



MEDINA CENTRAL SCHOOL DISTRICT

BUSINESS OFFICE

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Marc P. Graff
Director of Finance and
Human Resources

October 12, 2018

Raymond F. Wager, CPA, P.C.
100 Chestnut Street, Suite 1200
Rochester, NY 14604

RE: Corrective Action for 2017-18 Yearend Audit

Computer Controls:

During our examination of the District's computer controls, we noted that the Business Administrator has System Administrator rights and appears to have full access rights to the accounting system, including payroll. In addition, we identified a former employee who still has access to the District's computer system. We recommend the employee's access be discontinued.

District Response: After conversation with our auditors, the District will develop a process for tracking changes in the accounting system.

Tax Certiorari Reserve:

According to Education Law Section 3651 [l funds that are not expended for the payment of judgements and claims arising out of tax certiorari proceedings for the tax roll in the year the moneys are deposited to the fund and/or that will not be "reasonably required to pay any such judgments or claim, must be returned to the general fund on or before the first day of the fourth year following the deposit of such moneys to the reserve fund." We recommend the Administration review this reserve to determine the appropriateness of the year-end balance.

District Response: The District used \$600,000 of the tax certiorari reserve as part of the 2018-19 budget.

Disaster Recovery Plan:

Through inquiry, we noted that the District's server is located in the basement of a school which has exposure to flooding.

District Response: As noted previously, the server will be moved to the second floor of our Oak Orchard Elementary building during 2018-19 as part of our ongoing capital project.

Salary Notices:

We noted two instances where a selected salary notice was unavailable for our examination.

District Response: The District will continue to make every effort to ensure all employees return yearly salary notices.

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Disbursements:

We recommend that purchase orders be used for all purchases, and that confirming orders be used in line with the District's policies. During our testing of cash disbursements, we noted two instances where a purchase order was not used and three instances in which confirming orders were used. We recommend the District make a continued effort to strengthen internal accounting controls over cash disbursements by continuing to support expenditures with properly approved purchase orders and the use of confirming orders be limited.

District Response: The District notes this finding and will continue to work with building administration, department heads and the claims auditor to ensure that purchase orders are used as required.

Bidding/Quoting:

As part of our examination, we reviewed various transactions involving multiple purchases from vendors. We noted three instances which appear to be over the quote threshold and no written quotes were obtained. We recommend a continued effort be made to obtain and document quotes as required by the District's purchasing policy.

District Response: The District will work with our accounts payable clerk and claims auditor to review vendor purchases which may be over the quote threshold and gather the necessary paperwork to meet our purchasing policy.

Special Aid Fund — Universal Pre-K:

Our review of the state grant revenues and expenses revealed that the Universal Pre-K expense recorded exceeded the approved budget by approximately \$8,600. We recommend the District review this item and implement the appropriate corrective action in the next fiscal year.

District Response: After conversation with our auditor, any UPK expenses that exceed our grant entitlement will be recorded in the general fund.

Sincerely,



Marc P. Graff
Director of Finance

CC: Mark B. Kruzynski, Superintendent
Medina Board of Education