

Board of Directors and Management  
KIPP New York Charter Schools  
New York, New York

In planning and performing our audits of the financial statements of KIPP Academy Charter School and KIPP NYC Public Charter Schools (KIPP New York Charter Schools) as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered the entity's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of one matter that is an opportunity for strengthening internal control and operating efficiency. Our comments and suggestions regarding this matters are summarized below. This letter does not affect our communication dated October 26, 2017.

***Current Year Comment:***

**Credit Cards**

During our testing of credit cards, we noted some of the purchases were not accompanied with a supporting receipt or invoice. We recommend that the School review the current process to ensure that receipts for all credit card purchases have been submitted by cardholders and that the expenditures are for appropriate business purposes.

**Management's response:**

Our current policy states that all credit card users are required to provide appropriate documentation for all purchases made with their card. In the event that a card user loses a receipt they may submit a letter detailing the details and purpose of the purchase for approval by the CFO. As a large and complex organization we recognize the need to have tighter financial controls. We are currently in the process of revising our purchasing policy to better reflect industry best practices.

***Prior Year Comment:***

**Employee Personnel File Documentation (KIPP Academy and KIPP NYC Public Charter Schools)**

During our review of employee personnel files, it was observed that some of the employees' I-9 forms and verification documents were missing (I-9s – 1 missing for Academy and 2 missing for Public Charter School. Verification documents - 2 missing for Infinity and 1 missing for Public Charter School). In addition, there was 1 fingerprint form missing for Infinity. These are required forms to verify employment for the school employees and working with students. We recommend that the School ensure the required forms and documents are provided at the time of employment.

*Current year update:*

During our review, there was one employee from Academy missing an I-9. CLA will continue to recommend that the School ensure the required forms and documents are provided at the time of employment.

**Management's response:**

We will continue to work on improving our review and storage process of personnel files to ensure all required documentation is completed and properly stored.

**Management's responses**

Management's written response to the recommendations identified in our audit was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

\* \* \* \* \*

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, board of directors, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 26, 2017