

Schenectady City School District

Math Workbook Inventory

2023M-65 | November 2023

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Report Highlights

Schenectady City School District

Audit Objective

Determine whether Schenectady City School District (District) officials maintained adequate math workbook (workbook) inventories and ordered workbooks as needed.

Key Findings

District officials did not maintain adequate inventory records and ordered excessive quantities of workbooks. As a result, officials ordered 4,126 sets (each set serves one student) of workbooks that cost \$143,036, which were not needed during our audit period. Officials did not maintain a comprehensive perpetual inventory of workbooks, nor did they perform annual inventory counts at year-end. As a result, officials were not aware of the large quantities of workbooks stored at the elementary schools.

- The District lacked an adequate inventory policy or written procedures on how workbooks should be accounted for and how the inventory should be monitored.
- Officials did not determine the District’s actual workbook need before workbooks were ordered.

Key Recommendations

- Maintain comprehensive inventory records of all workbooks.
- Adopt an adequate inventory policy that includes inventory procedures.
- Evaluate available workbooks in storage before ordering workbooks for the next school year.

District officials agreed with our recommendations and indicated they will take and have taken corrective action.

Background

The District, located in the City of Schenectady in Schenectady County, is governed by an elected seven-member Board that is responsible for managing and controlling the District’s financial and educational affairs. The Superintendent of Schools is the District’s chief executive officer and is responsible for the District’s day-to-day management under the Board’s direction.

The Assistant Superintendent for Teaching and Learning (Assistant Superintendent) is responsible for overseeing instructional practices and curricula materials, including maintaining inventories and ordering consumable workbooks. The District uses only one consumable workbook program (i.e., students write and solve math problems directly onto pages in the workbooks), which is used by all 11 elementary schools for math instruction.

Quick Facts	
Total Elementary Schools	11
Elementary School Students	
2021-22	4,231
2022-23	4,235
Amount Paid for Workbooks	
2021-22	\$254,281
2022-23	\$215,702

Audit Period

July 1, 2021 – March 24, 2023

Workbook Inventory

How Should Officials Order and Inventory Workbooks?

The board is responsible for adopting a policy and guidelines, and district officials are responsible for implementing procedures to ensure that workbooks are ordered, inventoried and used in a timely manner.

A district should maintain a comprehensive perpetual inventory record of all workbooks. The district-wide inventory record, at minimum, should include the starting inventory, the number of workbooks purchased, the number of workbooks distributed to each school and the number of unused/surplus workbooks. Inventory records should be comprehensive enough for a school district to know how many surplus workbooks it owns and where the workbooks are located. The inventory enables the district to determine when and how many workbooks need to be purchased and if any of the individual schools have surplus workbooks that could be transferred to other schools to prevent buying unnecessary copies. A district should also conduct a district-wide annual physical inventory count of the workbooks and compare the result to the perpetual inventory record. District officials should follow-up on inventory discrepancies.

District officials should determine the desired quantity of surplus workbooks to keep on hand each year, as replacements for lost or damaged workbooks, or when enrolling new students mid-year. Before placing workbook orders, District officials should evaluate the prior year's usage, available unused workbook inventory on hand and the student enrollment to ensure that workbook orders would be reasonable.

The Assistant Superintendent should monitor and periodically review the inventory process and records to ensure accuracy, only approving workbook orders with reasonable quantities.

Officials Did Not Maintain Adequate Inventory Records

District officials did not maintain a comprehensive perpetual inventory of workbooks, nor did they perform annual inventory counts at year-end. While the District had an inventory policy requiring supplies purchased to be checked, logged and stored through an established procedure, officials did not establish any procedures to provide guidance on how workbooks should be accounted for and how the inventory should be maintained and monitored. The Assistant Superintendent and the Director of Teaching and Learning (Director) provided us with two inventory spreadsheets for 2021-22 and 2022-23 and told us that

they stored all workbooks in a book storage room at one of the District's middle schools (see Figure 1).

However, the inventory records were incomplete as they did not capture all workbooks and did not indicate distributions to all elementary schools. We performed a physical inventory count of all workbooks, which included the book storage room and the storage areas at all 11 elementary schools. There were 29,169 unused individual workbooks which were available for the next

school year (2023-24); however, only 6,577 of these workbooks were in the book storage room. The Assistant Superintendent and the Director were not aware of the large volume (22,592 or 77 percent) of unused workbooks stored at the 11 elementary schools.

Without an adequate workbooks' inventory system in place to account for all workbooks District-wide, officials cannot ensure all workbooks were accounted for. Additionally, officials may not become aware if workbooks are missing and may not make informed decisions when ordering workbooks for the next school year. Furthermore, if the educational program changes when there is a significant number of surplus workbooks, the surplus workbooks would become obsolete and result in the District paying for books that are never used.

Officials Ordered Excessive Quantities of Workbooks

Based on discussions with the Assistant Superintendent, we determined that maintaining a surplus workbooks inventory of 10 percent of the student enrollment was reasonable that is used when students lose or damage their workbooks or if new students enroll at the District.

FIGURE 1

Workbook Storage Room



This photo was taken by an Office of the State Comptroller auditor on March 6, 2023.

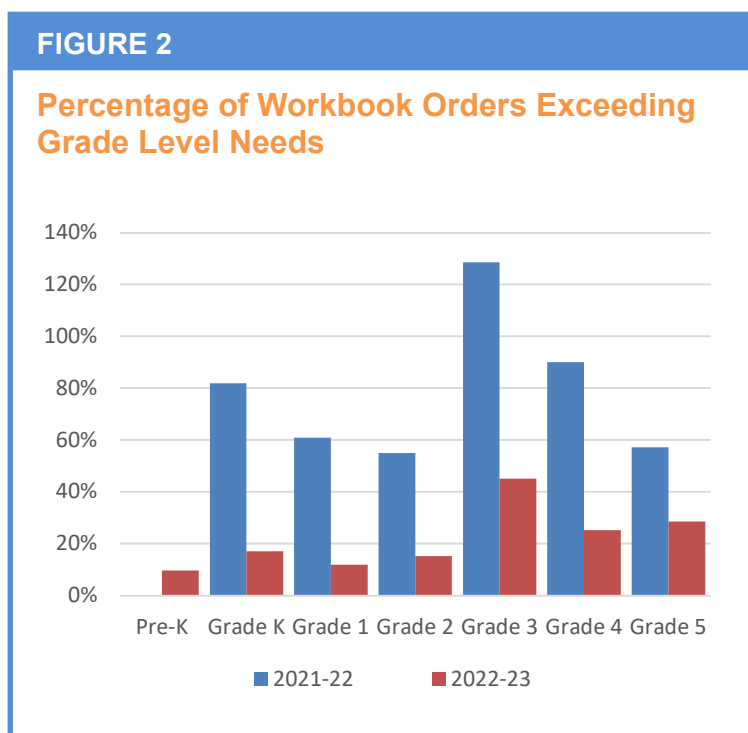
We reviewed all workbooks orders for 2021-22 and 2022-23 and found they were excessive because they significantly exceeded, the enrollment including the additional 10 percent cushion for each grade level.¹

The Director told us she determined the quantities of the 2021-22 workbooks orders based on the student enrollment plus an additional 10 percent; however, she could not explain or justify the orders that significantly exceeded the needs of the District. The workbooks ordered for 2021-22 exceeded the student enrollment plus 10 percent cushion from 55 to 129 percent, depending on grade (see Figure 2).

The Director told us that the secretary of the Teaching and Learning Department (Department) requested all elementary school principals to submit their 2022-23 workbooks orders to the Department. Then she, the Director, added an additional 10 percent to each order. However, we discussed the workbooks ordering process with elementary school principals and assistant principals, who stated they were not asked to identify how many workbooks were needed for the upcoming school year. The Director could not provide documentation to support her statement or an explanation for the excessive 2022-23 orders.

The workbooks ordered for 2022-23 exceeded the student enrollment plus 10 percent cushion from 10 to 45 percent, depending on grade. The Director could not provide a reasonable explanation why the workbooks orders in 2021-22 and 2022-23 fiscal years were so excessive.

Officials did not evaluate prior usage and available workbooks on hand when ordering workbooks. As a result, the District spent \$104,742 (3,149 workbook



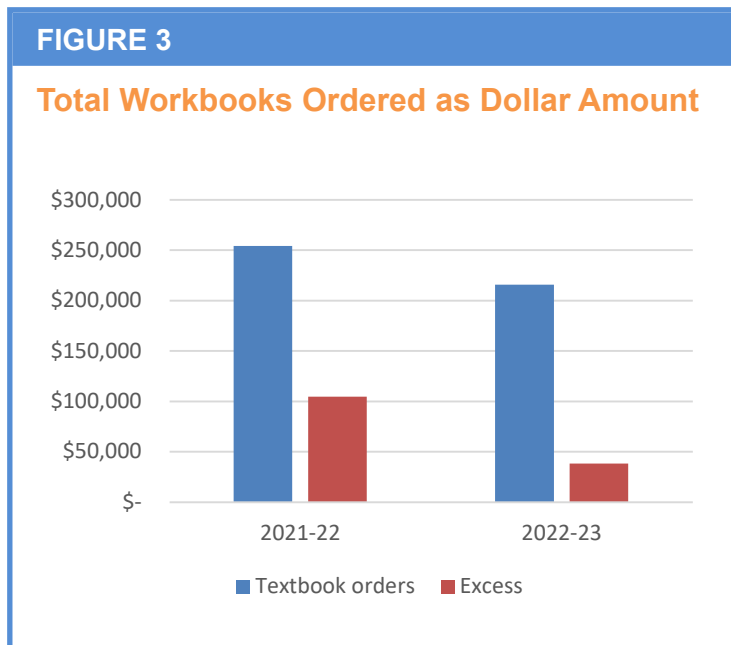
¹ The District did not order grade Pre-K workbooks for 2021-22.

sets) in 2021-22 and \$38,294 (977 workbook sets) in 2022-23 for unneeded workbooks (see Figure 3).

We performed a physical inventory count of all 50 individual types of workbooks used for classes District-wide and found that the inventory on hand was over the 10 percent cushion limit (see Appendix A, Figure 4). Specifically, a little more than half of all individual workbooks had an inventory on hand of more than 91 percent of the student enrollment, with the highest being 149 percent. The Assistant Superintendent was unaware of the large quantities of unused workbooks stored at the elementary schools. She told us that the District will plan on using most of the surplus workbooks in the next school year and that the Department will order individual workbooks as needed.

The Assistant Superintendent, appointed in September 2021, told us she did not monitor the inventory process and did not ensure the inventory records were adequate, because she was new to the position and not focused on this responsibility. Additionally, the Assistant Superintendent and the Director were not aware that District-wide inventory workbooks records need to be maintained.

Because District officials did not evaluate prior usage and available workbooks District-wide, they ordered excessive quantities. As a result, taxpayers' money was not spent in the most prudent manner. Had we not informed District officials of the significant quantities of workbooks stored at the elementary schools, they could have continued to order excessive quantities for the upcoming school year.



What Do We Recommend?

District officials should:

1. Maintain and refer to an annual workbooks inventory record prior to ordering new workbooks.

The Assistant Superintendent should:

2. Develop adequate inventory procedures to account for all purchased, distributed and maintained workbooks on hand.
3. Provide adequate oversight by ensuring inventory records are accurate and workbooks orders are reasonable and based on the needs of the District.

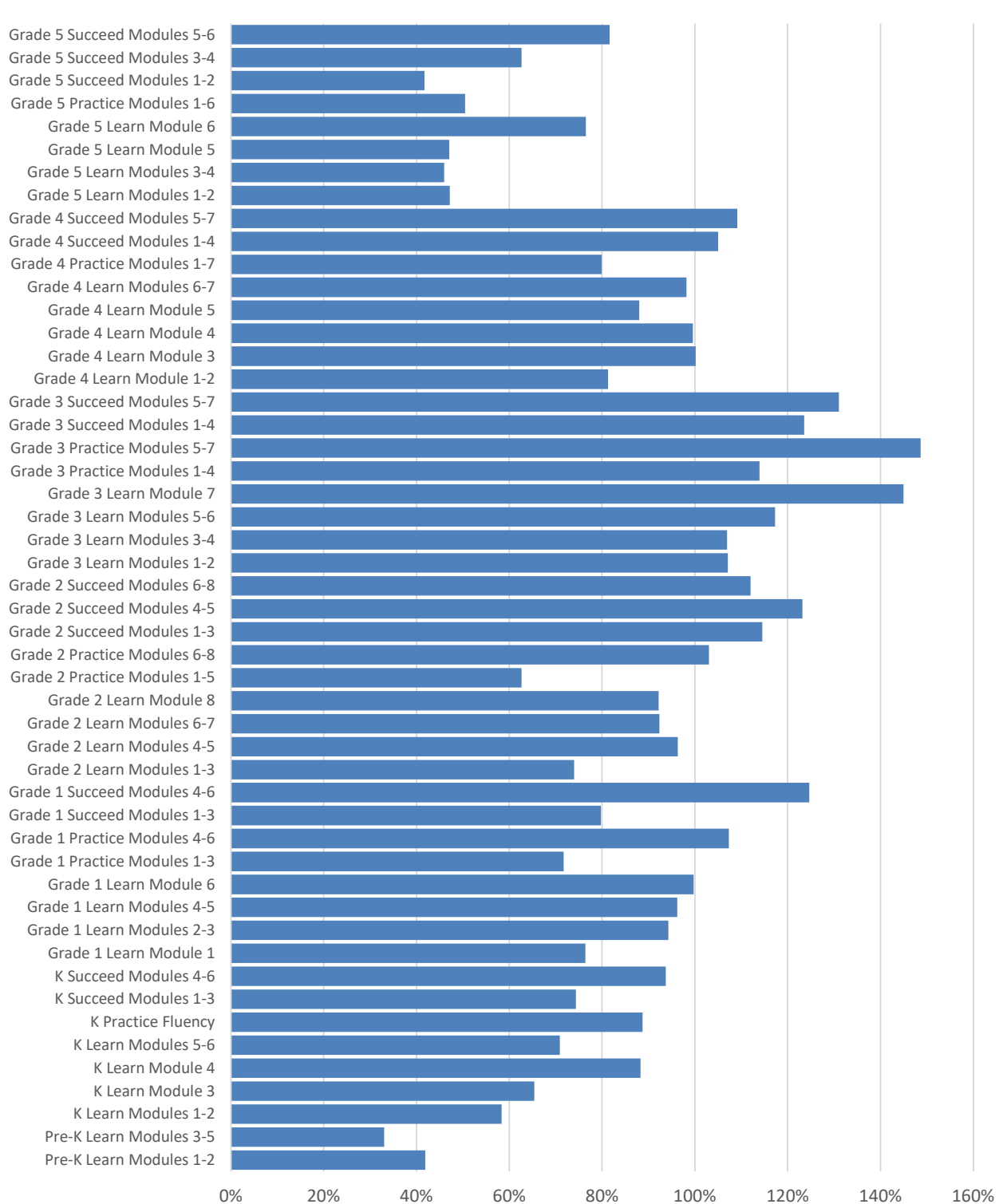
The Board should:

4. Adopt an adequate inventory policy that includes the inventory procedures and oversight responsibilities.
5. Require a perpetual and comprehensive inventory record of all workbooks, which includes purchased and distributed workbooks.

Appendix A: Workbooks Inventory

FIGURE 4

Surplus Workbooks as a Percentage of the Enrollment



Appendix B: Response From District Officials

SCHENECTADY CITY SCHOOL DISTRICT

108 Education Drive
Schenectady, NY 12303-1238

www.schenectadyschools.org



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OFFICE OF THE SUPERINTENDENT

Anibal Soler, Jr. Superintendent
Tel: 518-370-8100 Fax: 518-836-0997

October 23, 2023

Office of the New York State Comptroller
Division of Local Government and School Accountability
Gary G. Gifford, Chief of Municipal Audits
One Broad Street Plaza
Glens Falls, NY 12801

BUSINESS OFFICE

Terrence Gillooley
Chief Financial Officer
518-370-8100 Ext. 36049
518-370-2898 fax

Dear Mr. Gifford:

Schenectady City School District ("SCSD") acknowledges receipt of the Office of the State Comptroller's draft audit report dated September 26, 2023, [REDACTED] Math Workbook Inventory, Report of Examination 2023M-65. We agree with the report's key findings and key recommendations. On behalf of the Board of Education and administration, we appreciate the opportunity to respond to the findings and to provide our response to the audit recommendations.

Due to the COVID-19 pandemic, SCSD's 11 elementary buildings were either closed for in-person instruction or operating a hybrid model from March 2020 until September 2021. In addition, SCSD has gone through many personnel changes including the Superintendent of Schools (July 2021), Assistant Superintendent for Teaching and Learning (October 2021) and Chief Financial Officer (January 2022). As the report noted, when ordering workbooks for the 2021-22 school year SCSD was unaware of the number of workbooks at the 11 elementary schools. We understand that prior administration ordered a large quantity of workbooks to assure every student had the adequate number of workbooks for when returning to 100% in-person instruction at all elementary schools in September 2021. There was a level of concern to meet the needs of the students due to the pandemic and the potential of learning loss and not having the proper access to workbooks over the last year and half. For the 2022-23 school year, the district was aware of the number of workbooks in the book storage room and reduced the number ordered. Although it may appear that the district taxpayer's money was not spent in the most prudent manner, the district does not believe this to be true. As soon as district officials became aware of the excess number of workbooks during the audit the district only ordered workbooks needed for 2023-24 and will fully utilize these workbooks during the 2023-24 school year.

SCSD will continue to evaluate the audits findings and implement the recommendations in the report. As required the district will provide a corrective action plan and would like to thank you for bringing this matter to our attention. Please reach out to us with further concerns or suggestions. On behalf of the district we wish to thank your office for their time and effort.

Sincerely,

Anibal Soler, Jr.
Superintendent of Schools

EVERYBODY COUNTS. EVERYBODY LEARNS.

Appendix C: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District personnel and reviewed the District's inventory policy to determine the workbooks ordering and inventory processes.
- We performed a physical inventory count of all workbooks District-wide. We interviewed all principals and assistant principals to determine the quantities of workbooks needed for the rest of the current school year. Then, we subtracted these workbooks from the inventory count to determine the quantities of workbooks available for the upcoming school year (2023-24).
- We reviewed all workbooks invoices for our scope period. We calculated the total dollar amount of all invoices per school year and the ordered quantities of individual workbooks per grade level and school year.
- We reviewed the District's inventory records for our scope period to determine whether they captured the inventory of workbooks District-wide and whether they were adequate.
- We obtained student enrollment data for 2021-22 and 2022-23 and added an additional 10 percent to the count of the students from each grade. Then, we compared the totals per grade to the quantities of workbooks ordered for each year to determine whether the orders were reasonable. We calculated the dollar amount and the count of the ordered workbooks to determine whether it exceeded the enrollment including the additional 10 percent.
- We compared the current student enrollment data to the physical inventory count and determined whether the physical count exceeded the enrollment by 10 percent.
- We interviewed the Assistant Superintendent and the Director to determine the oversight and monitoring procedures of the workbooks inventory and ordering processes.

We conducted this performance audit in accordance with generally accepted government auditing standards (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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-a (3)(c) of New York State Education

Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the next fiscal year. 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. The CAP should be posted on the District's website for public review.

Appendix D: Resources and Services

Regional Office Directory

www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

www.osc.state.ny.us/local-government/publications

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

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www.osc.state.ny.us/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf

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www.osc.state.ny.us/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

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Contact

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