



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

January 19, 2007

Mr. Anthony J. Micha
District Superintendent
Greater Southern Tier BOCES
Regional Computer Center
9579 Vocational Drive
Painted Post, NY 14870

Dear District Superintendent Micha:

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 (also known as a Regional Computer 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 Greater Southern Tier BOCES Regional Computer Center (RCC) 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 RCC, we noted the following conditions that we would like to bring to your attention:

- RCC personnel had unlimited access to all school districts' networks and financial applications that they service. Furthermore, RCC personnel had administrator rights on the financial systems application, giving them the ability to access all modules within this application. User accounts should be set up to allow only the minimum access rights the user needs to complete their duties.
- RCC personnel print checks for certain school districts using signature keys stored at the RCC under the control of the Operations Communications Specialist. There is no requirement that the treasurer from the school district oversee the printing of the checks. Signature disks should remain under the control of the school district treasurer at all times.

As part of our examination, we also identified a potentially sensitive control weakness about the financial management system and information technology infrastructure maintained by the RCC. Publicly disclosing information about this weakness might create additional risks, so for security reasons we have removed the finding from our final report and redacted all references to it in the attached RCC response letter.

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 RCC officials within 90 days to update our information. Furthermore, we will likely continue to contact RCC 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 RCC 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 and indicated they planned to initiate corrective action. OSC comments to the official response are included in Appendix B.

The Greater Southern Tier BOCES Board has the responsibility to initiate corrective action. Pursuant to Section 35 of the General Municipal Law, the Board should prepare a plan of action that addresses the conditions cited in this report 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 Rochester regional office at (585) 454-2460.

Sincerely,

Steven J. Hancox,
Assistant Comptroller
Division of Local Government Services and
Economic Development

APPENDIX A

RESPONSE FROM BOCES OFFICIALS

The BOCES officials' response to this examination can be found on the following pages.



District Superintendent's Office
Direct: (607) 654-2283 • Fax (607) 654-2302

*innovation in creating student success
through cooperative services*



December 20, 2006

Office of the State Comptroller
The Power Building
16 West Main Street, Suite 522
Rochester, NY 14614

RE: Official response to Comptroller Audit of the GST BOCES Regional Computer Center

Gentlemen:

We have thoroughly reviewed the findings of the audit performed by personnel from the Comptroller's Regional Office (Rochester) in regards to the audit of the GST BOCES (formerly SCT BOCES) Regional Computer Center.

It is our observation that these findings will ultimately strengthen the operations and procedures of the Regional Computer Center as it provides financial applications and records fiscal transactions for client school districts.

Attached please find a draft of the corrective actions to be taken in regards to each of the audit findings for your review and comments.

We also would like to comment that the procedure used in the audit and the personnel involved were very professional. The explanation and discussions at the exit interview was very helpful in assisting us with possible approaches for corrective action.

Sincerely,

A handwritten signature in dark ink, appearing to read "Anthony J. Micha".

Anthony J. Micha
District Superintendent

AJM:dih

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

Greater Southern Tier Board of Cooperative Educational Services

Serving Schuyler, Steuben, Chemung, Tioga and Allegany Counties

Coopers Campus: 9579 Vocational Drive, Painted Post, NY 14870 • Phone: 607-962-3175 or 607-324-7880

1.)



See
Note 1
Page 6

2.) The GST BOCES Regional Information Center will develop internal protocols and procedures that will be followed by RIC System Administrators prior to accessing any districts financial or personnel database. The purpose and intent of these protocols/procedures will be to ensure authorized district approval is granted prior to accessing any related software systems.

3.) The GST BOCES Regional Information Center will generate a check file and provide this program for the District Treasurer to view the file, its sub-totals and totals, and approve for printing. This process and the s/w application require the District Treasurer to enter a password that he/she sets and controls. When the District Treasurer approves the file for printing, he/she will move the check file to a check printing directory where RIC staff will be able to print the approved checks.

See
Note 2
Page 6

(modified 12/19/06)

APPENDIX B

OSC COMMENTS TO BOCES RESPONSE

Note 1

Officials provided us additional information after the completion of our fieldwork. As a result, we removed one finding from our final report. We redacted the officials' response on this matter because it contained confidential information that may raise security issues.

Note 2

A facsimile signature should be under the control and supervision of the district treasurer at all times. The establishment of control procedures at the BOCES does not absolve the treasurer from that responsibility.