

Wyoming Central School District

Corrective Action Plan For Management Letter

June 30, 2023

Approved by Board of Education on October 12, 2023

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MATERIAL WEAKNESSES

The auditors did not identify any deficiencies in internal controls which were considered to be a material weakness.

SIGNIFICANT DEFICIENCIES

None noted

OBSERVATIONS

1. Segregation of duties

Auditor Comment: As reported in prior years, due to the small size of the business office, a proper segregation of duties is not possible. We understand that the Superintendent and a second employee in the business office provide some assistance in duty segregation. Since it is difficult to achieve an ideal segregation of duties, we continue to stress the importance of monitoring transactions and controls by the Board of Education.

Corrective Action Taken: The Board of Education, district management, and Claims Auditor are all conscious of the combined responsibilities within the business office and will continue to monitor transactions and compliance with controls.

Implementation date: September 14, 2023 and ongoing

Implementation person: Joelle Stroud, District Treasurer

2. Excess fund balance in the food service fund

Auditor Comment: In accordance with regulations of the New York State Education Department, fund balance in the food service fund should not exceed three months' average expenditures, as defined, at any time. The District exceeded this limit at year end despite its efforts to reduce fund balance. Food service fund balance decreased \$29,000 during 2023. District management should submit a plan to the Child Nutrition Program Administration detailing its plans to use the excess balance. Allowable uses include improving the quality of food served or purchasing needed supplies, services, or equipment.

Corrective Action Taken: The District recognizes that it has a surplus fund balance, and anticipates future capital expenditures will be needed to maintain a quality food service program, thereby reducing fund balance to the recommended level. In September 2023, subsequent to the annual audit, the District spent over \$15,000 in repairs to its freezer. Additional capital expenditures are expected in the near future.

Implementation date: September 14, 2023 and ongoing

Implementation person: Joelle Stroud, District Treasurer

UPDATE OF PRIOR YEAR RECOMMENDATION

Auditor Comment: As outlined in the New York State Education Department's 2019 Manual, *The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds*, one of the main purposes of extraclassroom activities is to provide the District with an opportunity to teach pupils basic bookkeeping procedures through participation in handling funds and maintaining appropriate records. We noted one club that again had missing student signatures on certain disbursements. We continue to encourage the central treasurers to ensure that all necessary signatures are present. We are pleased to note that each club now has a student treasurer who takes part in disbursing money.

Corrective Action Taken: The District Treasurer and Superintendent met with faculty advisors at the beginning of the 2023-24 school year to discuss the expectations the district has for the faculty advisors and the club officers. It was stressed that each club must have officers, including a student treasurer. In addition, procedural expectations were delivered to the faculty advisors in written form, along with district policies, a ledger for the student treasurer of each club to use in the recording of financial transactions, forms to use for depositing and disbursing funds, and various other documents to aid in the proper execution of club meetings and activities.

Implementation date: September 5, 2023

Implementation person: Joelle Stroud, District Treasurer