



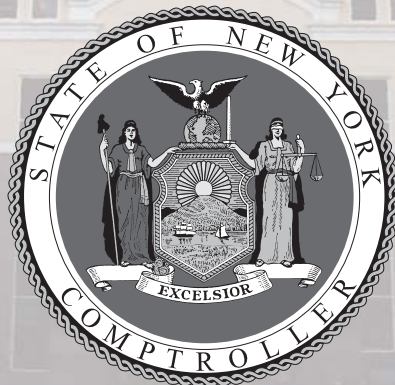
Eugenio Maria de Hostos Charter School Procurement and Information Technology

Report of Examination

Period Covered:

July 1, 2011 — December 31, 2012

2013M-136



Thomas P. DiNapoli

Table of Contents

| | Page |
|---|-------------|
| AUTHORITY LETTER | 2 |
| EXECUTIVE SUMMARY | 3 |
| INTRODUCTION | 5 |
| Background | 5 |
| Objective | 5 |
| Scope and Methodology | 6 |
| Comments of School Officials and Corrective Action | 6 |
| PROCUREMENT | 7 |
| Recommendations | 10 |
| INFORMATION TECHNOLOGY | 12 |
| Information System Controls | 12 |
| Inventory | 14 |
| Recommendations | 15 |
| APPENDIX A Response From School Officials | 17 |
| APPENDIX B Audit Methodology and Standards | 19 |
| APPENDIX C How to Obtain Additional Copies of the Report | 21 |
| APPENDIX D Local Regional Office Listing | 22 |

State of New York Office of the State Comptroller

Division of Local Government and School Accountability

January 2014

Dear School Officials:

A top priority of the Office of the State Comptroller is to help school officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support school operations. The Comptroller oversees the fiscal affairs of public schools statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and Board of Trustees governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard school assets.

Following is a report of our audit of the Eugenio Maria de Hostos Charter School, entitled Procurement and Information Technology. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Section 2854[1][c] of the Education Law, as amended by Chapter 101 of the Laws of 2010.

This audit's results and recommendations are resources for School officials to use in effectively managing operations and in meeting the expectations of taxpayers, students and their parents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller
Division of Local Government
and School Accountability*



State of New York Office of the State Comptroller **EXECUTIVE SUMMARY**

A charter school is a public school financed by local, State and Federal resources that is not under the control of the local school board and is governed under Education Law Article 56. Charter schools generally have fewer operational requirements than traditional public schools. Many of a charter school's operational requirements are contained in Article 56 and its by-laws, charter agreement and fiscal/financial management plans, as well as the Financial Oversight Handbook for those schools that are authorized by the State University of New York (SUNY).

The Eugenio Maria de Hostos Charter School (School), located in the City of Rochester in Monroe County, is governed by a Board of Trustees (Board) which comprises 15 members, including three parent representatives. The Board is responsible for the general management and control of the School's financial and educational affairs. The Principal oversees all the School's operations, including the financial operations. An accountant conducts the day-to-day financial operations.

The School was established in 2000 under SUNY authorization and provides kindergarten through eighth grade education. The School's 2011-12 fiscal year operating expenses totaled approximately \$5.3 million. These expenses were funded primarily with revenues derived from billing school districts for resident pupils and from State and Federal aid attributable to these pupils. As of September 2012, the School had approximately 400 enrolled students and 90 employees.

Scope and Objective

The objective of our audit was to review the School's procurement processes and internal controls over information technology for the period July 1, 2011 through December 31, 2012. We extended our scope back to July 1, 2000 to review the School's procurement of building space. Our audit addressed the following related questions:

- Did the Board use reasonable procedures to procure building space and certain services for School operations?
- Are internal controls over information technology appropriately designed to ensure that computer hardware, software and data are adequately safeguarded?

Audit Results

We reviewed four building leases and 12 service contracts¹ entered into by the School to ascertain if it has procurement procedures and policies designed to obtain the best possible goods and services for the best price. We found that the School entered into the leases without any process for determining the fair rental value of the buildings. Similarly, although competitive bidding is not required, we found that the School only sought competition for one of the service contracts we reviewed. These findings are of particular concern because the leases and contracts were entered into with organizations having various types of business or occupational relationships with members of the Board or their family or friends. Under these circumstances, it is questionable whether the leases and contracts were in the best interest of the School. We also found that the School paid for use of a building and for certain services without having entered into a written agreement.

Additionally, we reviewed the School's internal controls over information technology (IT) and found that the School lacked appropriate IT policies and procedures. The School did not properly control user access rights to the IT system and did not properly establish a disaster recovery plan. Furthermore, we found that the School lacked accurate IT inventory records. As a result, the School's IT assets and information is at risk of misuse.

Comments of School Officials

The results of our audit and recommendations have been discussed with School officials and their comments, which appear in Appendix A, have been considered in preparing this report. School officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

¹ We selected and reviewed all the agreements that were disclosed on the Board members' financial disclosure forms and on the School's IRS Form 990, plus an additional five contracts randomly selected.

Introduction

Background

A charter school is a public school financed by local, State and Federal resources that is not under the control of the local school board and is governed under Education Law Article 56. Charter schools generally have fewer operational requirements than traditional public schools. Most of a charter school's operational requirements are contained in Article 56 and its by-laws, charter agreement and fiscal/financial management plans, as well as the Financial Oversight Handbook for those schools that are authorized by the State University of New York (SUNY).

The Eugenio Maria de Hostos Charter School (School), located in the City of Rochester in Monroe County, is governed by a Board of Trustees (Board) which comprises 15 members, including three parent representatives. The Board is responsible for the general management and control of the School's financial and educational affairs. The Principal oversees all the School operations including the financial operations. An accountant conducts the day-to-day financial operations.

The School was established in 2000 under SUNY authorization and provides kindergarten through eighth grade education. The School was sponsored by a local not-for-profit agency (Agency) with its mission to empower and enable the Latino community and others to reach for a better life. To assist the School in its infancy, the Agency renovated one of the buildings it owned to suit the School's needs. Several of the Agency's key employees played important roles in the School's development and are still involved with its operations today.

The School's 2011-12 fiscal year operating expenses totaled approximately \$5.3 million. These expenses were funded primarily with revenues derived from billing school districts for resident pupils and from State and Federal aid attributable to these pupils. As of September 2012, the School had approximately 400 enrolled students and 90 employees.

Objective

The objective of our audit was to review the School's procurement practices and information technology. Our audit addressed the following related questions:

- Did the Board use reasonable procedures to procure building space and certain services for School operations?
- Are internal controls over information technology (IT) appropriately designed to ensure that computer hardware, software and data are adequately safeguarded?

**Scope and
Methodology**

Our overall goal was to assess the School's financial operations for the period July 1, 2011 through December 31, 2012. We extended our scope back to July 1, 2000 to review the School's procurement of building space.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report.

**Comments of School
Officials and Corrective
Action**

The results of our audit and recommendations have been discussed with School officials and their comments, which appear in Appendix A, have been considered in preparing this report. School officials generally agreed with our recommendations and indicated they planned to initiate corrective action.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the Secretary's office.

Procurement

The Board has final authority for policy and operational decisions of the School. Therefore, the Board is entrusted with the responsibility of safeguarding School resources. The Board fulfills this responsibility, in part, by fully evaluating existing options before committing these resources. Effective internal controls over procurement consist of policies and procedures that provide the School with reasonable assurance it is using its resources effectively. The objective of a procurement process is to obtain the best quality goods and services at the lowest possible price in compliance with School policies and procedures and relevant laws.

There is no statute requiring the School to engage in a competitive process when seeking to lease building space. Nonetheless, we believe that the Board has a duty to acquire real property for School use upon the most beneficial terms and conditions, including price, in the public interest and not in an arbitrary or capricious manner. To fulfill this duty, when seeking to lease building space, the Board should use some process for ascertaining fair market rentals, such as obtaining independent professional advice.

Similarly, although competitive bidding is not required for the School's service contracts, it is a good business practice to establish internal policies and procedures that promote competition. Two ways to promote competition are to solicit bids or issue requests for proposals (RFPs). Soliciting bids or issuing RFPs prior to awarding a contract can help provide assurance that services meet the School's needs and help ensure that the School receives the desired service for the best price. Moreover, the risk of favoritism, abuse or excessive costs may be greater when procurement occurs without some form of competition.

We reviewed four leases for building space and 12 contracts relating to certain services.² We found that the School did not have any documented internal policies and procedures in place for these procurements. We also found that the School sought competition for only one of the contracts we reviewed. This is of particular concern because the leases and contracts were entered into with organizations having various types of business or occupational relationships

² The leases and six of the contracts were selected for review because they were disclosed on the Board members' Disclosure of Financial Interest Forms filed as part of the School's annual report to SUNY and the Board of Regents (see Education Law Section 2857[2]) and on the School's IRS Form 990. Five of the contracts we reviewed were randomly selected and one was selected because it related to a School business official.

with members of the Board or their family or friends.³ Under these circumstances, the School's lack of procurement policies and procedures raises questions as to whether the leases and contracts were in the best interest of the School.

Building Leases — The School began leasing a building in August 2000 from a not-for-profit corporation.⁴ At the time the lease was entered into, an individual identified as a prospective Board member in the application to establish the School served as president of the not-for-profit.

The not-for-profit obtained financing of approximately \$1.5 million in order to renovate the building so as to be suitable for student occupancy. The Board President told us that this was a big risk for the not-for-profit and, therefore, the rent was set a bit higher for the School. Additionally, he stated that at the time the lease was entered into, interest rates were higher and therefore, it cost the not-for-profit more to obtain the original financing.

The initial lease agreement specified annual rental payments beginning at \$145,500 in year one and ending at \$245,500 in year five, resulting in payments totaling approximately \$984,000 for the term of the five-year lease. The School renewed the lease with a second not-for-profit corporation in September 2006 for an additional five-year term.⁵ At the time, it appears that a Board member was affiliated with the not-for-profit.⁶ With this renewal lease, annual payments increased to \$270,000 a year or \$1.35 million for the full five years. The renewal lease was extended in September 2010 and the lease payments increased again to \$290,244 annually. Since September 2010, the School has paid the Agency another \$657,000 in lease payments.

³ Effective May 28, 2010, charter schools became subject to the conflict of interest provisions of sections 800-806 of the General Municipal Law to the same extent as school districts. Unless a statutory exception applies, section 801 prohibits a charter school officer or employee from having an "interest" in a "contract" with the school for which they serve when they have certain powers and duties with respect to the contract. To the extent that section 801 applies in this instance, none of the Board members had a prohibited interest in any of the leases or contracts we reviewed either because they did not have an interest in any of the leases or contracts, or because they had an interest, but a statutory exception is applicable. Moreover, to the extent that a Board member had an interest in any of the leases or contracts we reviewed, and the disclosure requirement of section 803 applied, the Board member had a duty to disclose the interest in writing to the Board. While no such disclosure was made to the Board, it appears that Board members disclosed their interests on Disclosure of Financial Interest Forms filed as part of the School's annual report to SUNY and the Board of Regents (see Education Law Section 2857[2]).

⁴ The not-for-profit is listed as the sponsoring agency on the School's Charter.

⁵ According to the first not-for-profit's website, the second not-for-profit is an affiliate of the first not-for-profit.

⁶ The Board member signed the renewal lease on behalf of the not-for-profit.

Based on the rental payments required by the leases, the School made payments equaling the first not-for-profit's upfront financing costs in about seven years. Moreover, one Board member told us that, originally, he felt the lease agreement with the not-for-profit was reasonable; however, he also felt the lease agreement was no longer reasonable due to the increasing rent payments and property maintenance costs to the School. Without a process for ascertaining the fair market rental for the building, it is questionable whether the lease agreements were in the School's best interest.

We also note that, by 2007, the School had apparently outgrown the building discussed previously and rented a second building located about two miles away.⁷ The School entered into a three-year lease with rental payments that began at \$6,000 a month, or \$72,000 annually, and grew to \$8,000 a month, or \$96,000 annually, over the term of the lease. After the expiration of the lease, the School continued to rent the building without a written lease and ultimately purchased the building for \$900,000 in February 2012.⁸ The Board President told us that, because the School's charter renewal process was in close proximity to the expiration of the written lease, School officials did not renew the lease just in case the School's charter was not renewed. However, we were informed that, by not giving the property owner timely notice of intent to renew the lease, the property owner chose not to enter into another written lease with the School. Due to the lack of a written lease, we could not verify the accuracy of the lease payments made by the School from August 2010 until February 2012. Additionally, operating at this location without a written lease may have put the School at risk of being displaced by a new tenant or buyer.

Instruction Contracts — From its inception, the School has entered into contracts with three community not-for-profits for instructional services. The School has continually maintained contracts with two of these organizations for which two Board members also serve as president. The first organization provides physical education classes and pool use to the students, at an annual cost of approximately \$220,000 during 2012-13, while the second organization provides music classes for \$57,000 annually. According to the Board President, the School has not sought competition for these services.

Additionally, beginning in the 2010-11 fiscal year, the School entered into a contract with a not-for-profit corporation that provides curriculum development and training for the educational staff. A

⁷ By 2011-12, this property was housing approximately the same number of students as the original site.

⁸ By 2011-12, the second building was housing approximately the same number of students as the School's original building at a cost of about 35 percent of the rental of the original building.

Board member is an employee of this company. The School did not have any documentation that it sought competition for this service, which cost approximately \$44,000 in 2012-13.

Cleaning Services — In 2007, the School contracted with an outside vendor for cleaning services. The individual responsible for managing the contract for the vendor is a Board member's brother. We found no indication that competition had been solicited. The annual payments to this vendor totaled approximately \$100,000.⁹

We also found that there was no indication that the payments to the vendor were either reported to Federal and State tax authorities or subject to withholding. The failure to comply with tax reporting and/or withholding requirements could expose the School to liability from Federal and State tax authorities.

Building Assessment — The School contracted with a construction company to provide a building assessment service for \$12,998. The Board President informed us that one of his personal friends was the CEO of the company. School officials could not provide us with documentation to support that competition was solicited before entering into the contract. The assessment project resulted in a total of three claims over the course of four months, but School officials could not provide us with any evidence that they had written contracts with the construction company.

By regularly seeking competition and exploring viable options, the School would have better assurance that it is receiving the best possible goods and services at the lowest possible price. Without written agreements, School officials lack a clear standard for evaluating the accuracy of payments and the adequacy of contractors' performance.

Recommendations

1. If the Board chooses to continue leasing buildings, it should properly document its analysis and actions taken in the official Board record to help provide assurance that the terms and conditions of the lease agreements are in the School's best interest.
2. The Board should develop policies and procedures for procuring services to encourage competition in order to help receive the highest quality services at the lowest possible cost.
3. The Board should ensure that all leases and contracts are in writing and provide adequate information regarding payments and the services to be provided. Without such agreements, School

⁹ Services include routine janitorial services, spray buffing of floors three times per week and waxing of floors once per year.

officials may not be in a position to demonstrate readily that the School has been overcharged or that services were not adequate.

4. The Board should ensure that compensation to all vendors is properly reported to the appropriate Federal and State agencies in a timely manner and determine if withholding taxes on the payments is necessary.

Information Technology

Computer systems and electronic data are a valuable resource that School officials rely on for making financial decisions, processing transactions, keeping records and reporting to State and Federal agencies. The potential consequences of an information technology (IT) system failure range from inconvenient to severe. Accordingly, School officials are responsible for establishing, designing and implementing a comprehensive system of internal controls over the School's IT system. It is essential for the Board to establish policies and procedures that include a disaster recovery plan to prevent the loss of computerized data and to help School personnel resume operations in the event of a disaster. Additionally, the Board should develop breach notification procedures to ensure affected parties are notified in the event of unauthorized access to their confidential information. The Board must also establish effective policies and procedures that address acceptable Internet and computer use, passwords, back-up procedures, patch management, mobile device encryption and the physical security of IT components.

The Board did not adopt IT policies and procedures that address issues including breach notification, acceptable Internet and personal computer use, access rights, password security, back-up procedures, patch management, mobile device encryption and the physical security of IT components. In addition, the School did not have a comprehensive disaster recovery plan for resuming critical operations in the event of a system failure. As a result, the School's IT data and components are at risk of loss or misuse.

Information System Controls

There are a number of information system controls that can be put in place to safeguard School resources. The Board can implement a comprehensive set of IT policies and procedures that define computer use to assist individuals with recognizing IT security concerns and then respond appropriately. Other system controls include developing and communicating disaster recovery plans to key School personnel to ensure they are aware of their responsibilities in preventing, mitigating and responding to emergency situations.

Policies and Procedures — The Board should provide important oversight and leadership by establishing computer policies that take into account people, processes and technology and communicate the policies throughout the organization. Computer policies define appropriate user behavior and describe the tools and procedures needed to protect data and information systems. These policies should address issues such as acceptable computer use, e-mail and

Internet use; use of and access to personal, private and sensitive information (PPSI); password security; patch management; mobile device encryption; and data breach notification. The Board should also stipulate who is specifically responsible for establishing and monitoring IT policies.

At the time of our audit, the School did not have any IT policies or procedures beyond an acceptable use policy for teachers. However, during the audit, the School's IT consultant began writing policies for Board approval.

While IT policies do not guarantee the safety of an entity's computer system or the electronic information entrusted to it by students, their parents, employees and others, the lack of policies significantly increases the risk that data, hardware and software systems may be lost or damaged by inappropriate access and use. Without comprehensive policies that explicitly convey the appropriate use of the School's computer equipment, officials cannot ensure that employees are aware of their responsibilities, and there are no consistent standards for which these users can be held accountable. In addition, the lack of policies increases the risk of inappropriate computer use (either intentional or accidental) that could potentially expose the School to virus attacks or compromise computer systems.

We scanned the School's servers and a select number of computers and identified one virus on a server and software programs on computers that may not have been used for School business. Additionally, without mobile device encryption or an information breach notification policy, in the event that private information is compromised, School officials and employees may not be prepared to notify affected individuals.

User Access — The Board is responsible for establishing and implementing internal controls over access to computer data and systems to reduce the risk of misuse and/or alteration of data resulting in potential financial loss. Effective access controls provide reasonable assurance that computer resources are protected from unauthorized use or modifications by restricting users' access to only those applications, resources and data that are necessary for their day-to-day duties and responsibilities. Users should be required to maintain unique passwords that are complex and updated periodically. Additionally, user accounts should be deactivated as soon as an employee leaves service. Further, application administrative rights for the School's financial software should be assigned to someone independent of any accounting office functions.

School officials have not adopted policies to ensure that user access rights are granted and modified appropriately or that passwords are

periodically changed and complex. We found that the School has no procedures for activating, modifying or deactivating user access rights. The School's domain server has six accounts with full administrative rights, including multiple accounts for the IT consultant. Furthermore, four of the six accounts are generically named, making it difficult to track who is making modifications as an administrator. The accountant also has full access to the School's network.¹⁰ We also identified access rights still open for several employees that no longer work at the School. The combination of these problems could result in unauthorized access, manipulation, loss of data and the possibility of inappropriate use of School computers.

Disaster Recovery Plan — A disaster recovery plan provides a framework for reconstructing vital operations to ensure the resumption of time-sensitive operations and services in the event of a disaster. Such disasters may include any sudden, catastrophic event (e.g., fire, computer virus, power outage or a deliberate or inadvertent employee action) that compromises the availability or integrity of the IT system and data. The plan should detail the precautions to be taken to minimize the effects of a disaster and enable the School to either maintain or quickly resume mission-critical functions. The plan should include a significant focus on disaster prevention and should be distributed to all responsible parties, periodically tested and updated as needed.

The Board has not developed a formal disaster recovery plan. Consequently, in the event of a disaster, School personnel have no guidelines or plan to follow to help minimize or prevent the loss of equipment and data or guidance on how to implement data recovery procedures. As a result, the School is at risk for the loss of important data and the disruption of time-sensitive operations, such as the inability to process checks to pay employees or vendors.

Inventory

Reliable IT inventory records are critical for protecting resources such as software and hardware assets from theft, loss or misuse. Resources cannot properly be tracked and protected by School officials if officials do not know what resources they have and where those resources reside. Furthermore, accurate inventory records are essential for effective patch management and software licensing compliance.

We found that the School did not maintain accurate and reliable inventory records. The IT consultant began tracking hardware inventory when he started at the School in August 2012. However,

¹⁰ This access was revoked during our audit field work.

the inventory records he created consisted mainly of the assets that he found on School property.¹¹ The IT consultant and School Principal reviewed invoices to determine some of the items that the School should have on hand; however, it was not necessarily a full accounting. School officials indicated that it was part of the IT consultant's job to maintain an inventory, but they have not ensured that this was being completed. The IT consultant stated that he was also going to work on creating an accurate inventory of the School's software but he had not started that process yet.

Our review of an IT scan of the School's servers and several computers identified one computer in particular that housed a variety of potentially non-business purpose software including gaming programs, server and virtual machine software and hacking tools. The School should be aware of all of the software programs on School-owned computers and should own a license for each program. Additionally, the use of these programs should not be in violation of any School policy or license agreement from the developer.

Due to the failure to maintain accurate inventory lists of IT equipment and to periodically reconcile the inventory lists to the items available at the School, School officials cannot be assured that the School's IT equipment is adequately accounted for and safeguarded from loss, misuse and misappropriation.

Recommendations

5. The Board should adopt comprehensive written IT policies and procedures, such as acceptable computer and Internet use, the protection of PPSI, password security, mobile device encryption and breach notification. The Board should review these policies and procedures periodically and update them as needed.
6. School officials should develop written policies and procedures addressing user access controls to strengthen internal controls over computerized data and safeguard the School's computerized data and other IT assets.
7. The Board should develop a formal disaster recovery plan that provides the guidance necessary to maintain or restore critical School operations as quickly as possible in the event of a disaster. This plan should be distributed to all responsible parties, periodically tested and updated as needed.
8. The School should implement and maintain accurate, up-to-date inventory records for computer hardware and software. The inventory records should be verified and updated through periodic inventories.

¹¹ Officials believe that wireless routers were removed from School property without approval.

9. The School should establish formal procedures for periodically monitoring computer equipment for excessive personal and/or improper use, including unauthorized programs. These inspections should be properly documented and appropriate corrective action taken when necessary.

APPENDIX A

RESPONSE FROM SCHOOL OFFICIALS

The School officials' response to this audit can be found on the following page.



Eugenio Maria de Hostos Charter School

Jeffrey Halsdorfer
Principal

Julio Vazquez
CEO/Chairman

December 31, 2013

**Eugenio Maria de Hostos Charter School
Procurement and Information Technology Report and Examination
2013M-136**

Office of the State Comptroller,

We are pleased that the audit process is completed and no major issues were found.

In regards to the recommendations for procurement, we appreciate the suggestions and will take them under consideration. However, due to a sense of urgency, we feel that the lease agreement was made in the best interest of the school's future.

Concerning Eugenio Maria de Hostos Charter School developing a protocol for solicitation of multiple vendor bids will be addressed at the end of each charter. Unfortunately, due to limited options and the school's initial charter, certain community relationships will remain, but a process will be established for transparency purposes.

Julio Vazquez

CEO and Chairman of Eugenio Maria de Hostos Charter School

1/6/14

Date

APPENDIX B

AUDIT METHODOLOGY AND STANDARDS

Our overall goal was to assess the adequacy of the internal controls put in place by officials to safeguard School assets. To accomplish this, we performed an initial assessment of the internal controls so that we could design our audit to focus on those areas most at risk. Our initial assessment included evaluations of the following areas: financial oversight, cash management, claims processing, procurement, payroll, personal services and IT.

During the initial assessment, we interviewed appropriate School officials, performed limited tests of transactions and reviewed pertinent documents, such as School policies and procedures manuals, Board minutes and financial records and reports. After reviewing the information gathered during our initial assessment, we determined where weaknesses existed and evaluated those weaknesses for the risk of potential fraud, theft and/or professional misconduct.

We then decided on the reported objective and scope by selecting for audit those areas most at risk. We selected procurement and IT for further audit testing. To accomplish the objective, our examination included the following steps:

- We interviewed School officials, staff and Board members involved in the School's business operations.
- We reviewed the School Charter, by-laws, annual report and Board meeting minutes.
- We reviewed 12 contracts entered into by the School to determine if they sought competition for the goods or services and if the contracts were adequate. We selected all contracts disclosed on Board members' financial disclosure forms and the School's form 990 as well as an additional five contracts randomly selected with the aid of a random sample macro.
- We reviewed Board members' annual disclosure of financial interest forms for the 2010-11 school year to determine whether these forms were properly completed.
- We reviewed the School's form 990.¹²
- We investigated all disclosed financial interests to determine whether the School complied with its own policies and procedures.
- We searched the Monroe County Clerk's website for pertinent documents (e.g., Certificate of Individual Doing Business Under Assumed Name) related to vendors identified during testing.
- We used internal IT experts to review all of the School's servers and to review five School computers.

¹² Forms 990 and 990-EZ are used by tax-exempt organizations, nonexempt charitable trusts and section 527 political organizations to provide the IRS with the information required by section 6033.

- We interviewed appropriate School officials to obtain additional information regarding the procedures and practices surrounding IT.
- We reviewed the School's internal IT policies.
- We reviewed the user access settings established on the School's servers and individual computers tested.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX C

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