

ORLEANS - NIAGARA
BOARD OF COOPERATIVE EDUCATIONAL SERVICES
NEW YORK
COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT
For Year Ended June 30, 2019

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

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

October 3, 2019

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, 2019, 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 Deficiencies 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 six programs that ended the year with a deficit fund balance. These included 903.819 – LPN Lockport (\$7,518); 907 – Night School (\$31,381); and 908 – Nurses Aide (28,765)

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

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Offsite Cash Collections –

We commend the BOCES for improving the internal controls surrounding the adult education programs. As a result of this process, the BOCES discovered two deposits that were collected, but not deposited. An investigation is still in process. Our examination of the adult education collections also revealed the following:

1. Out of six deposits examined, five were deposited untimely.
2. We noted two instances where money was collected from an individual, but not deposited with the other collections collected at the same time.
3. Invoices for adult education do not appear to be run through the receivable module of Wincap.

We recommend the BOCES continued to review the controls and procedures surrounding the Adult Education program in an effort to address the above issues.

Current Year Deficiency in Internal Control:

Adult Education Timesheets –

During our examination of payroll, we noted five instances where the hours claimed on a timesheet were higher than the start and end times computed to. They appear to be due to clerical errors. While the timesheets were approved by the Director of Adult Education, we were informed that he only spot checks a sample of timesheets for clerical accuracy. We also noted an instance where a departure time was missing from one timesheet, and another time sheet was missing an approval signature.

We recommend that all timesheets be reviewed for clerical accuracy and approved prior to being processed.

Other Item:

The following item is not considered to be a deficiency in internal control; however, we consider it an other item 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.

Prior Year Recommendations:

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

1. The Employee Premium Contributions in the Trust and Agency Fund were sent to General fund during the 2018-19 fiscal year.
2. Staffing for the federal programs appeared to be coded timely and more accurately this year.
3. The BOCES internal auditor performed an IT risk assessment during the year.
4. The Board approved allocating capital project financing between projects.

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 3, 2019

