

THOMAS P. DiNAPOLI  
STATE COMPTROLLER



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ALBANY, NEW YORK 12236

STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER

April 13, 2007

Mr. Donald A. Ogilvie  
District Superintendent  
Erie 1 BOCES  
Western New York Regional Information Center  
355 Harlem Road  
West Seneca, New York 14225

Report Number: 2006M-159

Dear District Superintendent Ogilvie:

The State Comptroller is statutorily required to audit all school districts, BOCES and charter schools in the State by March 31, 2010. The school district audits, done in conformance with generally accepted government auditing standards, often require us to contact a BOCES Regional Information Center to gather information about a school district's financial management system and information technology infrastructure. Since it would be burdensome for you to have multiple audit teams visit the Erie 1 BOCES Western New York Regional Information Center (RIC) to gather the same or similar information, we assigned one group of examiners to gather the needed information for the audits.

This examination was conducted pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article 3 of the General Municipal Law. Based upon inquiries made during this examination of the financial software packages and technology infrastructure services provided to component (or cross-contracting) school districts by the RIC, we noted the following conditions that we would like to bring to your attention:

- At least 10 RIC technicians and applications support staff had access to certain school districts' financial accounting systems. RIC staff could access, via a virtual private network client connection, the school districts' financial accounting systems. In contrast, three districts require RIC officials to either come on site or contact them in order to access their systems. Additionally, RIC staff had direct access to other school districts' financial accounting systems located on the server located at the RIC. School districts do not receive or review the RIC access or activity in these applications. Furthermore, while audit logs disclose which RIC technicians accessed the systems, there were no indications that the audit logs were regularly reviewed. RIC officials indicated that audit log review is an event driven process.

- RIC officials do not have a system in place to periodically review the access rights associated with user accounts at the district level. In addition, when the RIC employees manage the setup and deletion of user accounts, RIC officials do not request that the school district officials review those accounts periodically. Such reviews would ensure that each school district employee has user rights appropriate to his or her current job duties, and that only current and appropriate employees have access to the network.

We hope that this information will help you identify areas where you can improve your operations. In order to keep our database of information current, we will be contacting appropriate RIC officials within 90 days to update our information. Furthermore, we will likely continue to contact RIC officials annually to keep our information current.

To clarify, our inquiries on the financial management and infrastructure services that you provide to component (or cross-contracting) school districts is not part of the statutorily required audit of each BOCES. We will contact you again when we plan to start an audit of the BOCES.

The results of our examination were discussed with RIC and BOCES officials and their comments, which appear in Appendix A, have been considered in preparing this report. Officials generally agreed with the conditions cited in our final report.

The Erie 1 BOCES Board has the responsibility to initiate corrective action. Pursuant to Section 35 of the General Municipal Law, Section 2116-a (3)(c) of the Education Law and Section 170.12 of the Regulations of the Commissioner of Education, the Board should prepare a plan of action that addresses the findings in this report letter and forward the plan to our office within 90 days. For guidance in preparing the plan of action, the Board may refer to applicable sections in the publication issued by the Office of the State Comptroller entitled *Local Government Management Guide*. We encourage the Board to make this plan available for public review in the Clerk of the Board's office.

If you have any questions, please contact our Buffalo regional office at 716-847-3647.

Sincerely,

Steven J. Hancox  
Assistant Comptroller

## **APPENDIX A**

### **RESPONSE FROM BOCES OFFICIALS**

The response from BOCES and RIC officials can be found on the following pages.

March 21, 2007

Buffalo Regional Office  
Office of the State Comptroller  
295 Main Street  
Room 1050  
Buffalo, NY 14203

Ladies and Gentlemen:

The Erie 1 BOCES response to the findings discussed in your letter dated March 6, 2007, are addressed below bullet for bullet in the same order of your remarks:

- WNYRIC support and technical staff have access to district financial systems in order to provide support for the districts in the areas of training, application support and problem solving. This access is approved verbally by the district at implementation time. The WNYRIC will get written approval for this access and a regular review of system-generated audit logs for WNYRIC access will become standard procedure.

For all district managed financial applications, where the WNYRIC has access, the WNYRIC will print audit logs for each participating district on a quarterly basis, identifying any and all transactions entered to their financial system by WNYRIC staff within that quarter. These reports will be accompanied by a letter of explanation to the district Business Administrator. In addition, we will continue to advise him/her that the district security officer should be printing and reviewing similar logs for the district staff on a regular basis.



See  
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- Access rights for applications managed by the WNYRIC are granted only after the district security officer has submitted an individually signed security form indicating the addition/correction/deletion to be made. At the present time, districts are sent detailed security information to review upon request only.

To address this situation, the WNYRIC will print and disseminate reports reflecting application access rights for all district employees on a semi-annual basis. District security

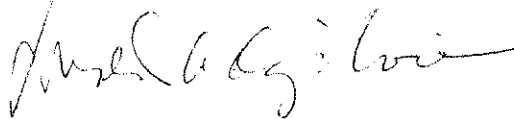
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officers will be asked to review these rights, sign off on any changes, or sign off that no changes are necessary.

Recommendation and notification of a regular review of access rights for applications managed by the district will also be implemented. Included with the quarterly audit logs to be sent to districts as described in the first bullet above, we will include a recommendation and notice that a review of district staff access rights should be done at this time.

We are confident that we have addressed each of your concerns and will work closely with the districts we serve to assist them in any way possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Donald A. Ogilvie", written in a cursive style.

Donald A. Ogilvie  
District Superintendent/CEO

## **APPENDIX B**

### **OSC COMMENTS ON THE BOCES RESPONSE**

#### Note 1

We redacted the officials' response on one matter and removed the related finding from our report because it contained confidential information that may raise security issues.