COUGAR PRIDE

NORTH ROSE - WOLCOTT CENTRAL SCHOOL DISTRICT

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Robert Magin
School Business Administrator

Stephan Vigliotti
Superintendent

Melanie Stevenson
Director of Curriculum & Instruction

TO: Audit Committee

DATE: 10/27/15

FROM: Robert Magin, School Business Administrator RBM

RE: External Audit for the Year Ending June 30, 2015

The annual, independent audit report prepared for the Board of Education by Raymond Wager, CPA, and the management letter was provided to the Audit Committee for study. The audit contains statements for the year ending June 30, 2015. The report is a positive one. The recommendations have been addressed as follows:

Current Year Deficiencies in Internal Control:

Procurement Procedures-

During our review of the procurement procedures, we noted the following:

1. The District has updated the purchasing policy to reflect recent increases in the thresholds for public bid requirements, however, the requisition forms used by the District have not been updated to reflect these changes.

2. We were unable to locate a current service contract for the District's third party administrator for the FSA/HRA plans. Additionally, the rate contained in the old contract that we were provided with did not agree with the current rate being charged.

We recommend these items be reviewed, and the necessary corrective action be taken in the next fiscal year.

CAP:
The School Business Administrator will investigate and determine if the District uses a requisition form containing discrepancies with the purchasing policy. If a revision is needed, it will be implemented by December 31, 2015.

The District is currently working with a third party to conduct an RFP for administering FSA/HRA plans. A new contract will be in place with the beginning of the new plan year (January 1, 2016)

School Lunch Fund-

As indicated in the financial statements the School Lunch Fund had an operating loss totaling $20,440 as of June 30, 2015. We recommend the District continue to monitor the school lunch operation to ensure financial stability in the future.

CAP:
The District continues to monitor the school lunch operation for efficiencies. Beginning with 2015-2016 school year, shared BOCES services have been incorporated for reduction in costs and increased revenues in future years.

Prior Year Deficiency Pending Corrective Action:

Segregation of Duties –

Our review of Business Office procedures revealed that the individual responsible for the general ledger function also, posts journal entries, prepares bills, prepares deposits, and performs the accounts receivable function.

The District has developed various mitigating controls over the Treasurer's position, however, we recommend the District continue to review this area to determine if there are additional controls which can be developed to further enhance the internal controls over the Treasurer's position.

CAP:
The District will continue to review this area to determine if there are additional controls which can be developed to further enhance the internal controls over the Treasurer's position. In the past year we have moved the duty of completing the monthly bank reconciliations from the Treasurer to the Deputy Treasurer.