

Huntington Union Free School District
For the Year Ended June 30, 2024

**CORRECTIVE ACTION PLAN (CAP) TO FISCAL YEAR END JUNE 30, 2023 CURRENT YEAR
FINDINGS AND RECOMMENDATIONS**

Dr. Rubie Harris, Assistant Superintendent for Finance and Management Services, will manage corrective action plan components.

Current Year Comments

Budget Transfers

During the current year audit, in the sample of budget transfers we tested, we noted that there were budget transfers between non-contingent expenditure codes.

CAP: The Assistant Superintendent for Finance and Management Services will closely monitor all budget transfers and transfers that are required to occur between non-contingent expenditure codes be declared contingent expenditures and receive Board of Education approval

Implementation Date: November 30, 2024

Review of Open Encumbrances and Accounts Payable

During the current year audit, in the sample of transactions we tested, we noted that the District did not have a systematic review process for encumbrances and accounts payable. We proposed an audit adjustment to reduce accounts payable, which approximated \$540,000.

CAP: The Assistant Superintendent for Finance and Management Services will work with accounts payable, and the business office on the process for encumbrances vs. accounts payable and develop a system of reviewing year end and creating a transparent list of what is deemed encumbrances and what are deemed accounts payable to provide to the auditors annually.

Implementation Date: June 30, 2025

Interfund Receivables and Payables

During the current year audit, in the sample of transactions we tested, we noted that interfund balances are at a high level and repayments had not taken place.

CAP: The Assistant Superintendent for Finance and Management Services will work with the District Treasurer to quarterly review the due to and due from and transfer those funds when available to so repayment occurs.

Implementation Date: June 30, 2025

Prior Year Comments

Extraclassroom Activity Funds - Transactions

During the current year audit, in the sample of cash disbursements we tested, we noted that there were some instances where sales tax was not paid, as well as instances where detailed supporting documentation was not present.

CAP: Central Treasurers have been directed to instruct advisors and students to convey to vendors they are dealing with the following: the Extra Classroom Account is funded by fundraising, parents, students, community, etc., and not collected through taxes. Therefore, all invoices should include sales tax. The Assistant Superintendent for Finance and Management Services will check in quarterly to ensure invoices include sales tax.

Implementation Date: Complete by June 30, 2025

Calculation of Collateral for Deposits with Financial Institutions

During the prior year audit and the current year audit, in the sample of transactions we tested, we noted that the collateral schedule maintained by the District did not reflect the proper required coverage amounts. Our test of the collateral pledged, indicated that the bank pledged adequate collateral to cover deposits.

CAP: The District Treasurer will work with The Assistant Superintendent for Finance and Management Services to correct the way in which the collateral schedule is maintained by the District. The District Treasurer has made changes to the Excel spreadsheet formula, which will ensure that the District bank balances, offset by the proper amount of FDIC Insurance coverage available, are used to calculate collateral pledged to cover the District's bank deposits in accordance with the Board policy.

Implementation Date: Completed by November 30, 2024

Financial Accounting Software Computer Permissions

During the prior year audit and the current year audit, in the sample of transactions we tested, we noted that certain individuals have computer permissions to access areas within the financial accounting software package that are not necessary to perform their job.

CAP: The Assistant Superintendent for Finance and Management Services will work with the District employees and Information Technology Director to identify necessary permissions and remove computer permissions that provide access to unnecessary areas to perform their job functions. This has already taken place for most of the permissions listed. However, the payroll supervisor access is still being reviewed and monitored as we have recently hired multiple staff in that department who are still learning the system and how to complete job functions.

Implementation Date: Complete by June 30, 2025