

MASBO / FORENSIC AUDIT RECOMMENDATIONS AND DISTRICT CORRECTION ACTION PLAN

Phase One

Recommendations	Correction Action Plan	Priority	Review Date	Action Status
<p><u>Payroll Process</u> <u>(MASBO Recommendation)</u></p> <ol style="list-style-type: none"> 1. Consideration should be given to placing more emphasis on the use of laptops at the cost center level as a way of automating and improving the efficiency of the entire process. In addition, there is also a module in the Infinite Visions application that can be used toward this end and should be investigated as a solution to eliminate manual timesheets. 2. Some thought should also be given to automate the Substitute Management system and tap into that system for use as an “attendance system”. 3. It is recommended the district make use of the Position Control module in the Infinite Visions suite. Position Control can be viewed as the budgeted need for human resource in a district. 	<ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. We currently have both desktops and laptops available to staff. b. Discussion regarding technology needs to happen in order to implement this at the site level. As of this time, we continue to do manual time sheets, with an eye to moving to a more advanced technological approach. 2. AESOP, an online substitute management program, has been implemented, effective this school year. An increase in the substitute rate was also implemented for FY17 at mid-year as a result of school committee approved direction. 3. Preliminary work and discussion are ongoing with respect to using the Position Control module for FY19. [Pilot during FY18] 	<p>1</p> <p>3</p> <p>1</p> <p>3</p>	<p>----</p> <p>06/17</p> <p>06/17</p> <p>08/17</p>	<p>Complete</p> <p>Ongoing</p> <p>Complete</p> <p>Ongoing</p>

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<p>Food Services <u>(MASBO Recommendation)</u></p> <ol style="list-style-type: none"> 1. We recommend consideration be given to hiring a part time assistant. 2. The aforementioned findings emphasize the need to develop a district charge policy. 3. Since there is currently a charge policy, it is recommended that it also include procedural measures for addressing any failure on the part of parents to pay their balance due amounts. 4. In the opinion of the MASBO team, there is also need to upgrade particular marketing and operational procedures in order to improve the image of the School Nutrition program. 5. By utilizing an initiative such as the <i>Smarter Lunchroom</i> and other resources developed by NFSMI (National Food Service Management Institute), the district will begin to see more positive results for the program. Online support, training and materials are all available at NFSMI. The integration of this program will allow Nashoba Regional School District to bring the rewards derivative from implementing the Smarter Lunchroom tools to fruition. 6. First, the Smarter Lunchroom Survey tool should be utilized as a basis for decision making regarding the School Nutrition program. 7. All staff should be ServSafe certified 	<ol style="list-style-type: none"> 1. A part-time accounting specialist assistant was hired in the fall of 2016. 2. A draft policy is awaiting School Committee Policy Subcommittee discussion. 3. See above 4. Mosaic- Nutri Kids software was implemented District Wide in December 2016. 5. Smarter Lunchroom was here in December and will be here again in April to review procedures with the Director of Food Services. Recommendations from their first visit are currently being implemented, examples: signage, food labeling, and promotions for holidays. 6. All recommendations are being considered and, in most cases, implemented 7. All staff are currently ServSafe certified. 	<p>1</p> <p>*</p> <p>*</p> <p>1</p> <p>1</p> <p>2</p> <p>1</p>	<p>-----</p> <p>-----</p> <p>06/17</p> <p>06/17</p> <p>-----</p>	<p>Complete</p> <p>*</p> <p>*</p> <p>Complete</p> <p>Complete/Ongoing</p> <p>Ongoing</p> <p>Complete</p>

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<p>Facilities <u>(MASBO Recommendation)</u></p> <ol style="list-style-type: none"> 1. <u>Facilities Rental:</u> We recommend that the Rental of Facilities cost schedule be reviewed to assure that all costs incurred by the school system as a result of the rental of facilities to outside groups are fully reimbursed. 2. <u>Custodial Service Manager:</u> We recommend consideration of the elimination of the Custodial Services Manager position in order to use the funds for the purpose of increasing the stipends and responsibilities of the Head Custodians. 3. <u>Snow Removal:</u> We recommend that the district consider using town resources for snow removal purposes. 4. We recommend that the Rental of Facilities cost schedule be reviewed to assure that all costs incurred by the school system as a result of the rental of facilities to outside groups are fully reimbursed. 	<ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a. A. We are in the training phase for SchoolDude. b. Rental charges are currently under review by an ad hoc group designated to make recommendations to the school committee of any potential rate changes. 2. The central office position of Manager of Custodial Services was eliminated this year. Newly hired head custodians are in place at all locations with the exception of Stow, who remains as a long term employee. 3. We will re-evaluate contracts and speak with our three communities regarding snow removal. At this time we are unsure as to the their physical capacity regarding equipment levels to service all of our buildings. 4. Same as #1 	<ol style="list-style-type: none"> 1 2 1 3 1 	<ol style="list-style-type: none"> ----- 03/17 ----- 08/17 03/17 	<ol style="list-style-type: none"> Complete Ongoing Complete TBD Ongoing

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<p><u>Municipal/District Relations</u> <u>(MASBO Recommendation)</u></p> <ul style="list-style-type: none"> ● Quarterly meetings with the three Town Administrators to discuss the following: <ol style="list-style-type: none"> 1. Review new expenditures that may impact the Towns 2. Upcoming Capital Projects 3. Status of existing Capital Projects (HS/MS) 4. Mid-Year budget drivers 5. Special Education 6. Chapter 70 <p>The activities of the Space Needs Taskforce</p>	<p>Weekly meetings are ongoing with the Superintendent and Town Administrators – all three towns have a standing invitation to these. Topics are broad ranging and communication is evenly distributed between school, district and town needs and expectations.</p>	<p>1</p>	<p>06/17</p>	<p>Complete/Ongoing</p>

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<p><u>Other Recommendations</u> <u>(MASBO Recommendation)</u></p> <ul style="list-style-type: none"> ● District Treasurer <ol style="list-style-type: none"> 1. It is also recommended that the School Business Administrator meet at least every other week to ascertain whether anticipated revenues will accommodate anticipated expenditures throughout the remainder for the fiscal year. ● District Wide Administration <ol style="list-style-type: none"> 1. The School Business Administrator position should be full time <p><u>Procurement Card Program</u> <u>(MASBO Recommendation)</u></p> <p>Because of its unique and innovative nature, and its potential for improving efficiency, generating revenue and saving money, the review committee recommends that consideration be given to adopting a Procurement Card (P-Card) program for implementation in the NRSD</p>	<ul style="list-style-type: none"> ● The Interim Business Administrator meets weekly, and frequently daily with district Treasurer. ● School Business Administrator position is a full time position. ● The P Card program is being reviewed to possibly replace district credit cards. There are ongoing conversations with possible vendors regarding this topic. 	<p>1</p> <p>1</p> <p>2</p>	<p>-----</p> <p>-----</p> <p>07/17</p>	<p>Complete/Ongoing</p> <p>Complete</p> <p>Ongoing</p>

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<p><u>Enrichment and Extended Day Accounts</u> <u>(MASBO Recommendation)</u></p> <ol style="list-style-type: none"> 1. We recommend that a budget be developed, which would include a section for anticipated revenue and a designation of the sources of said revenue. These accounts, and indeed all separate accounts such as Pre-school and Kindergarten, should be internally audited annually. 2. In addition, an external audit should be conducted every three years. <p><u>School Choice</u> <u>(MASBO Recommendation)</u></p> <ol style="list-style-type: none"> 1. We recommend re-implementing the School Choice program to some degree <p><u>District Improvement Plan</u> <u>(MASBO Recommendation)</u></p> <ol style="list-style-type: none"> 1. It is recommended that the District Improvement Plan be developed as a document, which is separate and distinct from the Strategic Plan 	<p>This is all being reviewed.</p> <p>School Choice re-implementation to be determined by School Committee</p> <p>Discussion in place for development of a District Improvement Plan</p>	<p>1</p> <p>3</p> <p>2</p>	<p>04/17</p> <p>06/17</p> <p>08/17</p>	<p>Ongoing</p> <p>TBD</p> <p>TBD</p>

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<p><i>(Forensic Audit Recommendation)</i></p> <ol style="list-style-type: none"> 1. Discontinue the use of offsets as discussed above. 2. A separate budget should be submitted to the School Committee for the use of grants and revolving funds. 3. Reports of activity in revolving funds should be provided to the School Committee not less than quarterly. 4. Expenditures out of each revolving fund should be restricted for the purpose the fund is intended for and in compliance with Massachusetts General Laws and DESE guidance. 	<ol style="list-style-type: none"> 1. As part of the FY18 budget process offsets as previously utilized are being eliminated. 2. Revolving and Grant budgets will be submitted as part of the FY18 budget process 3. Quarterly reporting of revolving funds will be reported to the School Committee 4. MGL and DESE guidance for revolving is being followed. 	<p>1</p> <p>1</p> <p>1</p> <p>1</p>	<p>04/17</p> <p>04/17</p> <p>04/17</p> <p>04/17</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

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<i>(Forensic Audit Recommendation)</i>				
Leases and Other Financing Agreements				
<ol style="list-style-type: none"> The School Committee should amend policies to clarify which contracts and agreements require School Committee approval and who within the administrative offices is authorized to sign and execute contracts and agreements. All capital purchases funded through a financing agreement, whether termed a lease or not, should be recorded in the District's books when the transaction is executed. The purchase of the equipment should be processed through a warrant. Any purchase of assets through a loan or note with a lending institution should be sent to the Member Towns for the appropriate authorization before being executed. 	<ol style="list-style-type: none"> Policy amendment to be addressed by School Committee All capital purchases funded through a finance in agreement, lease or not, will be brought before School Committee for approval. Any asset purchases through a loan or note with a lending institution will be brought before the member towns. 	<p>*</p> <p>1</p> <p>1</p>	<p>*</p> <p>06/17</p> <p>06/17</p>	<p>*</p> <p>Ongoing</p> <p>Ongoing</p>
Student Activity Funds				
<ol style="list-style-type: none"> Implement the recommendations made in the fiscal 2015 student activity fund audit. Schedule audits, internally or externally, each year as required by the Audit Guidelines. Student activity accounts that are less than \$25,000 in activity do not need to be audited every year, but can be rotated over a three year cycle 	<ol style="list-style-type: none"> Student activity recommendations will be implemented Internal are performed by the Business Office monthly, and external audits are performed annually on all Student Activity Accounts. 	<p>1</p> <p>1</p>	<p>06/17</p> <p>06/17</p>	<p>Ongoing</p> <p>Ongoing</p>

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<p><u>(MASBO Recommendation)</u> <u>Accounts Payable/Warrants</u></p> <ol style="list-style-type: none"> 1. It is imperative that all purchases are subject to the development of purchase orders, and that the orders be encumbered, and that there is online access to the status of these orders and budget line items. This procedure is followed for the most part, but we have been informed that, at times, purchases without a P.O. are made. 2. We recommend that the business office investigate emailing purchase orders to vendors. 3. We recommend that the business office periodically review all open purchase orders and take appropriate actions to close them. 4. We recommend that open purchase orders be created for those vendors providing maintenance supplies and other such materials rather than using confirming requisitions. In general all purchases should have purchase orders that authorize the payment of an invoice. 5. We recommend that a system be devised, in the financial software packages, to prevent multiple purchases to a single vendor reaching a dollar amount exceeding Chapter 30B limit of \$50,000 and above. 	<ol style="list-style-type: none"> 1. All purchases and services are encumbered prior to payment. 2. Purchase orders are e-mailed at the sites when available. 3. Periodic reviews are done for all open purchase orders. 4. Open “Blanket” purchases orders are processed for supply vendors with applicable. 5. Periodic review of multiple purchases from one vendor by Business Office to ensure MGL procurement laws. 	<p>1</p> <p>1</p> <p>1</p> <p>1</p> <p>1</p>	<p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p> <p>-----</p>	<p>Complete/Ongoing</p> <p>Complete/Ongoing</p> <p>Complete/Ongoing</p> <p>Complete/Ongoing</p> <p>Complete/Ongoing</p>

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<p>6. We recommend that all business office staff, including payroll, be cross trained so that illness or short notice departures won't affect the financial integrity of the operations.</p> <p>7. The Business Manager should be proactive in seeing that a procedures manual is developed, kept up to date and followed by the staff.</p>	<p>6. Currently business office and payroll personnel are crossed trained on most critical functions. Continued cross training will take place where necessary.</p> <p>7. Development of a procedure manual is expected to begin in the near future.</p>	<p>1</p> <p>3</p>	<p>-----</p> <p>08/17</p>	<p>Complete/Ongoing</p> <p>TBD</p>

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