

*LYNDONVILLE 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

October 11, 2019

To the Board of Education  
Lyndonville 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 Lyndonville 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 Lyndonville 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:**

### **Banking Procedures –**

Our examination revealed that the District does not have a dedicated computer terminal to be used exclusively for online banking transactions.

In order to enhance the controls over wire transfers and online banking, we recommend the District consider utilization of a dedicated computer terminal to be used exclusively for online banking transactions.

**(Prior year Deficiencies Pending Corrective Action) (Continued)**

**Purchase Orders** –

Our examination of disbursements revealed four instances where there was no purchase order when one appeared necessary.

We recommend purchases be supported by a properly approved purchase order in accordance with the District's purchasing policies and procedures.

**Current Year Deficiencies in Internal Control:**

**Purchasing** –

During our examination of cash disbursements we were informed that the threshold for vendor quotes used in the purchasing process exceeds the amount specified in the regulation.

We recommend the Administration review its policies and procedures over the purchasing process and consider updating its regulation to match the current process.

**Receipts** –

During the course of our examination, we noted one instance in which a ticket reconciliation for admission to a musical event was not available for review.

We recommend all ticket reconciliations be prepared for admissions which reconcile the number of tickets sold for the event to actual cash received.

**Payroll** –

Our examination revealed that the AVID tutor rate was not approved by the Board of Education.

We recommend all pay rates be Board approved before payment is made.

**Self-Assessment**–

The District has documented written procedures over its financial cycle, however, the District is not required to have an internal audit and has not performed an assessment of those procedures for several years.

We recommend management review its procedures and update them for any changes or current risks. In addition, management should consider developing written procedures for other significant areas such as budgeting, purchasing, human resources, retiree health billing, STAC, and Medicaid.

**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 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.

**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 requirement.

**Prior Year Recommendations:**

The following prior year recommendations have been implemented to our satisfaction.

1. Disbursements included a formal approval prior to being processed for payment.
2. EFH 670 reports were reviewed for proper reporting of costs.

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  
October 11, 2019