

CALEDONIA - MUMFORD CENTRAL SCHOOL DISTRICT

NEW YORK

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

For Year Ended June 30, 2021

FINAL DRAFT

September 24, 2021

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, 2021, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 24, 2021 on the financial statements of the District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Prior Year Deficiency 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's policy.

Current Year Deficiency in Internal Control:

Bidding Procedures –

As part of our examination we reviewed various transactions involving multiple purchases from vendors. We noted one instance which appears to be over the bid threshold and did not appear to be competitively bid.

We recommend a continued effort to be made to insure all items requiring competitive bidding comply with Sections 103 and 104(b) of the General Municipal Law.

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's compliance requirements.

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

GASB Statement No. 87 Leases –

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87 which will be effective during the 2021-22 fiscal year. As a result the District will be required to gather certain information relating to those items considered to be leases in order to prepare the lease payable and right to use asset calculations.

Prior Year Recommendations:

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

1. The Continuing Education Program now has an independent person involved in reconciling money collected to the class roster.
2. All withholding statuses examined were properly supported by tax forms in employee files.
3. The District has implemented mitigating controls over monitoring the procurement and check issuance process.

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.

*

*

*

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 24, 2021

FINAL DRAFT