

WARWICK VALLEY CENTRAL SCHOOL DISTRICT

***INDEPENDENT INTERNAL AUDIT REPORT
AGREED-UPON PROCEDURES
RISK ASSESSMENT UPDATE
JUNE 30, 2023***

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
RELATED TO INTERNAL CONTROLS

To the Board of Education of the
Warwick Valley Central School District
225 West Street
Warwick, New York

We have performed the procedures enumerated below, on the internal controls of the Warwick Valley Central School District for the year ended June 30, 2023. The Warwick Valley Central School District's management is responsible for the internal controls.

The Warwick Valley Central School District Board of Education has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assess the risk of the controls. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Our procedures and findings are as follows:

PROCEDURES

We interviewed the District Treasurer, Business Office staff and various other employees. Our interviews were to help determine whether or not the District had sufficient internal controls in the accounting and reporting system.

As part of our engagement, we reviewed the District's policies and procedures and then tested procedures related to procurement, cash receipts and disbursements, payroll, employee reimbursements and the Extraclassroom Activity Funds. We then assessed risk accordingly.

Procurement

1. Reviewed purchases over the various thresholds in the procurement policies to verify the proper quotes or bids were requested prior to purchase
2. Verified the applicable purchases had supporting documentation to verify the vendor certified that they paid prevailing wages

Findings

We noted a couple of instances where the District purchased items over the procurement threshold that required verbal or written quotes and there was no documentation of requesting or receiving the quotes. We recommend when requesting the quotes the District documents the vendors requested and if received.

Cash Receipts

Randomly selected cash receipts and performed the following:

1. Verified account code was reasonable
2. Verified the deposit was made into bank statement timely
3. Verified amount was logged in the cash receipts daily log
4. Reviewed supporting documentation

Findings

No exceptions were noted as a result of these procedures.

Cash Disbursements

Randomly selected cash disbursements and performed the following:

1. Verified account code was reasonable
2. Verified the purchase order approval was prior to the actual purchase of the goods or service
3. Verified there was proper support present to give rise to the claim
4. Verified the Claims Auditor approved claim packet and initialed the claim packet
5. Verified the purchase was approved by the responsible employee
6. Verified the Claims Auditor approved by signing the warrant
7. Verified the cancelled check agreed with the vendor, date and amount

Findings

No exceptions were noted as a result of these procedures.

Employee Reimbursement

Randomly selected employee reimbursements and performed the following:

1. Verified account code was reasonable
2. Verified the purchase was approved by the responsible employee on claim form
3. Verified the cancelled check agreed with the vendor, date and amount
4. Traced to approved conference request if applicable

Findings

No exceptions were noted as a result of these procedures.

Payroll

Randomly selected employees paid on February 17, 2023 and performed the following:

1. Verified the gross amount was correct per contract and step based on the applicable bargaining units.
2. Verified the gross agreed to the salary agreements
3. Verified teaching or professional certificate was on file, if applicable
4. Verified fingerprint documentation was on file
5. Verified the correct retirement was withheld from the gross
6. Verified the health insurance was proper per contract
7. Verified payroll was certified by the Assistant Superintendent of Business
8. Verified the hours paid agreed to the signed time sheet
9. Verified the account code was reasonable

Findings

No exceptions were noted as a result of these procedures.

New Hire Test

Randomly selected newly hired employees to verify the payroll/personnel files included the following:

1. Form I-9 and Form W-4
2. Fingerprinting approval
3. Teacher Certificate, if required
4. New York State Employee Retirement Service waiver if employee did not join retirement system
5. Copy of Board appointment

Findings

No exceptions were noted as a result of these procedures.

Bank Reconciliation/Treasurer Report

We reviewed the bank reconciliation to make certain the amounts agreed to the trial balance and the reconciliations are reviewed.

Findings

No exceptions were noted as a result of these procedures.

Cash Disbursements (Extraclassroom Activity Fund)

We selected expenditures from the Middle School and High School Extraclassroom Activity Funds and performed the following:

1. Verified the Student Treasurer, Advisor and Central Treasurer approved the disbursement
2. Verified there was supporting documentation to give rise to the claim
3. Verified the activity was on the club's subsidiary accounts
4. Verified the vendor, date and amount agreed to the cancelled check
5. Verified New York Sales tax was paid to the vendors, as required

Findings

No exceptions were noted as a result of these procedures.

Cash Receipts (Extraclassroom Activity Fund)

We selected receipts from the Middle School and High School Extraclassroom Activity Funds and performed the following:

1. Verified the Student Treasurer, Advisor and Central Treasurer approved the receipt
2. Verified the deposit was made timely into the bank account
3. Verified the supporting documentation agreed with the deposit

Findings

No exceptions were noted as a result of these procedures.

Management has addressed our previous recommendations

RISK ASSESSMENT

After interviewing the various employees and reviewing the current status of the previous findings, we were able to update the Initial Risk Assessment.

Organizational Area	School Process/Function	Risk
GOVERNANCE AND PLANNING	Governance and Control Environment	Low
	Strategic Planning	Low
	Budget Development and Budget Administration	Low
ACCOUNTING AND REPORTING	Assessing Financial Condition	Low
	Financial Accounting and Reporting	Low
	Auditing	Low
	State Aid and Grants	Low
REVENUE AND CASH MANAGEMENT	Cash Receipts and Revenue	Moderate
	Cash Management and Investments	Low
	Petty Cash	Low

PURCHASING AND EXPENDITURE	Purchasing	Moderate
	Accounts Payable and Cash Disbursements	Moderate
	Payroll and Personnel	Moderate
	Travel and Conferences	Low
FACILITIES, EQUIPMENT, AND INVENTORY CONTROLS	Facilities Maintenance	Moderate
	Facilities Construction	Moderate
	Inventory Controls	Moderate
STUDENT SERVICES	Student Transportation	Moderate
	Food Service	Moderate
	Extraclassroom Activity Fund	High
STUDENT RELATED DATA	Attendance	Low
	Reliability of Student Performance Data	Low

We would like to thank all of the staff that assisted us during our engagement.

We were engaged by the Warwick Valley Central School District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the District's internal controls. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Warwick Valley Central School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Cooper Arias, LLP

Mongaup Valley, New York
May 30, 2023