

To: Audit Committee
Date: December 7, 2016
Re: Wheatland-Chili Central School District
Corrective action plan 262001

District Response to External Auditors' Internal Control Related Matters issued by Raymond F. Wager, CPA, P.C.:

Prior Year Deficiencies Pending Corrective Action:

Segregation of Duties

1. Audit Recommendation:

Our review of procedures within the business office revealed that the same individual is responsible for opening mail, preparing deposit slips and recording cash on the ledger.

We recommend the District review this situation to determine if additional mitigating controls can be implemented.

2. Implementation Plan of Action(s):

The District will continue to use current mitigating controls and will request assistance from internal and external auditors on how to expand services from our claims auditor and/or internal auditor. The District will utilize various mitigating controls to provide adequate safeguards as follows:

- a) **Position A:** opens mail/collects money and prepares the deposit log;
Position B: Prepares the deposit slip, the Courier goes to the bank, brings back bank validated deposit slip. **Position C:** Posts cash receipts to the financial books.
- b) Cash Management Internal Control Document has been created with process flow diagrams.

3. Implementation Date:

The implementation on this corrective action has been implemented.

4. Person Responsible for Implementation:

The Business Office, under direction of the Business Manager, will be responsible for this action plan.

Vendor contracts

1. Audit Recommendation:

During the course of our examination we noted two instances where individuals were paid for various services, however, we were unable to locate a signed contract describing the rate to be paid and services to be performed.

All payments to vendors should be supported by a contract that specifies the amount to be paid, and the services to be provided to the District.

2. Implementation Plan of Action(s):

The District has updated procedures to monitor and enforce compliance with the purchasing regulation regarding acquiring vendor contracts prior to services provided.

No contracts for goods and services shall be made by individuals or organizations in the school that involve expenditures without first securing approval for such contract from the Purchasing Agent. Documentation of contracts describing the rate to be paid and services to be performed is required for the requisition process.

3. Implementation Date:

The implementation is complete.

4. Person Responsible for Implementation:

The Business Office, under direction of the Business Manager, will be responsible for this action plan.