

BRIGHTON CENTRAL SCHOOL DISTRICT

NEW YORK

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

For Year Ended June 30, 2018

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

RAYMOND F. WAGER, CPA, P.C.
Certified Public Accountants

September 20, 2018

To the Board of Education
Brighton 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 Brighton Central School District, New York as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Brighton 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:

Prepayment of Payroll –

Our examination of payroll revealed that the first payroll for the 2017-18 fiscal year was dated July 7, 2017. The timing of this payroll resulted in some individuals being paid in advance of services being rendered.

Self Funded Major Medical and Dental –

The District self insures for major medical and dental coverage for its employees. To accomplish this, the District uses a third party administrator who processes claims and estimates liabilities. As of year end, the District has accrued in the General Fund an amount to cover any incurred but not reported claims (IBNR's). However, the amount recorded appears to be in excess of the amounts that would be needed to pay IBNR claims.

We recommend the District together with the third party administrator evaluate the balances accrued for these two items and make any adjustments deemed necessary.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Deficit Fund Balance –

The Community Education program recorded in the Special Aid fund had an operating deficit of \$11,549 this year, which increased the overall program deficit to \$16,334.

We recommend the District continue to monitor the Community Education program in order to eliminate the program deficit.

Other Item:

The following item is not considered to be a deficiency in internal control; however, we consider it an other item 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.

Prior Year Recommendations:

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

1. Journal entries are being reviewed and authorized in a timely manner.
2. The District is in the process of updating their purchasing policy for consistency with purchasing regulations and procedures.
3. The District has made significant improvements in tracking and reconciling the local grants.

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.

Raymond F. Wager, CPA, PC

Rochester, New York
September 20, 2018