



# Cayuga-Onondaga Board of Cooperative Educational Services

## Internal Controls Over Administrators' Private Business Interests

### Report of Examination

Period Covered:

July 1, 2008 — April 1, 2010

2010M-149



Thomas P. DiNapoli

# Table of Contents

	<b>Page</b>
<b>AUTHORITY LETTER</b>	2
<b>INTRODUCTION</b>	3
Background	3
Objective	3
Scope and Methodology	3
Comments of BOCES Officials and Corrective Action	3
<b>ADMINISTRATORS' PRIVATE BUSINESS INTERESTS</b>	5
Public Responsibilities and Private Work	6
Supplementing CoSers	6
BOCES Attorney	7
Use of BOCES Facilities and Equipment	10
Policies and Procedures	10
Recommendations	11
<b>APPENDIX A</b> Response From BOCES Officials	13
<b>APPENDIX B</b> OSC's Comments on BOCES' Response	17
<b>APPENDIX C</b> Audit Methodology and Standards	18
<b>APPENDIX D</b> How to Obtain Additional Copies of the Report	19
<b>APPENDIX E</b> Local Regional Office Listing	20

# State of New York Office of the State Comptroller

---

---

## Division of Local Government and School Accountability

July 2011

Dear Board of Cooperative Educational Services (BOCES) Officials:

A top priority of the Office of the State Comptroller is to help BOCES officials manage BOCES resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support BOCES operations. The Comptroller oversees the fiscal affairs of BOCES statewide, as well as BOCES 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 BOCES operations and Board of Education governance. Audits also can identify strategies to reduce district costs and to strengthen controls intended to safeguard BOCES assets.

Following is a report of our audit of the Cayuga-Onondaga BOCES, entitled Internal Controls Over Administrators' Private Business Interests. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the General Municipal Law.

This audit's results and recommendations are resources for BOCES' officials to use in effectively managing operations and in meeting the expectations of their constituents. 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*

# Introduction

## Background

The Cayuga-Onondaga Board of Cooperative Educational Services (BOCES) is governed by a nine member Board of Education (Board) whose members represent nine component school districts. The Board is responsible for the general management and control of the BOCES' financial and educational affairs. The District Superintendent (Superintendent) is the chief executive officer of BOCES and is responsible, along with other administrative staff, for the day-to-day management of BOCES and for regional educational planning and coordination under the direction of the Board.

Combined, the component districts educate approximately 13,800 students in the counties of Cayuga and Onondaga. Approximately 400 employees work at the BOCES' central location and in component school buildings. BOCES' budgeted expenditures for the 2008-09 fiscal year totaled \$30.7 million. These were funded primarily by charges to component school districts for services, and Federal and State grants and aid.

The Assistant Superintendent for Personnel Relations (Assistant Superintendent for PR) oversees the Office of Personnel Relations, which provides negotiating services through cooperative service agreements (CoSer) with participating school districts and other BOCES. This same individual acts as attorney for the BOCES.

## Objective

The objective of our audit was to evaluate the internal controls over administrators' private business interests. Our audit addressed the following related question:

- Are adequate controls in place over administrators' private business interests?

## Scope and Methodology

During this audit, we evaluated the internal controls over BOCES administrators' private business interests for the period July 1, 2008 through April 1, 2010.

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 is included in Appendix C of this report.

## Comments of BOCES Officials and Corrective Action

The results of our audit and recommendations have been discussed with BOCES officials and their comments, which appear in Appendix A, have been considered in preparing this report. BOCES officials do not agree with our recommendations and their concerns are attached

to this report as Appendix A. Appendix B includes our comments on the BOCES response letter.

The Board has the responsibility to initiate corrective action. Pursuant to Section 35 of the General Municipal Law, and Section 170.12 of the Regulations of the Commissioner of Education, 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, with a copy forwarded to 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 Board should make the CAP available for public review in the BOCES' Administration Office.

## Administrators' Private Business Interests

The Board is responsible for developing and implementing a system of internal controls that establishes and maintains an ethical and accountable work environment. It is important for the Board and BOCES officials to take an active role in monitoring operations to provide reasonable assurance that BOCES resources are adequately safeguarded from loss, waste, and abuse. The Board has the responsibility to establish policies and oversee BOCES procedures and practices to ensure that BOCES monies are expended prudently and in the best interest of taxpayers.

The Board and BOCES officials have created a work environment where there is an inappropriate blending of employees' public responsibilities and their private business interests. We found that private work hours and public work hours cannot be distinguished. In fact, some employees' BOCES work responsibilities mirror the work they do in their private business enterprises. They provide the same services for the same school districts they serve as a BOCES employee, at times using materials in their private business that they developed as BOCES employees. In addition, we found an Assistant Superintendent, whose 2009-10 salary was \$152,527, also "contracts" with BOCES in a barter arrangement to provide additional services to BOCES and is allowed to run his private business out of the BOCES offices. This individual also provides his services to some of the same school districts through his private business enterprise that he also serves as a BOCES employee.

Taxpayer-supported entities are not a means for supporting the private interests of its officers and employees. When private and personal work hours and use of equipment cannot be distinguished, the Board and BOCES officials cannot assure the public that moneys are being spent for proper BOCES expenditures. By allowing employees to blend their private business interests and public responsibilities, the Board and BOCES have created a work environment that may provide personal gain to those employees who benefit from using the resources of a taxpayer-supported entity for their own personal enrichment. Entering into a barter arrangement with the Assistant Superintendent, even if it is legal, was a poor decision. The arrangement not only appears to provide a personal gain to the Assistant Superintendent but also places the BOCES at risk of not reporting all income for this employee, which may result in serious tax implications for BOCES and the employee.

## **Public Responsibilities and Private Work**

By providing minimal oversight, the BOCES Board and management have allowed an inappropriate blending of public responsibilities and private business activities. We identified six administrators with private business interests related to their BOCES duties. Three attorneys in the Office of Personnel Relations (OPR) have private law practices and three other administrators do consulting work for school districts and/or other BOCES. Inexplicably, four of the six administrators privately provide services to the same districts that contract with BOCES for services. In addition, BOCES administrators indicated outside work was sometimes performed during BOCES work hours, which is inappropriate.

This work environment provides the opportunity for:

- Marketing of private interests during the course of public employment
- Using the prestige or influence of the BOCES for private gain
- Using public facilities, time, equipment and supplies for private gain
- Using information gained during the course of public employment for private gain.

Working private hours during the workday makes it difficult to determine if sufficient hours are worked for BOCES. With administrators interacting with school districts for both public and private matters it would be unclear which hours during the day were public and which were private. The Board and BOCES are not providing proper stewardship of the BOCES and have allowed a work environment to be created that may provide personal gain to those employees by allowing the use of BOCES resources for their own personal enrichment.

## **Supplementing CoSers**

BOCES offers services to school districts through various CoSers, which are regulated by the New York State Education Department (SED). We found two CoSers that provided BOCES staff with the opportunity to blend their public responsibilities and private business activities.

Three attorneys in the OPR provide services to school districts under the Negotiations CoSer.<sup>1</sup> Because the OPR is limited by SED in the

---

<sup>1</sup> BOCES can provide one or more of the following shared services: negotiations with employee organizations, including related research and development, in-service education in bargaining for board members and/or administrators, contract administration, grievance administration, and information service.

services they are permitted to provide, the school districts sometimes seek additional services which generates private work for two of these attorneys. As part of their private practices the attorneys provided legal services to other school districts and BOCES and were retained as hearing officers. As a result of working with school districts in both a public and private capacity, these BOCES attorneys have the ability to gain an unfair advantage for their private business through their public responsibilities.

The three other administrators with private business interests work in departments other than the OPR. One of these administrators worked in the Office of Data, Curriculum, and Assessment, which has a CoSer to provide school districts with seven days of professional development.<sup>2</sup> This CoSer was combined with the services of the Leadership Office in the School Improvement CoSer at a flat fee to school districts. The number of service days offered was determined by BOCES and was not limited by SED. The administrator stated that her private work resulted mainly from school districts wanting more service days than the CoSer offered. Because the number of service days provided by this CoSer was under the control of the BOCES, these extra service days could have been added to and offered through the CoSer rather than being provided by the administrator through her private consulting work.

Of the remaining two administrators, one was a 10-month employee who informed us that any private work was confined to the months not employed by BOCES and the other contracted with school districts not receiving similar services from the BOCES. These situations could also permit a blending of public responsibilities and their private business activities.

By allowing administrators to perform additional services through their private businesses that often relate to the activities the administrators are providing through their employment with BOCES and working private hours that are intermingled throughout the workday, the Board and BOCES officials have created an environment that could allow for abuse. BOCES is unable to ensure sufficient hours are worked for BOCES, and outside work is appropriate and will not interfere with or duplicate BOCES-related work. Furthermore, these administrators could use their public employment to gain an unfair advantage for their private work.

### **BOCES Attorney**

BOCES has engaged the Assistant Superintendent for PR as its attorney. This engagement is unrelated to his employment duties as Assistant Superintendent for PR and he is not paid a salary for

---

<sup>2</sup> These service days could be workshop days or other types of professional development.

the legal services he provides. Instead, he has an arrangement with BOCES that allows him to use BOCES facilities to operate his private law practice and work flexible hours<sup>3</sup> in return for the legal services and reference materials<sup>4</sup> he provides. Further, BOCES has not set a salary or rate of compensation for the attorney nor has a value been set on the use of the BOCES' facilities. Essentially, this is a barter arrangement between the Assistant Superintendent for PR and the BOCES.

The lack of an established amount of compensation for the attorney makes it difficult for BOCES officials to determine whether they are receiving fair and adequate consideration in allowing the Assistant Superintendent for PR to use BOCES' facilities for his private law practice. Fundamentally allowing the use of a public facility as a private office is inappropriate. Such an arrangement allowing the Assistant Superintendent for PR to run his private business out of public space, which essentially eliminates overhead costs (e.g., rent, utilities) of his private law practice, is unacceptable because it blurs his public responsibilities with his private interests.

As part of his private law practice, the Assistant Superintendent for PR provides private legal services to school districts that contract with BOCES for services. The Assistant Superintendent for PR provides a disclosure letter to the Superintendent every few years regarding his private business interests. Although the Board has been kept informed of the situation, the disclosure letter was given only to the Superintendent and has not been documented in the Board minutes. The latest disclosure letter, dated February 5, 2010, identifies 15 school districts and BOCES where the Assistant Superintendent for PR provides continuing services and 10 school districts or BOCES where he occasionally provides legal services. He also provides legal services to individual clients or other corporate entities. Of the 15 school districts and BOCES that are provided continuing service, 11 had agreements with BOCES to receive negotiating services under the Negotiation CoSer.

Allowing a flexible schedule where private hours are worked throughout the day for the same school districts for which public hours are worked creates the potential for abuse. For example, school districts may have questions that arise during the course of BOCES work that would not normally be covered by BOCES. An individual who is also the private attorney for this school district could choose

---

<sup>3</sup> In working flexible hours the Assistant Superintendent for PR is able to set and change daily his starting and end times and work private hours throughout the day.

<sup>4</sup> There is a 1986 agreement for the legal reference materials the Assistant Superintendent for PR provides for use by BOCES.

to answer the billable question at this time during the workday. Because the services provided to this private client are related to the services provided as a public employee, the opportunity exists for the employee to include this as time worked for BOCES. This is of even greater concern when the private work is performed in the public office space. Distinguishing between public and private work hours would be extremely difficult. For the nine months we reviewed, the Assistant Superintendent for PR reported an average of 60.8 private hours<sup>5</sup> and 198 BOCES hours per month.<sup>6</sup> The amount of hours worked make for numerous long days. For example, over the nine month period, there was only one workday<sup>7</sup> when the length of his day was under 10 hours (at 9.6). With employees continually working long days and numerous private hours, BOCES needs to monitor outside business interests to ensure sufficient effective hours are worked for BOCES.

We found that there is no documentation kept by the Assistant Superintendent for PR to record the work or amount of time spent on work for BOCES as an appointed attorney. The Assistant Superintendent for PR stated that in the past he kept records of his time spent on BOCES legal work, but the records were never reviewed so he stopped. Because there is no written agreement and a lack of recordkeeping, BOCES officials have no record of the time spent by the Assistant Superintendent for PR on legal work and, therefore, are unable to adequately assess whether they are receiving fair consideration for the private use of their facilities. Additionally, there may be income tax consequences and workers compensation issues associated with the barter arrangement that the Assistant Superintendent for PR has with BOCES.

Finally, as part of the arrangement, BOCES allows the Assistant Superintendent for PR to use his own personal computer while working at BOCES. The computer is used for both BOCES work and his private practice work. It is connected to the BOCES-owned server and networked to the other BOCES-owned computers in the OPR. This Office has a server separate from all other BOCES servers. The Assistant Superintendent for PR is the network administrator while all other BOCES' information technology is administered by the Instructional Support Services Department. This limits oversight of the Office's technology, which is essential given the use of a personally-owned computer that contains private information.

Due to this arrangement with the Assistant Superintendent for PR, it is difficult to determine the true value of what is being exchanged. The Board failed in its obligation to protect public moneys by ensuring

<sup>5</sup> The amount of private hours varied from 48.45 to 70.05 a month.

<sup>6</sup> These hours do not include leave time or holiday hours.

<sup>7</sup> Weekday when not on leave/holiday

that fair and adequate consideration is received from the BOCES attorney in this barter transaction. In addition, bartering transactions can result in tax withholding and reporting responsibilities for the BOCES. We found no evidence that BOCES performed these responsibilities. The BOCES may be subject to fines or penalties for failing to properly report the bartering transaction to the taxing authorities.

### **Use of BOCES Facilities and Equipment**

In allowing administrators to perform outside business in a capacity related to their BOCES duties, BOCES is unable to ensure BOCES assets are not used for private purposes. We found that some administrators used BOCES equipment and facilities to perform their private work. Two attorneys indicated that on occasion they use their BOCES-provided computers and/or phones for their private law practice. The Assistant Superintendent for PR's secretary does work on behalf of his private law practice and informed us that this work is sometimes done at BOCES using BOCES equipment and facilities, but not on BOCES time.<sup>8</sup> Another administrator indicated that she used training materials prepared as a BOCES employee for her consulting work.

BOCES personal property may be used only for proper BOCES purposes, and not for the private purposes of BOCES officials. Allowing administrators to use BOCES facilities and equipment for their private business interests provides these administrators with an unfair advantage over other consultants desiring to provide those services.

### **Policies and Procedures**

The Board has failed in their responsibilities to monitor and oversee the outside business interests of BOCES administrators. The Board has adopted an outside consulting policy ("policy") which was last revised in 1997. The policy requires an employee who wishes to act as a paid consultant to request advance permission from the Superintendent. According to the policy, "the purpose of the request is to provide full knowledge so that any potential conflict of interest may be avoided and to document that the activity is occurring with such knowledge and assurance that no public trust is violated." Additionally, the policy states the purpose of the request is to document the activity is occurring with such knowledge. The policy further provides that the Superintendent is to determine that the activity is not in conflict with the basic mission of the organization and that public resources are not used for private gain.

---

<sup>8</sup> The secretary was paid by the attorney for the work related to the private law practice.

In establishing this policy, the Board removed itself from involvement with reviewing private business interests and instead has designated the Superintendent to approve/disapprove private business activities. The policy also does not provide for a formal approval process or means for documenting the request and approval and BOCES officials have not developed written procedures to supplement the Board-adopted policy. Consequently, BOCES management has no documentation to support the request for and approval of private work. Although the Superintendent indicated private business interests were approved, he could not provide documentation to verify what business activities were approved. Additionally, the Superintendent was unable to confirm that certain administrators had performed outside work during the audit period, which demonstrates the need to have documented, written approvals. Further, policies and procedures in place were not properly communicated to all staff. As a result, two administrators stated they did not request approval for outside work. One administrator was not aware of the policy or requirement to have approval and the other believed approval was not necessary due to his status as a 10-month employee who performed private work during the two summer months.

Without identifying and documenting the request for and approval of outside business interests, BOCES is unable to ensure activities are not performed in conflict with public responsibilities or that BOCES resources are not used for private gain. Further, the existing policy, and the interpretation of this policy by BOCES management, has permitted the current environment to exist where there is an inappropriate blending between employees' public responsibilities and their private business interests.

## **Recommendations**

1. The Board should not allow employees to engage in private work that interferes with an individual's public employment responsibilities.
2. The Board should end the barter arrangement with the Assistant Superintendent for PR which exchanges legal services for use of the BOCES as a private legal office.
3. If the Board wishes to engage the Assistant Superintendent for PR as its attorney, they should enter into a written contract setting forth the services expected and the rate of compensation to be paid.
4. BOCES officials should contact the Internal Revenue Service, the NYS Department of Tax and Finance, and/or its tax advisor to determine the tax implications of the bartering of the use of their equipment and facilities for the Assistant Superintendent for PR

serving as BOCES attorney and make any required reporting for these transactions.

5. The Board should ensure that all BOCES-owned technology is subject to management oversight.
6. The Board should ensure that BOCES personal property is used only for proper BOCES purposes.
7. The Board should review and amend the outside consulting policy and include provisions for:
  - Written procedures to request approval for outside work
  - Board approval of outside consulting work
  - A formal approval process for private business interests.

## **APPENDIX A**

### **RESPONSE FROM BOCES OFFICIALS**

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

The BOCES response letter refers to attachments that support the response letter. Because the response letter provides sufficient detail of BOCES' actions, we did not include the attachments in Appendix A.



William S. Speck  
District Superintendent of Schools

April 14, 2011

Edward V. Grant, Jr.  
Chief Examiner of Local Government and School Accountability  
Office of the State Comptroller  
The Powers Building  
16 West Main Street, Suite 522  
Rochester, NY 14614

Dear Mr. Grant:

Thank you for providing an opportunity to comment on the "Draft Report of Examination of Internal Controls Over Administrators' Private Business Interests" summarizing your recent audit of the July 1, 2008 to April 1, 2010 period. I would like to respond to a number of concerns as written in this report.

I have attached a copy of detailed responses to specific statements within the audit report and an office memo dated September 16, 2010 that outlines a leadership transition plan for the Office of Personnel and Labor Relations. Our additional comments request that the writer reconsider specific language used in the report and that an objective, as opposed to an overly accusatory tone, be substituted in the designated areas as listed. In many places the language of this audit report implies extreme negligence and lack of supervision by the Cayuga-Onondaga Board of Cooperative Education and District Superintendent. It implies that significant abuses have occurred and accuses the board of education of being highly negligent. The language at times is sensational in nature and serves no benefit except to falsely lead the reader to judgments that are unfounded and simply not true. Often times the words "possible" and "could" are used to imply that such potential abuses have occurred. The Board and District Superintendent are requesting that the writer adjust this language with an understanding that a collaborative relationship with your office is desired by the BOCES as we work together to create and implement a corrective action plan that addresses all recommendations provided within this report.

The report also implies that the BOCES Board of Education does not understand nor is aware of the established practice of how legal services are currently being provided by the Assistant Superintendent of Personnel Relations and has willingly turned a blind eye to allow abuses to occur. This is far from the truth. This long standing relationship has been discussed openly by members of the BOCES board of education and officials from the component school districts. Moreover, the auditor apparently misunderstands the role of the Assistant Superintendent. The BOCES sent the Assistant Superintendent to law school in August 1974 at his own expense with the specific intention and expectation that he would be available to provide enhanced services to the BOCES, its component school districts and other participants in the negotiations service.

1879 West Genesee Street Road ■ Auburn, New York 13021-9430  
Telephone (315) 253-0361 ■ Fax (315) 252-6493 ■ E-mail [bspeck@cayboces.org](mailto:bspeck@cayboces.org)

Disclosure of this relationship has been documented in writing for a long period of time with agreements from all parties. The District Superintendent of Schools has actively reviewed and managed the work performed.

In this regard, the expected work day of certain employees is called into question within this report. The work day of many BOCES administrators is lengthy due to the nature and responsibilities of the workload and the required 7.5 hour day must be flexible to allow services to be performed. There is no "normal" workday that can be created without crippling the delivery of services as requested. Rather, the BOCES has actively monitored the work schedule to insure that the attention to full-time status is adhered to. The Board is requesting that the auditor's office work with the BOCES Board of Education on improving safeguards and practices while maintaining a productive professional dialogue that accurately reflects the facts as documented.

The BOCES Board of Education and District Superintendent have contacted our independent auditor for further clarification specific to the existing arrangement for the BOCES to receive expert legal services. These discussions will provide information that will be used to address the requirements as outlined in the audit recommendation. The Board will begin discussion of how the BOCES will receive legal services in the future and adjust policies to fully comply with the intent and timeline of this audit report.

The report implies that employees within the Professional Development Unit have abused relationships and work hours for personal gain. The facts in this case indicate that those employees notified the District Superintendent of this personal work, a board policy was in place and used appropriately, and employees used personal vacation time to deliver requested services to the component school districts. This work was minimal in nature, requested by the school districts and conducted during unusual budgetary times when radical reductions in the PDU budget had been implemented at the request of, and in conjunction with, component school superintendents. There was no malice or manipulation by BOCES employees as was implied by the language in this report. In fact, both the prescribed work year and invitation for private work were direct requests by our component school districts. The Board is requesting that adjustments be made to reflect these facts.

The Board of Education and District Superintendent understand that improvements can always be implemented to benefit the operations and safeguards of our organization and stand ready to work in partnership with the comptroller's office to develop a corrective action plan that addresses the recommendations within this report. All seven recommendations will be implemented to meet the timeline as outlined. The Board will begin to develop an implementation strategy to end the current practice of receiving legal services from the Assistant Superintendent of Personnel Relations and will exam how legal services will be provided in the future. The Board understands that this will increase expenses to component school districts but will comply with an understanding that these procedures will safeguard against possible abuses in the future when leadership transitions occur.

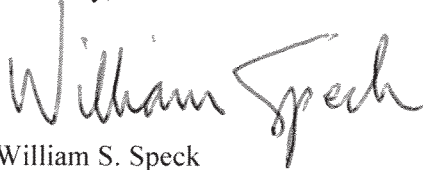
The Board is in full agreement that the current relationship with the Assistant Superintendent of Personnel Relations has been highly effective and has greatly benefited the BOCES while providing extraordinary leadership and counsel as noted by multiple New York State component school district officials and the New York State Education Department.

I would sincerely request that the writer consider amending specific language that is either inflammatory or an example of incorrect assumptions and work toward supporting the initially stated intention to assist and improve public services.

Our BOCES has always welcomed honest dialogue for the benefit of improvement but we feel many assumptions within this report would serve to discredit the comptroller's office from building sustainable and proactive relationships with the school districts that it serves.

I look forward to hearing from your office and moving forward in a collegial manner to support the development of a corrective action plan that addresses the areas of this report. I would request that I have a further opportunity to meet with you and/ or Steven Hancox before your final report is prepared. I am scheduled to be in Albany on April 25 and 26, 2011, should you and/or Mr. Hancox be available.

Sincerely,



William S. Speck  
District Superintendent of Schools

Attachments: Report of Exam with Comments  
Transition Memo of September 16, 2010

cc: Cayuga-Onondaga BOCES Board of Education

## **APPENDIX B**

### **OSC'S COMMENTS ON BOCES' RESPONSE**

The attachments that BOCES provided with its response consisted of a copy of the draft report in which BOCES officials had inserted a significant number of comments, and a memo describing BOCES' succession planning. The theme underlying many of these comments was BOCES' objection to the tone of our report. To address these concerns, we have made some adjustments to the final report.

We are gratified that BOCES officials plan to implement our seven audit recommendations, including ending the current practice of receiving legal services from the Assistant Superintendent for Personnel Relations. The risk of abuse is inherent in any circumstances that blend private interests and public responsibilities. Further, a barter arrangement that allows an individual to perform additional paid services, as a private contractor, that are indistinguishable from the services the individual performs as a BOCES employee is neither prudent nor appropriate. By taking the corrective actions that they indicate, BOCES officials will be developing appropriate safeguards against possible abuses in the future.

## APPENDIX C

### AUDIT METHODOLOGY AND STANDARDS

We examined internal controls over administrators' private business interests for the period July 1, 2008 to April 1, 2010. To accomplish our audit objective and obtain valid audit evidence, our procedures included the following:

- We interviewed appropriate BOCES personnel regarding controls in place over administrators' private business interests.
- We reviewed policies and procedures, Board minutes, agreements, and disclosures related to administrators' outside business interests.
- We distributed our standard conflict of interest forms to BOCES administrators including the Superintendent, Treasurer, all three Assistant Superintendents, all six Directors, and 11 other administrative staff to determine their private business interests for the period July 1, 2008 to April 1, 2010. We also interviewed the administrators regarding their private business interests.
- We reviewed available time sheets and leave records for the period July 1, 2009 to March 31, 2010 to determine if sufficient hours were being worked for BOCES.
- We obtained billings of the Assistant Superintendent for PR and Director of Personnel Relations from other school districts and BOCES for the period July 1, 2009 to March 31, 2010 and compared the billing hours to the private hours worked reported on their time statements submitted to BOCES.
- We interviewed appropriate BOCES personnel regarding controls over the information technology in the Office of Personnel Relations.

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.

## APPENDIX D

### HOW TO OBTAIN ADDITIONAL COPIES OF THE REPORT

To obtain copies of this report, write or visit our web page:

Office of the State Comptroller  
Public Information Office  
110 State Street, 15th Floor  
Albany, New York 12236  
(518) 474-4015  
<http://www.osc.state.ny.us/localgov/>

**APPENDIX E**  
**OFFICE OF THE STATE COMPTROLLER**  
**DIVISION OF LOCAL GOVERNMENT**  
**AND SCHOOL ACCOUNTABILITY**

Steven J. Hancox, Deputy Comptroller

**LOCAL REGIONAL OFFICE LISTING**

---

**BINGHAMTON REGIONAL OFFICE**

H. Todd Eames, Chief Examiner  
Office of the State Comptroller  
State Office Building - Suite 1702  
44 Hawley Street  
Binghamton, New York 13901-4417  
(607) 721-8306 Fax (607) 721-8313  
Email: [Muni-Binghamton@osc.state.ny.us](mailto:Muni-Binghamton@osc.state.ny.us)

Serving: Broome, Chenango, Cortland, Delaware,  
Otsego, Schoharie, Sullivan, Tioga, Tompkins counties

**BUFFALO REGIONAL OFFICE**

Robert Meller, Chief Examiner  
Office of the State Comptroller  
295 Main Street, Suite 1032  
Buffalo, New York 14203-2510  
(716) 847-3647 Fax (716) 847-3643  
Email: [Muni-Bufferalo@osc.state.ny.us](mailto:Muni-Bufferalo@osc.state.ny.us)

Serving: Allegany, Cattaraugus, Chautauqua, Erie,  
Genesee, Niagara, Orleans, Wyoming counties

**GLENS FALLS REGIONAL OFFICE**

Jeffrey P. Leonard, Chief Examiner  
Office of the State Comptroller  
One Broad Street Plaza  
Glens Falls, New York 12801-4396  
(518) 793-0057 Fax (518) 793-5797  
Email: [Muni-GlensFalls@osc.state.ny.us](mailto:Muni-GlensFalls@osc.state.ny.us)

Serving: Albany, Clinton, Essex, Franklin,  
Fulton, Hamilton, Montgomery, Rensselaer,  
Saratoga, Schenectady, Warren, Washington counties

**HAUPPAUGE REGIONAL OFFICE**

Ira McCracken, Chief Examiner  
Office of the State Comptroller  
NYS Office Building, Room 3A10  
Veterans Memorial Highway  
Hauppauge, New York 11788-5533  
(631) 952-6534 Fax (631) 952-6530  
Email: [Muni-Hauppauge@osc.state.ny.us](mailto:Muni-Hauppauge@osc.state.ny.us)

Serving: Nassau, Suffolk counties

**NEWBURGH REGIONAL OFFICE**

Christopher Ellis, Chief Examiner  
Office of the State Comptroller  
33 Airport Center Drive, Suite 103  
New Windsor, New York 12553-4725  
(845) 567-0858 Fax (845) 567-0080  
Email: [Muni-Newburgh@osc.state.ny.us](mailto:Muni-Newburgh@osc.state.ny.us)

Serving: Columbia, Dutchess, Greene, Orange,  
Putnam, Rockland, Ulster, Westchester counties

**ROCHESTER REGIONAL OFFICE**

Edward V. Grant, Jr., Chief Examiner  
Office of the State Comptroller  
The Powers Building  
16 West Main Street – Suite 522  
Rochester, New York 14614-1608  
(585) 454-2460 Fax (585) 454-3545  
Email: [Muni-Rochester@osc.state.ny.us](mailto:Muni-Rochester@osc.state.ny.us)

Serving: Cayuga, Chemung, Livingston, Monroe,  
Ontario, Schuyler, Seneca, Steuben, Wayne, Yates counties

**SYRACUSE REGIONAL OFFICE**

Rebecca Wilcox, Chief Examiner  
Office of the State Comptroller  
State Office Building, Room 409  
333 E. Washington Street  
Syracuse, New York 13202-1428  
(315) 428-4192 Fax (315) 426-2119  
Email: [Muni-Syracuse@osc.state.ny.us](mailto:Muni-Syracuse@osc.state.ny.us)

Serving: Herkimer, Jefferson, Lewis, Madison,  
Oneida, Onondaga, Oswego, St. Lawrence counties

**STATEWIDE AND REGIONAL PROJECTS**

Ann C. Singer, Chief Examiner  
State Office Building - Suite 1702  
44 Hawley Street  
Binghamton, New York 13901-4417  
(607) 721-8306 Fax (607) 721-8313