

CALEDONIA - MUMFORD CENTRAL SCHOOL DISTRICT

NEW YORK

***COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT***

For Year Ended June 30, 2019

MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

September 17, 2019

To the Board of Education
Caledonia-Mumford Central School District, New York

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caledonia-Mumford Central School District, New York as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Caledonia-Mumford Central School District, New York'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 opinions 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

Prior Year Deficiencies Pending Corrective Action:

School Lunch Procedures –

During the course of our examination we noted that adults are occasionally allowed to charge meals from the school lunch operations, although this practice is specifically prohibited in the District policy.

Procurement –

During the course of our examination we noted that the Business Administrator adds/deletes vendors to/from the system, is the Purchasing Agent and prints accounts payable checks.

We commend the District for having the Superintendent review vendor change reports, however, we recommend this situation continue to be reviewed to further enhance internal accounting controls.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Continuing Education –

The continuing education coordinator is responsible for creating the class roster, noting who has paid, receiving checks, and depositing checks.

We recommend this item be reviewed and the appropriate corrective action be implemented during this next fiscal year.

Payroll –

During our examination of payroll, we noted four instances where the state or federal tax withholding forms were not available for our review. In addition, we noted four instances where the state or federal withholding form on file, did not agree with the system.

We recommend these items be reviewed in order to implement the appropriate corrective action.

Current Year Deficiencies in Internal Control:

Payroll Supervision –

We noted multiple instances among one payroll in which timesheets were not reviewed and signed by the supervisor.

We were informed that the Supervisor was not available at the time the payroll was paid, however, procedures should be implemented, for these instances, where the Supervisor reviews and signs the timesheets after the fact.

Procurement Policy –

The District's procurement policy requires three written quotes for purchases over \$3,000 that are not required to be competitively bid. During the course of our examination, we noted the District purchased a smartboard for \$12,079 without obtaining the required number of written quotations and was unable to provide documentation to support the purchase was made through a sole source vendor.

Other Items:

The following items are not considered to be deficiencies in internal control, however, we consider them other items which we would like to communicate to you as follows.

Cyber Risk Management –

The AICPA Center for Audit Quality recently issued a cyber security risk management document discussing cyber threats that face both public and private entities. The District's IT personnel routinely assess cyber risk as part of their normal operating procedures. We recommend the District continue to document their cyber risk assessment process in writing, which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.

(Other Items) (Continued)

Federal Programs –

As a result of recent federal program changes, the District documents various Federal Program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is more detailed and specific to each federal program compliance requirements.

We recommend the Business Office work with the Program Coordinators to enhance their correct procedures into a procedure manual that is consistent with the federal compliance requirements for their respective program.

Prior Year Recommendation:

We are pleased to report the following prior year recommendation has been implemented to our satisfaction:

1. All continuing education receipts examined appeared to be deposited in a timely manner.

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

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We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.



Rochester, New York
September 17, 2019