

CALEDONIA - MUMFORD CENTRAL SCHOOL DISTRICT

NEW YORK

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

For Year Ended June 30, 2020

MENGEL METZGER BARR & CO. LLP

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

September 14, 2020

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, 2020, 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 –

We noted that the District has implemented a process to ensure that all new hires, and any employees with changes to withholding status have proper forms on file. However, the District has not retroactively reviewed the withholding status of all employees to ensure there are forms on file to support the current tax withholding status.

We recommend this item be reviewed and determine the appropriate corrective action.

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.

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.

(Other Items) (Continued)

GASB Statement No. 84 –

During this next fiscal year the District will be required to implement GASB Statement No. 84 which will modify the financial reporting for the Agency Funds.

This will require a review of the various accounts currently reported in the Agency Funds along with the extraclassroom activity policy and procedures in order to determine where to report the District's extraclassroom activity funds, scholarships, and other Agency activity.

Prior Year Recommendations:

We are pleased to report the following prior year recommendations have been implemented to our satisfaction:

1. All timesheets examined were reviewed and signed by the supervisor.
2. All purchases examined over the districts quoting threshold obtained the required number of quotations or were competitively bid.

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 14, 2020

Mengel, Metzger, Barw & Co. LLP