

**SUSQUEHANNA VALLEY
CENTRAL SCHOOL DISTRICT
INTERNAL AUDITOR'S REPORT
JUNE 30, 2020**

CONTENTS

	<u>PAGE</u>
I. INTERNAL AUDITOR'S REPORT	3-6
II. AUDITOR'S COMMENTS AND OBSERVATIONS	
A. AUDITING	6
B. FACILITIES MAINTENANCE	6

ERNEST SKIADAS
Certified Public Accountant
A Professional Corporation

INTERNAL AUDITOR'S REPORT

The Audit Committee and
Board of Education
Susquehanna Valley Central School District
1040 Conklin Road
Conklin, NY 13748

I have performed the procedures described below, which were agreed to by the Susquehanna Valley Central School District, solely to assist you in evaluating the performance of the District for the fiscal year ended June 30, 2020, in the areas addressed. The District's management is responsible for its financial records, internal controls and compliance with State laws and regulations. This engagement was conducted in accordance with the consulting standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified parties in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The District remains responsible for their accounting records, activity funds, fraud prevention and detection, and for maintaining effective internal controls over the financial statements and compliance.

The following is a recap of my assessment of risk in specific areas:

Auditing	Medium
State Aid and Grants	Low
Student Transportation	Low
Facilities Maintenance	Low

The procedures and the associated findings are as follows:

1. Follow Up on Prior Year Findings

I reviewed the external auditor's management letter and the corrective actions taken. I also reviewed the corrective actions taken with respect to the findings from the prior year's internal audit.

All items have been properly addressed and the necessary procedures instituted to further strengthen internal controls.

The prior year internal audit findings have been addressed as follows:

- a. The district will consider adopting a formal budgeting policy.

OFFICE ADDRESS:	103 Main Street, Binghamton, NY 13905	TELEPHONE:	(607) 741-1953
MAILING ADDRESS:	PO Box 93, Binghamton, NY 13903-0093	FAX:	(607) 238-1001
E-MAIL ADDRESS:	mail@escpa.biz	WEBSITE:	www.escpa.biz

1. Follow Up on Prior Year Findings - continued

- b. The district will consider the adoption of a Credit Card Usage policy.
- c. The district has changed one of it's credit card limits from \$50,000 to \$10,000.
- d. The district will rigorously enforce requirements to obtain hold harmless forms for the use of the facilities by outside organizations.

2. Auditing

Reviewed the submission dates of the annual financial audit to ensure complete and timely filing.

Verified that the district's annual financial report (ST-3) was properly published in the newspaper and that the district clerk published a public notice that the audit reports were completed.

Verified that corrective action plans were prepared for all findings in the audit reports.

The findings as a result of these procedures are presented under "Auditing" in the Auditor's Comments.

3. State Aid and Grants

Procedures were reviewed to determine that the district has a process for tracking and timely submitting claims for state aid.

Reviewed the system used to track students with disabilities and that documentation was maintained to support the data reported for public excess cost aid.

Reviewed the procedures to ensure the district is applying for all grants available and that there is adequate communication between the program offices and business office.

Reviewed the claims submitted for Medicaid reimbursement for timeliness, proper inclusion of eligible expenses and retention of necessary documents.

Reviewed grants to ensure that all charges are supported by adequate documentation, indirect costs were considered and district staff are aware of the federal and state compliance requirements.

No exceptions were found as a result of these procedures.

4. Student Transportation

Selected records were reviewed to ensure the district has policies and procedures in place that define student eligibility and allowable expenses are charged to transportation aid.

A review of the competitive process and submission of bus purchase contracts to the State Education Department was conducted.

Documentation was reviewed to determine that the district has maintained the proper records to support and account for the aid claimed.

4. Student Transportation - continued

Driver qualification and bus inspections were examined to ensure the district is monitoring these areas.

Inquiries were made to determine that an annual evaluation was made of the pupil transportation system.

No exceptions were found as a result of these procedures.

5. Facilities Maintenance

Documents were reviewed to determine that the district has a long term plan for the replacement or upgrade of educational facilities.

Procedures were reviewed to determine that the district is monitoring energy conservation.

No exceptions were found as a result of these procedures.

I was not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Audit Committee and of the Board of Education of the District and is not intended to be and should not be used by anyone other than these specified parties.



Ernest Skiadas, CPA, P.C.
Internal Auditor

July 6, 2021

AUDITOR'S COMMENTS AND OBSERVATIONS

A. Auditing

1. Finding: We noted as required by State Education Law, the annual financial report (ST-3) was not published in the newspaper.

Recommendations: We recommend the district put in place procedures to monitor this requirement.

2. Finding: We noted that the District did not publish a public notice of any completed audit reports.

Recommendations: We recommend the district put in place procedures to monitor this requirement.

B. Facilities Maintenance

1. Observation and comments – We noted the district has experienced a steady decline in energy usage. Much of this can be attributed to the capital projects over the years which have improved energy conservation.