

ORLEANS - NIAGARA
BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NEW YORK
COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT
For Year Ended June 30, 2020

MENGEL METZGER BARR & CO. LLP
RAYMOND F. WAGER, CPA, P.C. DIVISION

October 9, 2020

To the Board Members
Orleans-Niagara
Board of Cooperative Educational Services, New York

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orleans-Niagara Board of Cooperative Educational Services, New York as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Orleans-Niagara Board of Cooperative Educational Services, New York's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 BOCES internal control. Accordingly, we do not express an opinion on the effectiveness of the BOCES internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the BOCES financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

Prior Year Deficiency Pending Corrective Action:

Adult and Continuing Education –

As part of our examination of the adult and continuing education programs offered by the BOCES, we noted five programs that ended the year with a deficit fund balance. These include 903.819 LPN Lockport (\$128,176), 907.000 Night School (\$75,249), 908.000 Nurse's Aide (\$57,910) and 909.000 Home Health Aide (\$961).

We recommend the BOCES continue to monitor the adult and continuing education programs to ensure program revenues are sufficient to cover expenditures.

Current Year Deficiency in Internal Control:

Procurement Procedures –

During the course of our examination of the BOCES' procurement procedures we noted three instances in which purchases between \$1,400 and \$4,100 which were above the quoting threshold were made that did not have the required number of written quotations as required in the BOCES' procurement policy.

We recommend every effort continue to be made to comply with the requirements of the BOCES procurement policy.

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, BOCES 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 more detailed and specific to each federal program compliance requirements.

We recommend the Business Office work with the Program Coordinators to enhance their current procedures into a procedure manual that is consistent with the federal compliance requirements for their respective program.

GASB Statement No. 84 –

During this next fiscal year, the BOCES will be required to implement GASB Statement No. 84 which will modify the financial reporting for the Agency Funds.

This will require a review of the various accounts currently reported in the Agency Funds, along with the extraclassroom activity policy and procedures in order to determine where to report the BOCES' extraclassroom activity funds, scholarships, and other Agency activity.

Prior Year Recommendations:

We are pleased to report the following prior year recommendations have been implemented to our satisfaction:

1. Deposits examined for adult education appeared to be made in tact.
2. There appeared to be significant improvement in the timeliness of adult education deposits.

(Prior Year Recommendations) (Continued)

3. Invoices for adult education now appear to be run through the receivable module of Wincap.
4. Timesheets for adult education are now reviewed for clerical accuracy and approved prior to being processed.

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.

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We wish to express our appreciation to the business office staff for all the courtesies extended to us during the course of our examination.

Rochester, New York
October 9, 2020

Mengel, Metzger, Baw & Co. LLP