



Washington-Saratoga- Warren-Hamilton-Essex Board of Cooperative Educational Services

Meals Provided at Meetings

2023M-183 | March 2024

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Report Highlights

Audit Objective

Determine whether Washington-Saratoga-Warren-Hamilton-Essex Board of Cooperative Educational Services (BOCES) officials ensured meals and refreshments (meals) provided at BOCES meetings and events (meetings) were appropriate.

Key Findings

BOCES officials did not adequately support meals provided at meetings were appropriate, which increased the risk that BOCES may have paid for unnecessary meals. BOCES paid \$136,878 for meals provided at meetings during the audit period. We reviewed payments for meals totaling \$63,009 provided at 80 meetings.

- Officials did not document the need for meals totaling \$62,357 (99 percent) provided at 79 meetings and also did not document who attended 39 meetings at which payments totaling \$28,446 (45 percent) were made for meals.
- The Superintendent/designee did not document prior approval for meals totaling \$31,991 (51 percent) provided at 29 meetings.
- Officials paid \$6,772 more than federal per diem rates for meals provided at 34 meetings.

Key Recommendations

- Clearly outline when it is appropriate to provide meals at meetings.
- Maintain required documentation, review requests to provide meals at meetings for compliance with policies, and approve requests in advance.
- Keep costs for meals provided at meetings within federal per diem rates.

BOCES officials generally agreed with our findings and indicated they plan to initiate corrective action. Appendix B includes our comment on an issue BOCES officials raised in their response.

Audit Period

July 1, 2021 – August 31, 2023

Background

BOCES comprises 31 component school districts and is governed by a 15-member Board elected by the component districts' boards. The Board is responsible for the general management and control of financial and educational affairs.

The District Superintendent (Superintendent) is the chief executive officer and, along with other administrative staff, is responsible for BOCES' day-to-day management.

BOCES provides meals for various meetings, including committee meetings, workshops, training sessions, and regularly scheduled administrative and Board meetings. Attendees generally include component districts' employees and BOCES employees. The Superintendent is responsible for approving meals prior to meetings. The Board-appointed purchasing agent assists with the approval process.

Quick Facts

2023-24 Appropriations	\$86,068,304
Total Fiscal Year Meal and Refreshment Payments	
2021-22	\$65,594
2022-23	\$65,404
2023-24 (July 1 through August 31, 2023)	\$5,880

Meals Provided at Meetings

When Are Meals Provided at Meetings Appropriate and What Support Must Be Maintained?

According to BOCES' reimbursement for meals policy, BOCES officials should consider meals provided at meetings necessary when board members and/or personnel travel outside of their regular work areas on official business for extended periods of time, or when meetings prevent them from taking time off to eat during mealtime because of a pressing need to complete business. The policy states that at certain times it may be appropriate to provide meals at BOCES meetings and/or events which are being held for educational purposes, program/services review and committee meetings.

BOCES' policy requires officials and employees to maintain documentation and information to demonstrate that meals at meetings were appropriate. Required documentation includes:

- Superintendent's/designee's prior approval,
- Itemized receipts,
- Date and purpose of the meeting,
- Food served,
- Who attended the meeting,
- Why the attendees needed meals and/or refreshments to conduct BOCES business.

Supporting documentation for meals at meetings should be attached to the claims and reviewed by the claims auditor to determine whether the claims met all policy requirements. The claims auditor should report concerns with any claims to the board.

Officials Did Not Maintain Required Supporting Documentation

BOCES paid \$136,878 for meals provided at meetings during our audit period. We reviewed payments for meals totaling \$63,009 (46 percent) provided at 80 meetings to determine whether meals were provided for appropriate purposes, and whether payments were properly supported and meals were preapproved. While officials maintained itemized receipts, they did not maintain support for why attendees needed meals to conduct BOCES business or who attended the meetings. In addition, the Superintendent/designee did not always document required approvals.

Documented Need – Officials did not document why they provided meals totaling \$62,357 at 79 meetings. This represents 99 percent of the meal costs we reviewed. Based on our review, we determined BOCES made it a practice to

While officials maintained itemized receipts, they did not maintain support for why attendees needed meals to conduct BOCES business or who attended the meetings.

provide meals for various BOCES activities and events, such as administrative meetings, employee training sessions and regularly scheduled Board meetings.

For example, officials regularly provided meals for scheduled Board, school business officials' or district superintendents' meetings without required documentation for why the attendees needed meals.

Although one Board member told us that BOCES provided meals at Board meetings because some attendees traveled a farther distance to meetings, that reasoning would relate to officials and employees that were entitled to reimbursement for necessary expenses incurred while traveling to perform their official duties and would not be reasoning for BOCES to provide meals for all meeting attendees. In addition, BOCES' policy does not clearly outline the certain times it may be appropriate to provide meals to officials and employees at meetings.

Attendance – While BOCES officials documented who attended 41 of the 80 meetings, they did not document who attended the remaining 39 meetings at which payments totaling \$28,446 (45 percent) were made for meals.

For the 41 meetings that had an attendance list, the lists were maintained electronically in the financial software or with the applicable department head who held the meeting or event. However, documentation was not attached to the claim for 40 of these meetings at which meals totaling \$34,522 were provided. Therefore, the claims auditor did not have the documentation to support these claims met all policy requirements when they approved the claims for payment.

Required Approvals – The Superintendent or their designee were required to preapprove all meals, but they did not preapprove meals totaling \$31,991 (51 percent) for 29 of the 80 meetings we reviewed. Further, meals totaling \$22,173 (35 percent) for 15 meetings were provided prior to the purchase order date. Therefore, these meals also lacked proper purchasing approvals and the confirmation that budgeted funds were available for payment happened after the meals were provided.

Although BOCES had policies requiring documentation for why attendees needed meals, who attended meetings and approvals, no one enforced these policies. In addition, the claims auditor did not identify or bring forward concerns about these claims not meeting policy requirements. When payments for meals at meetings are not properly supported with purposes, attendance and approvals, and policies do not clearly outline when it is appropriate to provide meals to officials and employees attending meetings, there is a lack of assurance that meals provided at BOCES meetings are necessary, authorized and for a business purpose.

Officials Exceeded Federal Per Diem Rates

Officials paid \$6,772 more than federal per diem rates for meals provided at 34 meetings. For meetings without attendance listings, we used the estimated number of attendees from purchase orders or other forms when available to determine whether costs exceeded federal per diem rates. We could not determine whether costs exceeded federal per diem rates for meals totaling \$2,988 provided at six meetings because officials did not maintain attendance listings or estimate the number of attendees on purchase orders and other forms.

The claims auditor told us she was not aware of the policy requirement that costs for meals provided at meetings will not exceed federal per diem rates. As a result, no one reviewed these claims for compliance with the requirement and officials approved and paid more for meals at meetings than they should have.

What Do We Recommend?

The Board should:

1. Clearly document when it is appropriate to provide meals to officials and employees attending meetings.

BOCES officials should:

2. Maintain required documentation for providing meals at meetings, review requests to provide meals at meetings for compliance with policies, and approve requests in advance.
3. Provide required documentation to the claims auditor for audit and approval.
4. Keep costs for meals provided at meetings within federal per diem rates.

The claims auditor should:

5. Ensure claims meet policy requirements and report discrepancies to the Board.

Appendix A: Response From BOCES Officials



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District Superintendent of Schools

March 21, 2024

To: Gary Gifford, Chief Examiner
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WSWHE BOARD OF COOPERATIVE EDUCATION SERVICES (BOCES) RESPONSE TO NYS OSC REPORT 2023M-183: MEALS PROVIDED AT MEETINGS

Background to BOCES Response

This response is written to address the findings contained in the draft report issued on February 20, 2024, as well as modifications to the draft report received verbally by the WSWHE BOCES on February 23, 2024.

See Note 1 Page 7

In summary response, there are deficiencies identified in the report which BOCES officials can identify with, acknowledge, and will respond to accordingly in a Corrective Action Plan, which will be forthcoming.

Observations

1. Meals Provided at Meetings Appropriately – In accordance with WSWHE BOCES policies, meals are provided to board members and/or personnel who travel outside of their regular work area(s) on official business for extended periods of time, or when meetings prevent them from taking time off to eat during mealtimes because of a pressing need to complete business. The policies also allow for meals to be provided at BOCES meetings and/or events which are being held for educational purposes, program/services review and committee meetings. These functions represent the fundamental purpose for BOCES to exist, in order to meet the needs of our component districts in the best ways possible.

The WSWHE BOCES serves 31 component school districts over almost 2,700 square miles in the Saratoga County and southern Adirondack region (2nd largest geographical BOCES in New York state). We serve approximately 5,000 faculty and staff, as well as approximately 36,000 students throughout the region. Due to the sprawling and diverse

nature of the programs and services we provide, it is regularly necessary for component staff to travel long distances at odd times throughout the day. It also demands that BOCES board members and staff travel as much as 100 miles in one direction for programs or meetings. We recognize that, due mostly to population and size, the BOCES provides a comparatively larger volume of working meals than other auditees under jurisdiction of the Comptroller's Office.

2. Required Supporting Documentation – BOCES officials acknowledge that complete documentation was not provided as requested in some cases at the time of the audit.

We understand the position of OSC officials that BOCES should document both the purpose for the meeting and the rationale for why meals need to be provided, in accordance with BOCES policy. We also acknowledge the requirement to obtain and document proper purchasing approval for all working meals prior to meeting dates. It is the intent of BOCES officials to adapt policies and procedures accordingly.

3. Exceeding Federal Per Diem Rates – BOCES officials accept and acknowledge the requirement of its policy to adhere to federal per diem rates and that the best practice recommendation of OSC officials would be to continue to adhere to these rates. We feel it is important for readers to understand the competing legal requirements this presents. Due to the volume described above, the BOCES is required by GML-100(a) and GML-103 to duly bid for catering services to provide working meals. This legal requirement extends the cost of meals provided to include the service provided by the successful bidder and, in our opinion, is costly to BOCES constituents resulting in an undue characterization of the amounts spent for working meals. In the absence of an exception to GML, which we are not aware exists currently, it is the intent of BOCES officials to adapt policies and procedures accordingly.

Conclusion

On behalf of the WSWHE BOCES, we appreciate the time and attention that the NYS OSC audit staff have given to ensuring accountability for the constituents of the BOCES. We recognize that there is always room for improvement and we appreciate the constructive feedback provided as a result of this audit. The Board of Cooperative Educational Services intends to review, and where appropriate, make enhancements to its existing policies and procedures as they relate to the areas of deficiency identified during this process.

Any questions about the contents of this report or response may be directed to Tim Hilker, Assistant Superintendent for Administrative Services, at (518) 746-3326.

Sincerely,

Dr. Turina Parker
District Superintendent

Appendix B: OSC Comments on BOCES' Response

Note 1

As a result of the audit's exit conference, we made minor language changes and discussed those changes with officials on February 23, 2024. No other changes were made to the report.

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. We obtained an understanding of internal controls that we deemed significant within the context of the audit objective and assessed those controls. Information related to the scope of our work on internal controls, as well as the work performed in our audit procedures to achieve the audit objective and obtain valid audit evidence, included the following:

- We interviewed BOCES officials and reviewed and evaluated BOCES' meals policies and procedures to gain an understanding of BOCES' process for providing meals at meetings.
- We used our professional judgment to select and review 35 disbursements totaling \$63,009 (for 80 meetings at which meals were provided) from the 399 disbursements totaling \$136,878 for meals provided at meetings during the audit period to determine whether they were supported, for appropriate purposes and approved in advance. We also compared costs to federal per diem rates. We selected disbursements based on vendor names and dollar amounts.

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.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

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 BOCES' website for public review.

Appendix D: Resources and Services

Regional Office Directory

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

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

www.osc.ny.gov/local-government/publications

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

www.osc.ny.gov/local-government/fiscal-monitoring

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

www.osc.ny.gov/local-government/publications

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.ny.gov/local-government/resources/planning-resources

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

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

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.ny.gov/local-government/required-reporting

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

www.osc.ny.gov/local-government/publications

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.ny.gov/local-government/academy

Contact

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