

***SKANEATELES 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

September 20, 2019

To the Board of Education  
Skaneateles 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 Skaneateles 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 Skaneateles 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:**

### **School Lunch Fund** –

We commend the District for eliminating their operating loss. However, this included a \$104,085 transfer from the General Fund. Without this subsidy, the program would have had an operating loss totaling \$104,085. As a result, the fund had a deficit totaling \$10,492.

We recommend the District continue to closely monitor the School Lunch program and evaluate cost containment and revenue enhancement measures to assist in maintaining the financial integrity of the program.

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

**Policies and Procedures –**

The District should consider updating their procurement policy to address the specific number of quotes that should be obtained prior to making purchases under \$20,000. In addition, we noted the District is using a “Quick Pay” feature instead of issuing purchase orders, which is inconsistent with District policy.

We recommend the District continue to enhance and update their policies in accordance with recent changes in General Municipal Law. In addition, if the policies are updated all administrative regulations relating to written or verbal quotes should be revised.

**Current Year Deficiency in Internal Control:**

**Capital Projects –**

Over the past few years the District has completed various stages of a significant capital project. As a result, the District should consider completing a District wide appraisal to ensure their capital asset depreciation schedules are updated and completed projects are removed from work in progress and depreciated.

**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.

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

**Prior Year Recommendations:**

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

1. The District has implemented procedures to segregate the catering billing and collection process.
2. All requested ERS verification letters and federal and state withholding forms were available for review.
3. The District approved the maximum deposits that can be maintained by the banks this past fiscal year.

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  
September 20, 2019

