

***DRYDEN CENTRAL SCHOOL DISTRICT***

***NEW YORK***

***COMMUNICATING INTERNAL CONTROL  
RELATED MATTERS IDENTIFIED IN AN AUDIT***

***For Year Ended June 30, 2022***



**MENGEL METZGER BARR & CO. LLP**

Certified Public Accountants

November 2, 2022

To the Board of Education  
Dryden Central School District, New York

In planning and performing our audit of the financial statements of Dryden Central School District as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Dryden Central School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Dryden Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Dryden Central School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated November 2, 2022 on the financial statements of the District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

**Prior Year Deficiencies Pending Corrective Action:**

**Annual Reporting –**

Due to delays in accumulating the final information needed to complete the audit, our audit report was issued after the due date. Additionally, we noted that the District's Transparency reporting was not filed timely which resulted in a delay in New York State paying aid owed to the District.

We recommend the Administration review the cause of this delay and make every effort to ensure that future reports are received in a timely manner, in order to meet State reporting deadlines.

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

### **School Lunch Fund –**

1. During our review of school lunch procedures, we noted that District did not retain daily tally sheets used to prepare monthly summaries when submitting the meal claims for reimbursement.

We recommend daily tally sheets be prepared and retained to ensure agreement with the monthly summary and claims submitted for reimbursement.

2. Federal Regulation #7CFR Part 210.09 recommends the School Lunch Fund balance not exceed three months average of expenditures. The fund balance in the School Lunch Fund at June 30, 2022 exceeded this maximum by \$316,704.

We recommend the District continue to monitor the School Lunch Fund balance in an effort to comply with the Federal Regulation.

### **Online Banking –**

We noted there is currently no separate computer designated solely for online banking transactions.

In effort to help protect the District from cyber threats, the Comptroller's office recommends the use of a separate computer for online banking transactions.

## **Current Year Deficiencies in Internal Control:**

### **Year End Audit Adjustments –**

Our audit procedures disclosed the need for several year end audit adjustments which affected the receivables, liabilities, and corresponding fund balance. There were also significant entries required to be provided by the District in order to move grant funded expenditures out of the general fund and into the special aid fund. Additionally, the Board resolutions for year end reserve funding were not approved by the Board until September of 2022 and did not indicate maximum amounts that could be funded to each reserve.

We recommend every effort be made during the year end closing process to include the appropriate adjustments to the year end balances prior to the commencement of audit field work. In addition, we recommend grant expenditures be classified in the special aid fund in a more timely manner in an effort to improve monitoring of grant status, and to enhance the effectiveness of fund balance projections in the general fund. We also recommend the Board of Education specify maximum amounts that can be funded into each reserve prior to year end.

### **Disbursements –**

While examining cash disbursements we noted that purchases related to the Dryden Family Meal Connections Program exceeded the District's quoting thresholds, but do not appear to have been quoted or purchased from District awarded vendors selling similar type items.

We recommend the District review the program and determine if the District has the appropriate level of involvement and oversight to enforce adopted District policies.

## **(Current Year Deficiencies in Internal Control) (Continued)**

### **User Access Rights –**

We noted individuals who still have access rights within the computerized accounting system, however, they are no longer employed by the District.

We recommend the District implement a procedure to ensure that access to the accounting system is removed when individuals leave the employment of the District. In addition, all access rights should be periodically reviewed to determine if changes are necessary.

### **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. The District should 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 programs compliance requirements.

### **Self-Assessment –**

Auditing standards have always required management to maintain an understanding of their internal controls. As a result, management is required to complete and document a written self-assessment of their internal controls.

To aid in the documentation of management's understanding of their internal controls, The District should document in writing the process and procedures performed on a daily basis for the various Business Office functions (payroll, cash receipts, cash disbursements, bank reconciliations and monthly closing).

**Prior Year Recommendations:**

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

1. The District's year end unassigned fund balance in the general fund was within the 4% maximum allowed by Section 1318(a) of the Real Property Tax Law.
2. We noted significant improvement in the issuance of purchase orders prior to purchases being made.

\*

\*

\*

We believe that the implementation of these recommendations will provide Dryden Central School District with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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.

We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.

*Mengel, Metzger, Barw & Co. LLP*

Rochester, New York  
November 2, 2022