

**MAINE - ENDWELL
CENTRAL SCHOOL DISTRICT
INTERNAL AUDITOR'S REPORT
JUNE 30, 2020**

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ERNEST SKIADAS
Certified Public Accountant
A Professional Corporation

INTERNAL AUDITOR'S REPORT

To The Audit Committee and
Board of Education
Maine - Endwell Central School District
712 Farm to Market Road
Endwell, NY 13760

I have performed the procedures described below, which were agreed to by the Maine - Endwell 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 following is a recap of my assessment of risk in specific areas:

Governance and control environment	Low
Strategic planning	Low
Auditing	Medium
Facilities maintenance	Low
Facilities construction	Low

The procedures and the associated findings are as follows:

1. Follow Up on Prior Year Findings

We reviewed the external auditor's management letter and the corrective actions taken. We 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 have been or will be instituted to further strengthen internal controls.

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

1. The district will work closely with the Central Business Office to monitor expenditures are properly coded as non-allowable for certain transportation costs related to insurance and vehicle costs.

2. Governance and Control Environment

Reviewed policies for code of ethics and examined records for conflict of interest transactions.

Reviewed corrective action plans resulting from the external and internal audit findings.

Reviewed policies to ensure that all policies and procedures required by NYS Department of Education have been adopted.

The findings as a result of these procedures are presented under "Governance and Control Environment" in the Auditor's Comments.

3. Strategic Planning

Reviewed documentation to ensure the district has a written strategic plan, vision statement, goals, objectives, performance measures and strategies to accomplish the goals and that these goals are compared to actual performance.

No exceptions were found as a result of these procedures.

4. 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.

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.

6. Facilities Construction

Procedures were reviewed to determine that voters have approved construction projects currently underway, that proper approvals and permits have been obtained for various phases of the project and proper monitoring is in place to ensure the expenditures do not exceed the approved budget.

Procedures were reviewed to ensure the proper retainage is recorded and the district is utilizing the appropriate professionals in the construction process which includes bond counsel, financial advisors and architects.

Selected calculations were reviewed for contractor costs by the project manager and traced to their summary of expenditures for selected projects to the district's records.

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

October 15, 2020

AUDITOR'S COMMENTS

A. Governance and control environment

1. Finding: In reviewing the distribution of the new hire packet which includes the Code of Ethics, the new hires were referred to the district's website. There is no way to determine if they had read it.

Recommendation: To ensure all required forms, policies and information are reviewed by new hires we recommend the district devise a confirmation to be signed by the new hire. The confirmation can then be placed in their personnel file as proof of acknowledgement.

B. Auditing

1. Finding: We noted the district did not publish the annual financial report (ST-3) in the local newspaper as required by the State Education Department.

Recommendation: We recommend the district institute procedures to ensure the required publication is made timely.

2. Finding: We noted the district did not publish a public notice of any completed audit reports in the local newspaper.

Recommendation: We recommend the district institute procedures to ensure the required publication is made timely.