

Sullivan West Central School District Board of Education

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December 2, 2019

Ann C. Singer, Chief Examiner
State Office Building, Suite 1702
44 Hawley Street
Binghamton, NY 13901-4417

RE: Corrective Action Plan to Report of Examination 2019M-196

The School District appreciates the thorough Audit conducted by your office this past summer. We are gratified by the finding that no monies were mishandled, and that our internal controls were found to be excellent. Please accept this response as the Corrective Action Plan for Sullivan West Central School District. This plan will be reviewed for approval at the District's December 19, 2019 Board of Education Meeting.

As you know, the Audit revealed insufficient compensating controls with regard to the retiree health insurance. It is the District's intent to address the lack of oversight on the process of billing, collection, deposit and recording of retirees' health insurance contributions by including personnel from the Sullivan County BOCES Central Business Office as outlined below.

The BOCES Personnel Specialist will begin the process of locating the retirees' information to confirm years of service, date of retirement, the contract in effect at retirement, as well as eligibility of benefits. Copies of these records will be kept in the Business Office for future reference.

The Personnel Specialist will be responsible for the billing process. The District Treasurer will review all the bills before they are sent to the retirees. The District Treasurer will continue to receive and deposit the payments from retirees and notify the Personnel Specialist of any outstanding balances. All receipts will continue to go to the Central Business Office to be recorded on the books by the Accountant. They will be shared with the Principal Account Clerk who will record the health insurance contributions received from each retiree on a spreadsheet. Any outstanding balances will be reported to the District Treasurer. At the end of the school year, the Principal Account Clerk's schedule should reconcile to the amount recorded on the books and, also reflect the schedule of pre-payments for the new year. As in the past, the accountant will continue to review the spreadsheet for accuracy.

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This segregation of duties should establish the compensating controls necessary to reduce risk in the area of retiree health insurance.

Sincerely,



Rose Joyce-Turner
Sullivan West Board of Education President

CC: Mr. Stephen Walker, Superintendent of Schools
Mrs. Lorraine Poston, Assistant Superintendent for Administrative Services

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