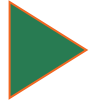


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Control Cycle Audit of Electronic Payments and Transfers

for the 2021-22 Cycle



BRIGHTON CENTRAL SCHOOL DISTRICT

**Brighton Central School District
2035 Monroe Avenue
Brighton, NY 14618**

August 31, 2022



To the Audit Committee
Brighton Central School District
Brighton, NY

We have performed a review of the internal controls of the Electronic Payment processes. We obtained an understanding of these internal controls by inquiry, observation and the inspection of documents and records. Our review included: tests on claims/invoices, related purchases orders; bank reconciliations; and the policies and procedures applicable to these functions.

This consulting engagement was conducted in accordance with Statements on Standards for Consulting Services as issued by the American Institute of Certified Public Accountants Management Consulting Services Executive Committee. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described either for the purpose for which this report has been requested or for any other purpose.

Our procedures consisted of a review of financial reports and documentation as well as interviews with pertinent District personnel. We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. It should be noted that the comments herein may be critical by nature and do not include the many strengths inherent within the District.

This report is intended solely for the information and use of the Brighton Central School District and is not intended to be, and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Rochester, New York

BACKGROUND:

The Brighton Central School District (District) is located in Monroe County and has a total enrollment of approximately 3,500 students. During the period under review (July 1, 2021 – May 31, 2022), we examined the procedures and related internal controls for processing electronic payments and/or transfers through the District’s various funds.

OBJECTIVE:

The objective of our audit was to evaluate the internal controls over electronic payments and transfers processes at the Brighton Central School District.

AUDIT SCOPE, PROCEDURES AND FINDINGS:

Using our risk assessment report dated April 22, 2022, and other criteria, the Audit Committee of the District selected to review electronic payments processes and related internal controls. As a result, our testing was limited to this area.

In performing our review of the electronic payments processes of the District, we started by obtaining reporting for all related transactions processed for the audit period chosen. Total expenditures for the audited period were approximately \$13.2 million.

We applied various analytical procedures to the electronic payments and transfers data in order to identify the nature of the transactions, the various internal and external vendors, and their respective amounts. This analysis was used in determining our sample selection. For the sample selection, we examined supporting documentation including invoices/financial reporting, evidence of proper approval, bank statements, and other related documentation. We also reviewed the related warrants and evidence of review by the internal claims auditor.

AUDIT SCOPE, PROCEDURES AND FINDINGS (Continued):

Electronic Payments Process and Related Internal Controls

- Reviewed process narratives that document the procedures established for the initiation and approval of electronic payments and/or transfers.
- Reviewed the process for granting rights in the banking software to individuals involved with processing electronic payments and/or transfers. Evaluated the list of current users for propriety.
- Reviewed the process for adding new vendors to the banking software template. Evaluated the list of approved vendors for propriety.
- Inquired about vendors who have been set up to allow ACH transactions that withdraw funds from the District's accounts on a recurring basis. Evaluated these vendors for propriety.
- Reviewed invoices and/or financial reporting for a sample of transactions to determine whether there is sufficient documentation to support the transaction.
- Verified that the internal claims auditor reviews supporting documentation and authorizes payment prior to the transaction being processed.
- Reviewed bank statements to ensure that the transactions were processed timely and accurately and are consistent with the supporting documentation.

FINDINGS:

The controls over the electronic payments and/or transfers processes are operating effectively with no exceptions noted.

CLOSING REMARKS:

We would like to thank the staff of the Brighton Central School District for their cooperation and hospitality during the audit.