued Liability	26,188.50
Inventory - Supplies	5,358.40		<b><u>Fund Balance</u></b>	
Prepaid Expenses	0.00		Beginning Fund Bal	256,204.22
			Net Profit (Loss)	55,898.29
	<u>\$ 437,119.08</u>			<u>\$ 437,119.08</u>

**Board of Education  
Waverly Central School District  
15 Frederick Street  
Waverly, NY 14892**

**BOCES** [redacted] ○

[redacted] [redacted]

○ [redacted] ○

**Tompkins Seneca Tioga BOCES  
Internal Audit Services**

DRAFT

**2018-19  
Internal Audit Risk Assessment  
Update Report**

**March 2019**

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## Executive Summary

Internal Audit performed the 2018-19 risk assessment update for the Waverly Central School District, on behalf of the District's Board of Education, to assist them in compliance with the NYS Five Point Plan on School District Accountability legislation and Commissioner's Regulations 170.12.

A risk assessment update includes a review of a District's operations, including but not limited to, a review of financial policies and procedures and the testing and evaluation of the District's internal controls.

Internal Audit separated the District's operations into nine auditable/functional units and assigned a risk rating of low, moderate, or considerable to each unit through various testing methods such as questionnaires and discussions with District staff, sample testing of key controls, and walk-throughs.

During the current year risk assessment update, Internal Audit concluded that the following auditable/functional units presented an elevated risk level (generally >5) to the District's operations. Internal Audit recommends the detailed testing of Payroll and Personnel for the 2018-19 school year.

- Purchasing and Expenditures
- Payroll and Personnel
- Extraclassroom Activities
- Assets and Inventory
- Accounting & Reporting

## Audit Scope, Objective, and Methodology

### *Scope*

The NYS Five Point Plan on School District Accountability legislation and Commissioner's Regulations 170.12 require an annual risk assessment.

The risk assessment update for the District was conducted during February and March 2019.

Internal Audit is a department within Tompkins-Seneca-Tioga BOCES and is supervised by the Board of Education for the Waverly Central School District under a cooperative services agreement. The findings and conclusions in this report are the responsibility of the Board and the Internal Audit Department.

### *Objective*

To identify factors or conditions that threatens the achievement of the District's objectives. It involves identifying significant risks to the effectiveness and efficiency of operations, to the reliability of financial reporting, and compliance with policies, procedures, applicable laws and regulations.

### *Methodology*

Internal Audit complies with applicable regulations promulgated by the State Commissioner of Education and the District's policies and procedures. Per New York Standards Internal Audit is required to develop a risk assessment of a District's operations, including but not limited to, a review of financial policies and procedures and the testing and evaluation of the District's internal controls, and an annual review and update of such risk assessment.

A risk assessment update shall not only include a current year residual risk determination, but also a follow-up on any previous Internal Audit exceptions, a follow-up on any corrective action plans and any external audit exceptions (financial statement, SED, OSC, etc.).

There are three categories of risk:

- **Inherent Risk:** The nature of some activities or assets makes them a greater risk than others. Some characteristics that generally increase inherent risk are opportunity, new activities, complexity, changes in operating environment, changes in personnel, and rapid growth. Inherent risk is a tool in determining the susceptibility of an entity, unit, or account to fraud, waste, or abuse assuming there were no related internal controls.
- **Control Risk:** The risk that material errors or fraud are not prevented or detected by the internal control system.
- **Residual Risk:** Remaining and assigned risk level calculated after evaluating control and inherent risk.

The assigned residual risk rating, low, moderate, or considerable, is calculated after considering inherent and control risk. To establish a control risk rating, internal audit uses various testing methods such as questionnaires and discussions with District staff, sample testing of key controls, and walk throughs.

Not all risks are equal. Some are more likely than others to occur, and some will have a greater impact than others if they occur. Once risks are identified, their probability and significance must be assessed. Upon identifying and assessing risk, the District must decide how to deal with it.

Based on a cost/benefit analysis, in some cases, the decision may be to control it; in others, it may be to accept it. Residual risk ratings are not only categorized as *Low*, *Moderate*, or *Considerable*, but also with a number rating. The number rating is based on various factors such as the severity of internal control recommendations, materiality, probability, and significance. In addition, the residual risk can be affected by recent audit reports or findings by other federal, state, or independent auditors. See the graphic below for the Residual Risk Rating Scale.



### Results and Recommendations

The NYS Education Department has outlined twenty-four different areas to be assessed and audited by Internal Audit. Internal Audit has merged and re-categorized all twenty-four areas into the following nine auditable/functional units:

- Revenue and Cash Management
- Purchasing and Expenditures
- Payroll and Personnel
- Extraclassroom Activities
- Governance
- Accounting and Reporting
- Assets and Inventory
- Facilities Maintenance and Construction
- Student Services and Data

Using the methodology explained above, Internal Audit has determined and assigned a residual risk rating to all nine auditable/functional areas for the District. The following three sections of the report specify those ratings in

ascending order from *Low* to *Considerable*. In accordance with the NYS Five Point Plan, Internal Audit is required to recommend changes for strengthening controls and reducing identified risks where possible, and to specify time frames for implementation of such recommendations. The recommendations are provided to assist the District in managing and reducing risk. It should be noted that the enhancements recommended are not the only contributing factors to the ratings of *Moderate* or *Considerable* risk. As explained above, many areas are inherently riskier than others, regardless of the internal control structure.

Low Residual Risk

The following function(s) have a *Low* residual risk rating. There are no associated recommendations for improvement to internal controls for these area(s).

	Fiscal Year	Inherent Risk	Control Risk	Residual Risk
Facilities Maint. and Construction	17-18	Low	Moderate	Low – 3
	18-19	Low	Moderate	Low – 3

Moderate Residual Risk

The following function(s) have *Moderate* residual risk ratings. If there are verbal recommendations regarding controls, very minor items noted throughout the risk assessment that do not warrant a written recommendation, or unresolved findings from any previous audit reports, this may lead to a *Moderate* residual risk rating without any associated written recommendations.

	Fiscal Year	Inherent Risk	Control Risk	Residual Risk
Assets and Inventory	17-18	Moderate	Moderate	Moderate – 6
	18-19	Moderate	Moderate	Moderate – 6

1. Inventory and Fixed Assets – Internal Audit noted 2 new ovens at the high school are not tagged or included on the asset listing. The old high school oven is now at Elm, and is still included on the high school asset listing. The old Elm oven has been disposed of, and is still included on Elm’s asset listing. Additionally, the high school has 2 high power specialty blenders, but only one is tagged and included on the inventory listing. Internal Audit recommends the food service assets and inventory listings be reviewed and updated.

	Fiscal Year	Inherent Risk	Control Risk	Residual Risk
Payroll & Personnel	17-18	Considerable	Moderate	Moderate – 7
	18-19	Considerable	Moderate	Moderate – 7

1. Timesheets – Internal Audit noted a timesheet was calculated incorrectly in 1 of 6 timesheets tested. An employee worked for 5 hours and was paid for 6 hours. Internal Audit recommends the timesheet and the employee's pay be corrected.

2. Shift Differential – Per the Support Personnel Contract, a work shift beginning between 3:30 p.m. and 11:30 p.m. shall receive an hourly wage differential of .60 cents per hour. Internal Audit noted an employee was paid the differential for work shifts beginning at 3:00 p.m. in 1 of 6 timesheets tested. Internal Audit recommends changing the start time of the work shift, or changing the contract language to include shifts beginning at 3 p.m.

3. State Withholding Form - All employees are required to fill out Form IT-2104, Employee's Withholding Allowance Certificate, when hired. A form was not present in 1 of 9 employee files tested. Internal Audit recommends the employee fill out a new form, and the District compare the number of exemptions to the payroll records.

4. Coach Certifications - Coaches are required to complete training for identifying if a student has a concussion every 2 years. Internal Audit tested 7 coach files, and 2 coaches had not completed the training. The coaches did coach a team in the 2018-19 school year. Internal Audit recommends all active coach files be reviewed to

ensure the proper training certificate is on file. Additionally, Internal Audit recommends coaches not be allowed to coach until the required training is completed.

	Fiscal Year	Inherent Risk	Control Risk	Residual Risk
Student Services and Data	17-18	Moderate	Moderate	Moderate – 5
	18-19	Moderate	Moderate	Moderate – 5

1. Bus Driver and Mechanic Testing – Bus Drivers and Mechanics are subject to random drug and alcohol testing. The District submits a list of names for the testing pool to GST BOCES. Internal Audit recommends the Director of Transportation compare the list of names to the driver roster, training records, and payroll records to ensure all bus driver and mechanic names are included in the testing pool. The testing pool should be updated timely when an employee is hired or leaves the District.

	Fiscal Year	Inherent Risk	Control Risk	Residual Risk
Accounting and Reporting	17-18	Moderate	Low	Moderate – 6
	18-19	Moderate	Moderate	Moderate – 6

1. Medicaid Prescriptions – A prescription is required in order to bill Medicaid for nurse, counseling, speech, occupational, and physical therapy services. Internal Audit noted only 3 Medicaid eligible students were missing prescriptions, which is an improvement from last year. One of the missing prescriptions is for speech therapy services from January 22, 2019 to present. Speech therapist can write their own prescriptions. Internal Audit recommends all prescriptions be written timely so the District can bill Medicaid for speech services.

*District Response – The missing speech therapy prescription is now on file.*

2. Session Notes - Session notes for nurse, counseling, speech, occupational, and physical therapy services are required for Medicaid billing. Session notes were missing in ClearTrack in 1 of 9 student files tested. The missing session notes are for counseling services from December 2018 to present.

The District may be able to back bill the counseling services if there are hand written session notes signed and dated within 45 days of the date of service. Internal Audit recommends the District submit any hand written notes to GST BOCES for manual billing.

*District Response – The District has obtained the missing session notes.*

3. Medicaid Reimbursements - Internal Audit noted 1 student enrolled in a BT BOCES program is receiving speech and occupational therapy services. The speech prescription expired on June 30, 2018, and the occupational therapy prescription expired on November 16, 2018. Session notes have not been entered for the 2018-19 school year for both services. The District has not received Medicaid reimbursement for this student since December 2016.

Internal Audit recommends District staff review the “Medicaid Status Report” at least monthly to identify reimbursement issues. Services on the IEP should be compared to the reimbursements received. A greater focus should be placed on skilled nursing services and students enrolled in programs outside of the District. Program staff should be contacted to resolve any issues noted.

	Fiscal Year	Inherent Risk	Control Risk	Residual Risk
Purchasing and Expenditures	17-18	Considerable	Moderate	Moderate - 7
	18-19	Considerable	Moderate	Moderate - 7

1. Approval Signatures – Internal Audit noted 5 of 14 purchases tested were missing the authorization signature. Internal Audit recommends the claims auditor return invoices missing the authorization signature to the employee for approval. All purchases should have the proper signatures before payment is issued.

2. Accounts Payable Procedures – The WinCap computer software is used to process accounts payable transactions for the District. WinCap will display a warning message if the same invoice is entered twice for payment. Internal Audit noted several invoices were totaled and entered into WinCap as a lump sum, instead of entered by each invoice number and total separately. Internal Audit recommends each invoice be entered separately to prevent invoices from being paid twice in error.

3. Reimbursement – A reimbursement amount for supplies was calculated incorrectly in 1 of 14 expenses tested. The payee received an overpayment of \$39.80. Internal Audit recommends the District contact the payee to pay back the overpayment to the District.

*District Response – The payee paid back the overpayment to the District.*

	Fiscal Year	Inherent Risk	Control Risk	Residual Risk
Revenue and Cash Management	17-18	Moderate	Moderate	Moderate – 4
	18-19	Moderate	Moderate	Moderate – 4

	Fiscal Year	Inherent Risk	Control Risk	Residual Risk
Extracurricular Activities	17-18	Considerable	Moderate	Moderate – 7
	18-19	Considerable	Moderate	Moderate – 7

1. Student Officers - Per the Safeguarding, Accounting, and Auditing of Extracurricular Activity Funds, each Extracurricular activity shall have a president, secretary, and treasurer. These officers shall be elected annually from among the membership by secret ballot.

Internal Audit noted the Spanish Club has not elected officers due to not enough members attending meetings. Internal Audit recommends the club hold another meeting and elect the required officers.

	Fiscal Year	Inherent Risk	Control Risk	Residual Risk
Governance	17-18	Moderate	Moderate	Moderate – 4
	18-19	Moderate	Moderate	Moderate – 4

**Recommended Implementation Timeframe: By the end of August 2019.**

**Previous Audits and Corrective Action Plans**

As part of the annual risk assessment update, Internal Audit is required to follow-up on any prior year audits and corrective action plans to determine if any findings are unresolved, as well as the implementation status of any corrective action plans. Except as noted above, all items noted were already in the process of being addressed.

**Concluding Remarks**

In order to assist the District in mitigating the risk of fraud, waste or abuse and to comply with the NYS Five Point Plan, please see the Three Year Internal Audit Plan ~ Addendum on the next page.



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**Three Year Internal Audit Plan ~ Addendum**

Internal Audit performed the 2018-19 risk assessment update for the Waverly Central School District, on behalf of the District's Board of Education, to assist them in compliance with the NYS Five Point Plan on School District Accountability Legislation and Commissioner's Regulations 170.12. The adoption of an audit plan is also a requirement of this legislation.

During the current year risk assessment update, Internal Audit concluded that the following auditable/functional units presented an elevated risk level (generally >5) to the District's operations.

Internal Audit recommends the detailed testing of these areas to be included in the District's **three year audit plan**.

Year 1: 2018-2019	Payroll and Personnel
Year 2: 2019-2020	Medicaid
Year 3: 2020-2021	Purchasing and Expenditures

**\*\* IMPORTANT \*\***

The areas identified above can be modified by the Board of Education at any time, and the audit plan will be revisited at the conclusion of the 2019-20 risk assessment update to determine whether the Board wishes to update their audit plan.

Please indicate whether the Board agrees in the current year to the audit plan as stated above, or whether alternate selections are being made:

Three Year Audit Plan as stated above

- OR -

Alternate selections as stated below:

Year 1: 2018-2019 \_\_\_\_\_

Year 2: 2019-2020 \_\_\_\_\_

Year 3: 2020-2021 \_\_\_\_\_

11.3



**Love on a Leash**  
The Foundation for  
Pet Provided Therapy



Expiration Date: 08/31/2019

Membership ID: 9390

Pet Name: Benny

Pet Breed: Golden Doodle

*This card identifies this pet as a certified therapy pet  
The owner assumes all responsibility for their pet and its actions.*



**MEMBERSHIP CARD**

**Love on a Leash**

*The Foundation for Pet Provided Therapy*

**Kelly  
Goodwin**

ID # 9200 Member Since : 08/01/2018

*This certifies the named party is a member in good standing til 08/31/20  
Member agrees to abide by all FPPT by-laws and regulations*

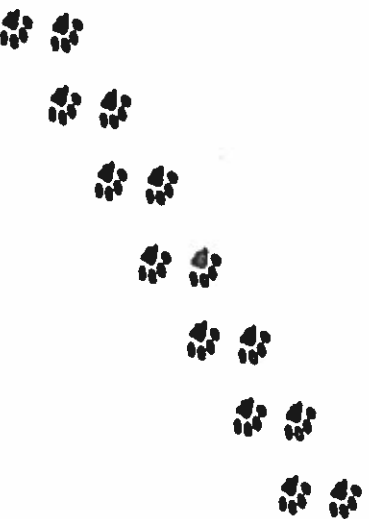


***Benny, a Golden Doodle***

*Has been evaluated and is recognized as a Love on a Leash® Therapy Pet,  
and should be accorded all benefits entitled to this position.*

*August, 2018*

*Linda Schulte  
Membership Secretary  
Keith Edleman  
Membership Chair*



Athens Animal Hospital  
Drs. Corbett, Christiansen and Hamilton  
475 Riverside Dr.  
PO Box 366  
Athens, PA 18810-0366  
(570) 888-2354

**Rabies Certificate**

Client ID: 14847  
Client Name: Kelly Goodwin  
Address: 135 Center St.  
  
Waverly, NY 14892  
  
Phone: (607)565-7952

Patient ID: 14847-E  
Patient Name: Benny  
Species: Canine  
Breed: Mix, Poodle  
Sex: Neutered Male  
Color: Gold  
Markings:  
Birthday: 06/01/2007  
Weight: 65.00 pounds on 7/19/2017

Tag Number: 13541  
Lot Number: 12631  
CANINE RABIES 3 YEAR VACCINE  
Producer: Merial  
K / MLV / R: Killed Virus

Vaccination Date: 7/19/2017  
Expiration Date: 7/19/2020

Staff Name: Dr. Janet C. Christiansen  
License Number: BV-0007430L

*Janet C. Christiansen, D.V.M.*

## ANNUAL MEETING RESOLUTION

Resolution adopted by the Board of Education of Waverly Central School District at its Regular Meeting held on the 21<sup>st</sup> day of March, 2019:

Upon motion made by \_\_\_\_\_, seconded by \_\_\_\_\_, and unanimously carried, it is

RESOLVED, that the Annual Meeting of the qualified voters of the Waverly Central School District and election of members of the Board of Education and the vote upon the budget of estimated expenditures for the fiscal year 2019-2020, and upon such other propositions as may be presented, be held on the 21<sup>st</sup> day of May, 2019, at 11:30 a.m. in the Waverly Senior High School, with voting to be by voting machines from 12:00 Noon until 8:00 p.m. EDST; and be it

FURTHER RESOLVED, that the public hearing for all qualified School District voters of the proposed estimated expenditures for the fiscal year 2019-2020 be held on Thursday, May 9, 2019 at 6:00 p.m. EDST, at the Waverly High School Learning Commons, One Frederick St., Waverly, New York; and be it

FURTHER RESOLVED, that the District Clerk be authorized to prepare the statutory Notice of Budget Hearing and Vote, and attend to publication of the same in the Star Gazette and the Morning Times, the two (2) daily newspapers circulated within the School District, for at least four (4) times during the seven (7) weeks preceding the date of said election and vote.

Upon call of the roll of the members of the Board of Education, the following votes were recorded on the motion to adopt said Resolution:

<b>Andrew Aronstam</b>	<b>voting</b>	<b>Aye or Nay</b>
<b>Renee Kinsley</b>	<b>voting</b>	<b>Aye or Nay</b>
<b>Donald Mattison</b>	<b>voting</b>	<b>Aye or Nay</b>
<b>Parvin Mensch</b>	<b>voting</b>	<b>Aye or Nay</b>
<b>Cory Robinson</b>	<b>voting</b>	<b>Aye or Nay</b>
<b>Colleen Talada</b>	<b>voting</b>	<b>Aye or Nay</b>
<b>Kasey Traub</b>	<b>voting</b>	<b>Aye or Nay</b>
<b>Jennifer Vaughn</b>	<b>voting</b>	<b>Aye or Nay</b>
<b>Kristi Zimmer</b>	<b>voting</b>	<b>Aye or Nay</b>

The Resolution was thereupon declared duly adopted.

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Michelle L. Keene, District Clerk