

## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Monticello Central School District  
Monticello, New York 12701

To the Audit Committee and Board of Education of the  
Monticello Central School District

We have performed the procedures enumerated below on the internal control assessment of the Monticello Central School District for the months of April, May and June 2022. Monticello Central School District is responsible for the design, selection, and implementation of the internal controls.

Monticello Central School District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting Monticello Central School District in evaluating internal control procedures based on guidance published by New York State Education Department and New York State Office of the State Comptroller. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### **Purchasing and Expenditures - Purchasing**

1. We interviewed a Senior Account Clerk at the Sullivan County BOCES Central Business Office regarding the District's procedures for purchasing. New York State Education Department recommends that the District have the following procedures in place related to purchasing:
  - The District is required to have a purchasing agent that is responsible for developing and administering the purchasing function and committing the District to purchases by approving purchase orders.
  - Procedures are required to be established for the initiation, approval, and use of purchase requisitions.
  - All purchase orders must be pre-numbered, accounted for, and strictly controlled.

### **Purchasing and Expenditures – Purchasing (Continued)**

- The Purchasing Agent is required to review and approve all requisitions/purchase orders for appropriateness and necessity of the items ordered.
- Upon receipt of goods, the District must verify the condition, quantity, and quality of the goods prior to payment.

### **Conclusion**

The District has internal control procedures in place related to purchasing.

2. We selected ten cash disbursements from July 2021 to June 2022 and performed the following procedures:
  - We reviewed supporting documentation for approval by the Claims Auditor.
  - We reviewed supporting documentation for accuracy.
  - We traced the checks to an approved warrant by the Board of Education.
  - We traced the purchase order to the receiving slip (if applicable).

### **Conclusion**

No findings were noted as a result of the above named procedures.

### **Purchasing and Expenditures – Payroll and Personnel**

3. We interviewed a Senior Account Clerk at the Sullivan County BOCES Central Business Office regarding the District's procedures for payroll. New York State Education Department recommends that the District have the following procedures in place related to payroll:
  - The District is required to maintain adequate supporting documentation (e.g., time sheets, leave accruals, etc.) for payroll to ensure that payments are made only for services actually rendered.
  - The District is required to maintain written agreements outlining compensation and benefits for employees who are not covered by union contracts.
  - Each employee must submit a time sheet or record of accrual usage for review and approval by a supervisor or management.
  - Each payroll register is required to be reviewed, approved, and certified by an official designated by the Board to ensure the payments are accurate and justified.
  - All payroll changes must be authorized and documented.

### **Conclusion**

The District has internal control procedures in place related to payroll.

### **Purchasing and Expenditures – Payroll and Personnel (Continued)**

4. We selected twenty District employees from the February 15, 2022 payroll check date and performed the following procedures:
  - We traced the pay rate from the time sheets/daily pay sheets to the pay rate on the payroll register.
  - We traced the pay rate on the payroll register to the employee's pay agreement.
  - We reviewed the employee personnel file and verified the District maintains required employment forms and background checks (if applicable).

### **Conclusion**

No findings were noted as a result of the above named procedures.

### **Facilities, Equipment and Inventory – Facilities Construction**

5. We obtained the District's capital projects fund general ledger for the period July 1, 2020 – June 30, 2022. Based on our review of this ledger, we performed the following procedures:
  - We obtained all progress billing reports for the high school renovation project and the new bus garage project for the period July 1, 2020 – June 30, 2022.
  - We recalculated the amounts reported on the progress billing reports to verify accuracy.
  - We verified that the Architect and/or Engineer approved the payment and that their signature on the application was notarized.
  - We traced the payment from the progress billing report to a warrant approved by the Board.

### **Conclusion**

No findings were noted as a result of the above named procedures. We will continue to review the capital projects fund as these projects progress.

### **Student Services – Student Transportation**

6. We interviewed the Director of Student Transportation to determine whether the District has the following procedures in place related to Student Transportation:
  - We verified the District's procedures for tracking all District owned vehicles and removing excessed busses from the District's insurance.
  - We reviewed documentation for fuel records to verify that they are maintained.
  - We inquired about the District's procedures for tracking the live location of all School Buses and maintaining student rider lists.

## **Student Services – Student Transportation (Continued)**

### **Conclusion**

The District has control procedures in place related to transportation services.

7. We randomly selected two District's bus driver files to verify that they were in compliance with 8 NYCRR 156.3 for student transportation. 8 NYCRR 156.3 requires the following related to School Bus Drivers:
- All bus drivers must have a written approval for employment with the District.
  - All bus drivers must be at least 21 years of age.
  - All bus drivers must pass a physical performance test.
  - All bus drivers must have required licenses and certifications.
  - The District must verify that all bus drivers undergo a pre-service safety training, a basic course safety training and a refresher safety training two times a year.
  - All bus drivers must be of good moral character.

### **Conclusion**

The District is in compliance with the requirements of 8 NYCRR 156.3 for student transportation services.

### **Risk Assessment Update**

Risk assessments have been updated in the following areas:

#### **IV. Purchasing & Expenditures**

- Purchasing
- Accounts Payable & Cash Disbursements
- Payroll & Personnel
- Travel & Conferences

Regarding the Risk Assessment Update, there are no other matters to report at this time.

We were engaged by Monticello Central School District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on internal control assessment for the months of April, May and June 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Monticello Central School District and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of Monticello Central School District and the audit committee of Monticello Central School District, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Waschitz Pauloff CPA LLP*

Monticello, New York

September 15, 2022