



Manchester-Shortsville Central School District

“Red Jacket Schools”

1506 Route 21, Shortsville, NY 14548-9502
Phone (585) 289-3964 • Fax (585) 289-6660
Web Page: www.redjacket.org

Timothy Burns, Business Administrator

E-mail: Timothy.Burns@redjacket.org

October 14, 2020

To the Board of Education

The annual, independent audit report prepared for the Board of Education by Raymond Wager, CPA, and the management letter was provided to the Board of Education for study. The audit contains statements for the year ending June 30, 2020. The report is a positive one. The recommendations have been addressed as follows:

Prior Year Deficiencies Pending Corrective Action:

Liability Reserve –

The liability reserve ended the year with a balance totaling \$534,947

We recommend the District continue to review this reserve fund to determine whether the District is in compliance with Section 1709 [8-c] of the Education Law. If necessary, the Board should consider transferring any excess funds to other reserves.

Corrective Action: Although our current coverage for cyber security is \$250,000, we still have significant exposure. Mandated credit monitoring costs alone, currently run around \$175 per name annually. The District will analyze the amount of funds needed to adequately but not overfund this reserve.

Current Year Deficiency

Procurement Procedure –

During our examination of cash disbursements, we noted the district did not obtain the required number of written quotes for the purchase of appliances.

We recommend every effort be made to obtain the required number of written quotes as outlined in the District’s procurement policy.

Corrective Action: The District acknowledges that we did not receive multiple physical quotes for appliances purchased for the capital project. But the District did do its due diligence to assure that the purchase of the ADA refrigerators was of good value prior to purchasing and will continue to reach out to obtain the required number of written quotes.

Mission

We will challenge all learners and work in partnership with students, parents and community to achieve high standards.

Other Item:

The following item is not considered to be a deficiency in internal control; however, we consider it an other item 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 assesses 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.

Corrective Action: The District in conjunction with our insurance broker have done a security audit which allowed us to add more security controls to our process and qualify for Cyber Suite Coverage enhanced coverage compared to our previous Cyber Liability coverage.

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.

Correction Action: The District will continue to work on a written procedure manual that is more detailed and specific to each federal program compliance requirements

Mission

We will challenge all learners and work in partnership with students, parents and community to achieve high standards.

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.

Correction Action: The District will work with the auditors to assure all agency funds are reported in compliance with GASB 84.

Mission

We will challenge all learners and work in partnership with students, parents and community to achieve high standards.