

**SUSQUEHANNA VALLEY
CENTRAL SCHOOL DISTRICT
INTERNAL AUDITOR'S REPORT
JUNE 30, 2023**

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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, 2023, 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:

Purchasing	Low
Accounts Payable	Low
Cash Disbursements	Low
Maintenance of Effort	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 is implementing a new attendance software that will require more

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1. Follow Up on Prior Year Findings - continued

frequent password changes.

2. Purchasing

Review the appointment of a purchasing agent to be responsible for developing and administering the purchasing function and committing the district to purchases by approving purchase orders.

Determine if the purchasing agent utilizes a purchasing calendar to facilitate the purchasing function through cyclical bidding/purchasing.

Review the district's purchasing policy to ensure it addresses bidding requirements and procedures to follow when competitive bidding is not required.

Determine that the district purchases goods and services through the State's Office of General Services, county governments, correctional institutions, or from State contracts/organizations that serve the disabled, where possible, and when deemed appropriate, to achieve savings and avoid the cost of bidding.

Determine that the district cooperatively bids through a BOCES or with other districts to obtain a better price.

Test procedures are established for the initiation, approval, and use of purchase requisitions and all purchase orders are pre-numbered, all numbers are accounted for, and all forms are strictly controlled.

Test procedures/controls are in place to ensure funds are available before issuing a purchase order and all blanket purchase orders have a fixed monetary limit.

Test that the purchasing agent reviews and approves all requisitions/purchase orders for appropriateness and necessity of the items ordered.

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

3. Accounts Payable

Determine if an accounts payable subsidiary ledger is maintained and its balances are regularly reconciled with vendor statements and general ledger control accounts.

Examine that invoices are compared to purchase orders and receiving reports to verify prices, terms, etc. prior to payment.

Determine claims presented for payment are subjected to sufficient scrutiny to assure their accuracy prior to their inclusion on a warrant or schedule of claims.

Test that consultant services are supported by signed and dated copies of contracts which provide the details, dates, and costs of the services to be provided.

Test that invoices are perforated or stamped at the time the check is signed for payment to prevent paying the same invoice twice.

3. Accounts Payable - continued

Determine that the district has procedures to follow up at regular intervals on outstanding purchase orders over 30 days old.

No exceptions were found as a result of these procedures.

4. Cash Disbursements

Selected recorded disbursements were reviewed to determine if these disbursements were properly described and classified in the accounting records, were bona fide disbursements of the District, and were paid in conformity with State laws and regulations; if the acquired goods and/or services were procured in accordance with applicable laws and regulations; and if internal controls over the selected disbursement transactions were adequate to detect errors and/or irregularities.

The controls over the signature signing device, blank checks and wire transfer authorization were reviewed.

Our findings as a result of these procedures are presented under "Cash Disbursements" in the Auditor's Comments.

6. Maintenance of Effort (MOE)

Reviewed Maintenance of Effort Calculator and Questar worksheet.

Reviewed General fund account expenditures and MOE reduction adjustments/exceptions, if applicable.

Reviewed IDEA Special Aid fund account expenditures.

Reviewed for compliant, accurate and properly categorized reporting.

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

January 31, 2024

AUDITOR'S COMMENTS AND OBSERVATIONS

A. Purchasing

1. **Finding:** When comparing prices of specific items of produce on the invoice to the awarded bid price we noted they did not agree. Two items were over the bid price and one under.

Recommendation: We recommend the prices on the invoice be carefully compared to the awarded bid price prior to approval for payment.

B. Cash Disbursements

1. **Finding:** When examining invoices we noted a batch from the same vendor that were not defaced with a "Paid" stamp thus preventing them from re-submission for payment again.

Recommendation: We recommend that the district review it's procedures for cancelling invoices.

C. Maintenance of Effort (MOE)

1. **Observation:** We obtained the Questar MOE worksheet, NYS compliance worksheet and the ST-3 and identified the amounts reported as spent on the MOE expenditures. The expenditures spent at the local level were \$ 2,579,861 and state and local level were \$5,275,951 during the 2021-22 year. The local per capita amount per student was \$12,772 and the state and local per capita amount was \$26,119. Each of these amounts exceeded the requirement and thus met the MOE test.

2. **Observation:** We traced the amounts from the district's financial report (ST-3) to the amounts used in both the Questar MOE worksheet and the NYS compliance worksheet and tested the calculations and found no exceptions.

3. **Observation:** We verified the child count of 202 for Students with Disabilities and found no exceptions.