

To: Audit Committee
Date: December 16, 2024
Re: Wheatland-Chili Central School District

Extraclassroom Corrective Action Plan – 2023-24 262001

District Response to External Auditors' Internal Control Related Matters issued by Raymond F. Wager, CPA, P.C.:

Prior Year Deficiencies Pending Corrective Action:

N/A

Current Year Deficiencies in Internal Control:

Profit and Loss-

1. Audit Recommendation:

During our examination we noted one instance in the HS Class of 2024, and one instance in the HS Drama Club where the profit and loss statement was missing the student treasurer signature. In addition, we noted one instance in the HS Class of 2026 where the profit and loss statement did not trace to the general ledger.

We recommend a profit and loss statement be prepared by the student Treasurer together with the Faculty Advisor after each fund-raiser. In addition, we recommend the items appearing on the profit and loss statements be traceable to the general ledger maintained by the Central Treasurer.

2. Implementation Plan of Action(s):

Moving forward the Central Treasurer will discuss with the Advisors that all forms that say Student Treasurer signature on them need to be completed and signed off on by the Student Treasurer, which includes the profit and loss statement. The Central Treasurer will work with the HS Class of 2026 advisor to be sure their profit and loss statement(s) for the 2024-25 school year are in balance.

3. Implementation Date:

The implementation will occur for the duration of the 2024-25 school year.

4. Person Responsible for Implementation:

The Central Treasurer and Advisors are responsible for the implementation.

Student Participation-

1. Audit Recommendation:

During our examination we noted that the Student Treasurer for the HS Drama Club was not involved in maintaining a separate set of financial records.

We recommend the Student Treasurer together with the Faculty Advisor maintain a separate set of books to be reconciled with those maintained by the Central Treasurer on a monthly basis.

2. Implementation Plan of Action(s):

The District Treasurer hosted a training course last year for advisors which explained that the whole purpose of a club is for student involvement, so students can learn how to run a business. Students should be involved in every aspect of the club. This involves budgeting, collection, and distribution of funds. The Advisor will be sure to sit with the Student Treasurer and assist them with maintaining accurate financial records.

3. Implementation Date:

The implementation will occur for the duration of the 2024-25 school year.

4. Person Responsible for Implementation:

The Central Treasurer and Advisors are responsible for the implementation.

Receipts-

1. Audit Recommendation:

Our examination revealed one instance where the HS International Club took cash receipts from a fundraiser to pay the vendor directly.

In an effort to safeguard cash and maintain accountability, all cash receipts should be deposited intact and all purchases should be made by check.

2. Implementation Plan of Action(s):

The District Treasurer spoke with the current advisor for the HS International Club and explained that the Lions club may help collect the money at the door, but then should invoice the club for the full amount instead of just a portion of the cost. A check will then be issued based on an invoice for the full amount.

3. Implementation Date:

The implementation will occur for the duration of the 2024-25 school year.

4. Person Responsible for Implementation:

The Central Treasurer and Advisors are responsible for the implementation going forward.

Other Item:

The following item is not considered to be a deficiency in internal control; however, we consider it another item which we would like to communicate to you as follows:

Inactive Clubs-

1. Audit Recommendation:

As indicated on the statement of cash receipts and disbursements, MS Junior Honor Society, HS Leadership Asset Training, HS FBLA Club, HS Class of 2021, and HS Varsity Club all were financially inactive during the 2023-24 fiscal year.

We recommend the status of these clubs be reviewed. If no future financial transactions are anticipated, they should be closed in accordance with the Board of Education policy.

2. Implementation Plan of Action(s):

We have reviewed the clubs above. MS Junior Honor Society and HS FBLA Club intend to have financial transactions in the 2024-25 year. Leadership Asset Training does not intend to have any transactions, therefore their balance will be transferred to the Student Council. The Class of 2021 has a plan in place to spend their money on a garden bench once the construction is completed at the High School. The HS Varsity Club had remaining funds in the club which belong to the Cheer program. The Central Treasurer & District Treasurer are working with the Cheer Advisor to use those funds up in the 2024-25 school year. The remaining clubs we will continue to monitor; if the Advisors don't intend to have financial transactions, we will transfer the funds to Student Council.

3. Implementation Date:

We will monitor the clubs throughout the 2024-25 school year for activity and make a determination for the course of action at the end of the year.

4. Person responsible for Implementation:

The Central Treasurer is responsible for this implementation.

Prior –Year Recommendations:

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

1. We noted that TJ Connor Bookstore is completing reconciliations of items sold to cash collected.
2. We noted that the HS Varsity Club was financially inactive in the current year.
3. During the current year the drama club appeared to include all receipts and expenses on their profit and loss statement.