

Transcript for Financial Reporting Requirements for School Districts and BOCES

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Welcome to the NYSED Financial Reporting Requirements for School Districts and BOCES training. My name is Maria Stamoulis. I work in the Office of Audit Services within the New York State Education Department and it's my pleasure to be presenting to you. Before I begin, I have a few housekeeping announcements:

Unlike live webinars, there will not be question and answer session following this presentation. However, you can still contact the Office of Audit Services with any questions you may have by using the email address provided at the end of the webinar today. We will respond to you as soon as possible.

For anyone who may be looking for CPE's, we are unable to provide CPE credits for this webinar.

We really appreciate you taking the time to listen to this presentation. We believe it will help many of you have more confidence in your submissions to the NYSED Application Business



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There are a couple of ways to log into the NYSED Application Business Portal. One way is by going to the home page of our website at nysed.gov into your web browser's address bar and selecting the Business Portal link or you can use the address at <https://portal.nysed.gov/abp>. This is what you'll see once you type nysed.gov. Click on the "Business Portal" link in blue.

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This is what you'll see once you select the Business Portal link. To log in to the NYSED Application Business Portal, click on the "Log In" button in the upper right-hand corner of your screen.

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Enter your username and password. Then, click "sign-in."

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Select "SED Monitoring and Vendor Performance System."

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This section displays the "Survey Navigation" page. The "Survey Navigation" page lists each section of the survey. Survey 7 has two sections: Financial Statements and Independent Auditor. Select each section of the survey to view the survey questions, shown to the right. Responses to the questions are entered using brief descriptions, radio buttons, check boxes, etc. shown to the right.

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The next few slides will cover what's displayed in Survey 1. This survey will be applicable for everyone except the school districts with less than eight teachers as their attestation of exemption is separate. The first question asks you to upload the audited financial statements. Select choose file and then upload the audited financial statements. If you have another file to add, select add another upload and then upload that document. Click next to move to the next question.

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The next questions ask you to enter some information about your independent auditor. Specifically: The name, email address and phone number of the independent auditor. Also, did the independent auditor perform any non-attest or non

to submit this survey. Our Office requests the minutes of the Board approval in Survey 2/3, not Survey 1. Please do not wait to submit the financial statements until there is Board approval. Finally, please be advised that we prefer to see all the required statements in the table of contents.

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Now, let's discuss Survey 2/3, which covers the Financial Statement Board Approval, the Management Letters, the Extraclassroom Audit, the corrective actions plans and the Board Approval of the corrective actions plans.

All districts with eight or more teachers and all BOCES are required to submit this survey. Education Law §2116-a(3) and Commissioner's Regulation §170.12(e)(2) state that the independent accountant shall present the report of the annual audit to the trustees or Board and provide a copy of the audit to each trustee or Board member and the trustees or Board shall adopt a resolution accepting the audit report and file a copy of the resolution with the Commissioner. So, the key takeaway is that Board approval is required for the audited financial statements.

When it comes to the Management Letter, Education Law §2116-a(3) and Commissioner's Regulation §170.12(e)(4) state that within 90 days of receipt of an audit report or Management Letter, each school district superintendent and BOCES district superintendent shall prepare a corrective action plan, approved by the Board, in response to any findings. If the independent auditor issues a Management Letter, it must be filed with the New York State Education Department regardless of the nature of the comments. So, the key takeaway is that all Management Letters must be submitted to the Office of Audit Services.

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Continuing with Survey 2/3:

When it comes to the Extraclassroom Audit, Commissioner's Regulation §172.3(d) requires that the Extraclassroom Activity Fund also be audited. Commissioner's Regulation §172.1 defines Extraclassroom Activity Funds as funds raised other than by taxation or through charges of a Board of Education by an organization within a school district whose activities are conducted by students. This audit includes a statement of receipts, disbursements, and balances for each activity together with a reconciliation of cash.

Bottom line: if you have an Extraclassroom fund, submit the audit to the Office of Audit Services. When it comes to the corrective action plan(s), Education Law §2116-a(3) and Commissioner's Regulation §170.12(e)(4) state that each school district superintendent and BOCES district superintendent shall prepare a corrective action plan, approved by the Board, in response to any findings contained in the annual external audit report or Management Letter within 90 days of receipt of an audit report or Management Letter. The corrective action plan shall include expected date(s) of implementation. A school district or BOCES shall, to the extent practicable, begin implementation of its corrective action plan no later than the end of the next fiscal year. Each school district and BOCES shall file its corrective action plan with the State Education Department. Survey 2/3 is due on January 15 for everyone except for the Big 5. The Big 5 school districts of Buffalo, Rochester, Syracuse, Yonkers, and New York City are required to submit this survey by February 1.

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Here's what the Office of Audit Services requires for Survey 2/3:

The minutes showing the Board approval of the independent auditor's report,
The Management letter, if applicable,
The Extraclassroom Audit, if applicable,
The corrective action plan should be in final format and finally,
The corrective action plan in response to the financial statement or Management Letter findings &

The Extraclassroom Audit findings contains:

- The detailed action taken or planned to correct the deficiencies in the audit findings, or a statement which describes the reason(s) that corrective action is unnecessary, and
- The expected date(s) of implementation. We also require the meeting minutes/Board resolution showing the Board approval of the corrective action plan(s).

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The next few slides will cover what's displayed in Survey 2/3. This survey contains two tables, and this slide displays the instructions for the first table. As outlined here, the corrective action plan must contain an implementation date – either a specific date, or a month and year, or a fiscal year

The anticipated completion date for each finding. Again, the completion date and contact person – these are not options. We return hundreds of corrective action plan(s) for not meeting each requirement. Please alter your process to ensure these requirements are being met, if needed.

The updated Board minutes for any revised corrective action plan(s).

And finally, the corrective action plan adequately addresses each finding.

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The next survey is Survey 6, which covers the Internal Control Report and the related corrective action plan. All school districts and BOCES are required to submit this survey.

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Survey 6B is due on July 1. The Office of Audit Services requires your school district to select the appropriate checkboxes (and indicate whether you're exempt) and the reason(s) for your exemption. Please ensure your school district selects the appropriate checkboxes and what you select applies to your school district. To obtain the previous year's general fund expenditures, refer to the ST-3. To obtain the actual enrollment of students in the prior school year, refer to the Property Tax Report Card. If you are not sure, please feel free to email us for assistance.

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Here's what's displayed in Survey 6B:

Question 1 requires you to indicate whether your school district is exempt from the internal audit function requirement. Select yes or no.

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Here's what's displayed in Survey 7:

Question 1 asks if you have any Regulatory Audits to upload for this year. If yes, complete the table in the next question. If no, select no and submit the survey. Keep in mind that for a Regulatory Audit report to be applicable to this survey, its issuance date must fall within the date range included in the survey question. If you received a Regulatory Audit Report that was issued after the last day of the date range included in the survey question, hold onto the report, and submit it in next year's survey. If you have a Regulatory Audit Report that was issued prior to the first day of the date range included in the survey question, open Survey 7 for the prior year and upload the report there.

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Question 2 requests the following for each Regulatory Audit:

What entity conducted this audit?

What is the audit report number (if available)?

How many findings or recommendations were in this audit report?

Upload the Regulatory Audit, and

And upload the Board approved corrective action plan for each finding/recommendation.

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Question 3 asks for the Board approval, (which must be meeting minutes or a Board resolution) approving the corrective action plan(s). Once those questions are completed, submit the survey.

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Some helpful tips for Survey 7 include ensuring the:

Submission of all Regulatory Audits including OSC and NYSED,

Regulatory audits are in final format and not draft,

Regulatory Audit is for the correct fiscal year end,

Submission of the corrective action plan(s) for each Regulatory Audit finding,

Submission of the anticipated implementation date for each Regulatory Audit finding,

Corrective action plan adequately addresses each finding, and

Submission of the updated Board minutes for any revised corrective action plan(s).

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Now that we've gone over the specifics of each survey, let's talk about the documents that are available to assist you in your submission/compliance with each survey. Each survey has a

section for documents on the le_ or mp_ # 3uu a Co m e v e n c port th

