

**CATO – MERIDIAN CENTRAL SCHOOL DISTRICT
NEW YORK**

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

For Year Ended June 30, 2023





BUSINESS
ADVISORS
AND CPAS

October 11, 2023

To the Board of Education
Cato-Meridian Central School District, New York

In planning and performing our audit of the financial statements of Cato-Meridian Central School District as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Cato-Meridian Central School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Cato-Meridian Central School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Cato-Meridian Central School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 11, 2023 on the financial statements of the District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Prior Year Deficiency Pending Corrective Action:

Computer Controls –

We noted the following items related to computer accounting controls:

1. The District should review all users' access rights to the accounting system to ensure proper segregation of duties.

Current Year Deficiencies in Internal Control:

Year End Audit Adjustments –

We noted significant improvement in the District's year end closing process, and the calculation of year end accruals. However, several of these adjustments were provided to us after the initiation of our audit field work.

School Lunch –

The School Lunch Fund balance should not exceed three months of operating expenses, and the fund balance exceeded this maximum by \$45,333.

Disaster Recovery Plan –

During the course of our examination, we noted the District does not have a written disaster recovery plan.

Original Budget –

We noted that the original revenue budget that was entered into the accounting system did not agree with the budget notice.

Other Items:

The following items are not considered to be deficiencies in internal control; however, we consider them other items which we would like to communicate to you as follows:

Federal Programs –

As a result of recent federal program changes, the District documents various Federal program procedures through written questionnaires prepared by the Program Coordinators and the Business Office. Recent guidance from the New York State Education Department suggests Federal recipients should enhance their written documentation into a written procedural manual that is specific to each federal program requirement.

Cyber Risk Management –

The District's IT personnel routinely assesses cyber risk as part of their normal operating procedures. The District should 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. All purchases examined had a receiving signature.
2. Interfund transactions were tracked and recorded properly during the 2022-23 fiscal year.

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We believe that the implementation of these recommendations will provide Cato-Meridian Central School District with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 11, 2023