

**QUESTAR III**  
PUTTING STUDENTS FIRST

Scotia-Glenville Central School District:

FY 2023/24 Transportation Audit

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May 29, 2024

Board of Education  
Scotia-Glenville Central School District  
900 Preddice Parkway  
Schenectady, NY 12302

We have completed the review of controls for the Scotia-Glenville Central School District. Our engagement was designed to evaluate the adequacy of internal controls over Transportation to ensure they are appropriately designed and operating effectively and efficiently. And, to provide a report with recommended changes for strengthening controls and reducing identified risks.

The purpose of the review was to evaluate the internal controls that the District has in place to prevent errors, detect fraud, and ensure that financial reporting is accurate and that the District assets are safeguarded.

#### RELIABILITY OF INFORMATION

In performing our engagement, we obtained a sample from the population of transportation transactions to test the accuracy and reliability of information provided by District personnel.

As noted, the purpose of our engagement was to assist you in improving the process by which you monitor and manage the risks that face the District. Any comments and recommendations in the attached report are the responsibility of the district to implement, accept the risk as identified, or implement alternative controls that will mitigate the risk to a level that is acceptable by the District. Ultimately, it is your responsibility to assess the adequacy of your risk management system.

## DISTRIBUTION OF THE REPORT

This report is intended solely for the information and use of the Board of Education and management of Scotia-Glenville Central School District and should not be used for any other purpose.

We appreciate the opportunity to serve you and thank the individuals in your organization for their cooperation. Over time, it will be necessary to reassess your risks to ensure that they have not changed and to ensure that your risk management system is functioning properly. Through our ongoing involvement with you as a client and our knowledge of your district and its processes, we are in a unique position to assist you with that process. Please contact us at any time should you desire such services.

Sincerely,

*Kenneth R. Ziobrowski*

Ken Ziobrowski, CIA, CFE  
Internal Audit Manager  
Questar III

**Executive Summary**

**Objectives and Scope**

The Scotia-Glenville Central School District asked us to examine the District's Transportation process. Key objectives included evaluating the controls surrounding Burnt Hills-Ballston Lake Central School District (BHBL CSD) billing the District in accordance with the Bus Maintenance Agreement and evaluating controls surrounding the District's transportation inventory process.


The audit reviewed transportation activity from July 1, 2022 – June 30, 2023. Our fieldwork concluded on November 22, 2023.

**Acknowledgements**

We would like to thank the staff of the Scotia-Glenville Central School District for their courteous and prompt assistance during our audit.

**Conclusion**

One observation was noted and is summarized below. Our recommendation is detailed in the report.

Reference	Observation	Risk
1	No formal inventory system maintained for parts kept at District's transportation garage	 Low

**FY 2023/24 SCOTIA-GLENVILLE CENTRAL SCHOOL DISTRICT TRANSPORTATION AUDIT REPORT**

<b>ENTITY NAME</b>	<b>Scotia-Glenville Central School District</b>
<b>REPORT DATE</b>	November 22, 2023
<b>PROCESS REVIEWED</b>	Transportation
<b>PERSONNEL INTERVIEWED</b>	Clara Bisailon, Transportation Supervisor Christine Carusone, Deputy Treasurer Justin Burch, Auto Mechanic Supervisor (BHBL CSD employee) David Chotkowski, Auto Mechanic (BHBL CSD employee)
<b>SCOPE OF WORK</b>	<p>We reviewed the District's policies and procedures related to transportation and obtained an understanding of the processes used; then we performed the following analysis and testing procedures:</p> <ul style="list-style-type: none"> <li>• Randomly selected a sample of 5 months to review the monthly invoices from BHBL CSD between July 1, 2022 – June 30, 2023, to evaluate if the fixed invoice pricing amounts match the bus maintenance agreement contract language. In addition, we reviewed each part and material cost on the maintenance cost report and on the maintenance invoices to evaluate if the billing amounts were mathematically correct.</li> <li>• Reviewed the controls to track and account for vehicle parts. We reviewed the inventory listing as of 11/17/2023 that BHBL CSD maintains because most of the District's parts are located and tracked at their garage. We judgmentally selected 25 inventory items from a population of 416 and tested the items by physical count and compared the actual count to the inventory listing.</li> <li>• Randomly selected a sample of 30 fuel invoices from a population of 79 during fiscal year 22/23 and compared the vendor pricing per gallon on the invoices to the New York State Office of General Services (OGS) pricing to evaluate if the District was charged appropriately from the vendors.</li> <li>• Examined a random sample of 30 from a population of 661 transportation accounts payable disbursements, excluding fuel, during fiscal year 22/23 for the following: authorization, recording and consistency with District policies and procedures.</li> </ul>
<b>SCOPE RESTRICTIONS</b>	None noted.
<b>AUDIT OBJECTIVES</b>	<ul style="list-style-type: none"> <li>• Evaluate the internal controls for safeguarding and controlling parts inventory to ensure they are operating effectively and efficiently.</li> <li>• Evaluate the District's processes for tracking, reporting, and accounting for the parts inventory to ensure the assets are used only for district purposes.</li> <li>• Evaluate the procurement and payment processes to ensure that they are operating effectively and efficiently.</li> </ul>

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	<ul style="list-style-type: none"> <li>• Evaluate the District's process to review the bills from Burnt Hills-Ballston Lake CSD for transportation services to ensure they are in accordance with the Bus Maintenance Agreement.</li> </ul>
<p><b>KEY PROGRAM CONTROLS</b></p>	<p>The District has created the following key program controls designed to meet business obligations, provide accountability, and promote operational effectiveness &amp; efficiency:</p> <ul style="list-style-type: none"> <li>• There is a documented agreement titled Scotia-Glenville CSD and Burnt Hills-Ballston Lake CSD Shared Services Agreement for Bus Maintenance to govern the shared transportation process. The agreement is updated each year and is signed by both District's Superintendents.</li> <li>• The District receives invoices from Burnt Hills-Ballston Lake CSD monthly for services in accordance with the Bus Maintenance Agreement. The Transportation Supervisor reviews the parts and materials fees on the invoice each month for accuracy. The Deputy Treasurer reviews the monthly invoices to ensure the Mechanics Fee, Management Fee, and Facility Use Fees do not exceed contract language.</li> <li>• The District utilizes the PetroVend system to track fuel usage.</li> <li>• In order for a bus driver to fuel their vehicle, they are assigned a key fob for a specific vehicle. They must enter the vehicle odometer at the fuel pump as well as their unique 4-digit driver pin code. Drivers are also required to fill out a manual log each time they fuel their vehicle. They record their name, vehicle number, date, and how many gallons were fueled.</li> <li>• The fuel invoices from the vendor are reviewed by the Deputy Treasurer to ensure the vendor is charging correct pricing in accordance with Office of General Services (OGS) state contract pricing.</li> <li>• The District maintains a minimal amount of parts inventory at their transportation garage. The mechanic will perform periodic spot checks of the inventory. The inventory is maintained in a locked parts cage that only essential staff have access to. In addition, there are cameras on the exterior of the garage and the building itself is kept under locked fence after hours.</li> <li>• Most of the District's parts inventory is kept at the Burnt Hills – Ballston Lake CSD transportation garage where the District's parts inventory is kept separated in its own parts room. BHBL staff oversee the inventory and maintain the inventory in their Versatrans Fleetvision software. The District assigns two staff that go to BHBL and do a physical inventory. The Transportation Supervisor reconciles the monthly invoices with our parts inventory. Additionally, the inventory is either going to be scrapped or auctioned before the end of this fiscal year.</li> </ul>
<p><b>ADDITIONAL INFORMATION</b></p>	<p>We would like to note improvement of the internal controls when we compare the observations noted from the previous internal audit reports that were issued when the District had a partnership with Niskayuna CSD to the</p>

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	<p>observation noted from the current audit having a partnership with Burnt Hills-Ballston Lake CSD.</p>
<p><b>OBSERVATIONS AND RECOMMENDATIONS</b></p>	<p><u>Observation 1:</u> The District maintains a small inventory of parts and supplies at their own transportation garage; however, the District does not have a formal inventory system to keep track of the parts inventory. In addition, there are no physical inventories performed of the inventory. We noted staff will perform periodic spot checks of the inventory to determine when inventory needs to be ordered. In addition, there is no one cross trained on the mechanics role for overseeing the inventory.</p> <p><i>Recommendation: The District should consider implementing a formal system to track the inventory that is maintained at their garage. The District should periodically perform physical inventories and update the inventory listing as appropriate. The District should also cross train an individual to be involved in overseeing the inventory.</i></p> <p><b>District Corrective Action:</b> Going forward all items purchased and kept at the garage located at 500 Sacandaga Rd will be recorded upon receipt, each item having its own page in a binder and housed in the caged area. The main person responsible for logging in parts will be Hank (Mechanic/Driver) with the alternate of Brianna Winslow (Transportation Assistant). Additionally, all office staff will be trained on the process in the event they need to assist. Inventory of all items currently onsite will be completed by 2/16 with location of each part noted in binder. We also will be conducting monthly audits of the inventory. The additional security of a locked area and surveillance on the entire area will help ensure protocols are followed.</p>
<p><b>SUBMITTED BY:</b></p>	<p>Alexa Schaefer &amp; Alanna Bergmann Internal Auditors - Questar III BOCES</p>
<p><b>DATED:</b></p>	<p>November 22, 2023</p>