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CERTIFIED PUBLIC ACCOUNTANTS

VINCENT D. CULLEN, CPA
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JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMANN, CPA
CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

September 21, 2015

To the Board of Education and Management
Jericho Union Free School District
Jericho, New York

Dear Members of the Board and Management:

In planning and performing our audit of the financial statements of the Jericho Union Free School District (District) as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

During our audit, we recommended to management matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those recommendations. This letter does not affect our report dated September 21, 2015 on the financial statements of the Jericho Union Free School District.

have already discussed these comments and suggestions with various District 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 the Board of Education, Audit Committee, management, others you deem appropriate within the District, and any governmental authorities you need to share this information with. It is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Cullen & Danowski, LLP
Cullen & Danowski, LLP

STATUS OF PRIOR YEAR'S COMMENTS

Bank Wire Transfers Notification

Safeguarding bank wire transfers is very important because these transactions usually become effective within a very short period of time after they are executed. In recent years, there have been incidents where other local governments were victims of wire transfers fraud committed by hackers who were able to bypass security measures using computer virus and malware programs to steal login and password information.

The District has proper bank wire transfers procedures and segregation of duties in place. The District uses a wire transfer authorization form to document pre-approvals of wire transfers by the Assistant Superintendent for Business Affairs; the individual who sets up wire transfers online cannot release the transfers - only the Assistant Superintendent for Business Affairs or the Assistant Superintendent for Personnel as Deputy Treasurer can release wire transfers; transfers confirmations are printed and retained for record when the wire transfers are completed. In addition, a dedicated computer not connected to the District's network is used exclusively for wire transfers to help minimize potential risks.

We noted last year that the banks did not send independent e-mail notifications to the Assistant Superintendent for Business Affairs after wire transfers have occurred.

Current status: The District contacted its banks to request instant e-mail notifications to the Assistant Superintendent for Business Affairs. One of the banks was able to accommodate, while the other banks responded that they are unable to send such e-mail notifications. We consider this comment closed.

Extraclassroom Activity Funds

Extraclassroom activity funds are the depository of student money. The New York State Education Department has published guidelines for the safeguarding, accounting and auditing of extraclassroom activity funds. The District has also adopted internal procedures regarding the extraclassroom activities; the District frequently communicates these procedures to faculty advisors involved in the extraclassroom activities.

Last year, we noted that some profit and loss statements for fundraisers held during the year were prepared by the clubs' faculty advisors and given to the Central Treasurer at the end of the year.

Current status: We noted this year that profit and loss statements were submitted to the Central Treasurer timely.

CURRENT YEAR'S COMMENTS

We do not have new recommendations this year.
