

**BALDWINSVILLE CENTRAL SCHOOL DISTRICT**

**NEW YORK**

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

**For Year Ended June 30, 2016**

**Raymond F. Wager, CPA, P.C.**  
Certified Public Accountants

**Shareholders:**

**Raymond F. Wager, CPA**  
**Thomas J. Lauffer, CPA**  
**Thomas C. Zuber, CPA**

Members of  
American Institute of  
Certified Public Accountants  
and  
New York State Society of  
Certified Public Accountants

September 16, 2016

To the Board of Education  
Baldwinsville 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 Baldwinsville Central School District, New York as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the Baldwinsville 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:**

**Billing** –

We noted that the billing and collection process for private school student tuition is prepared by the same individual.

We recommend the District continue to review this process in an effort to improve controls over billing and collection.

**Confirming Orders** –

We noted six instances where a selected purchase order appeared to have been created after the vendor invoice had been received.

We recommend the District review these items and insure that confirming orders should only be used for those purchases considered emergency in nature.

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

**Segregation of Duties –**

Our examination revealed that the Treasurer is also the System Administrator for the accounting software.

In order to enhance segregation of duties over computer controls we recommend that someone independent of accounting duties be appointed the System Administrator.

**Claims Auditor –**

The current Claims Auditor procedures do not include verifying that required approval was obtained for change orders.

We recommend the claims auditor procedures include compliance with change order approvals.

**Current Year Deficiencies in Internal Control:**

**Payroll –**

We noted the following during the course of our payroll examination:

1. Thirteen instances where a selected employee's withholding form was unavailable for examination.
2. Four instances where a selected employee's withholding form did not appear to agree with the withholdings on the payroll system.
3. Three instances where a selected payroll register did not appear to have been certified.

**Accounting System Access Rights –**

It appears the payroll clerk has access within the accounting system to post disbursements and adjust employee pay rates.

We recommend employee access rights to the accounting system be subject to an independent review on a periodic basis to ensure they are appropriate.

**Other Item:**

The following item is not considered to be deficiency in internal control, however, we consider it an other item which we would like to communicate to you as follows.

**School Lunch Fund –**

As indicated in the financial statements, the school lunch fund had an operating loss of \$87,766 at June 30, 2016. Additionally, the fund was not charged its share of workers' compensation expenditures which would have increased the operating loss. Therefore, we recommend the Administration continue to monitor school lunch operations to improve the overall financial stability of the program.

**Prior Year Recommendations:**

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

1. The District created a disaster recovery plan, during the 2015-16 fiscal year.
2. The specific amounts to be appropriated from reserves were listed within the budget proposal document presented during a public Board meeting.

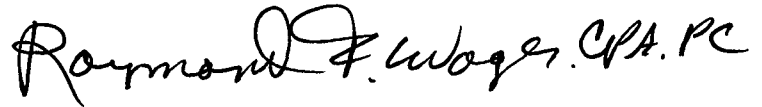
This communication is intended solely for the information and use of management, the Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

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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.



September 16, 2016