

OSWEGO CITY SCHOOL DISTRICT

NEW YORK

***COMMUNICATING INTERNAL CONTROL
RELATED MATTERS IDENTIFIED IN AN AUDIT***

For Year Ended June 30, 2023



BUSINESS
ADVISORS
AND CPAS



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ADVISORS
AND CPAS

October 5, 2023

To the Board of Education
Oswego City School District, New York

In planning and performing our audit of the financial statements of Oswego City School District as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Oswego City School District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 Oswego City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Oswego City School District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, as discussed below, we identified certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 5, 2023 on the financial statements of the District. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. Our comments are summarized as follows:

Prior Year Deficiencies Pending Corrective Action:

School Lunch Meal Claims –

We commend the District for resubmitting the missed claims from the prior year, however, during our examination of the school lunch claim reporting procedures for the current year, we identified one instance where the production records for a location did not match the amounts reported for those dates.

We recommend the District review their procedures regarding school lunch meal claims to ensure that all qualified meals are submitted for reimbursement.

(Prior Year Deficiencies Pending Corrective Action) (Continued)

Payroll -

As part of our examination of hourly employees, we noted certain departments submit a summary sheet with the total hours to be input into the payroll system. However, we noted an inconsistency among the departments regarding an official employee time sheet/log, that documents how those summaries are prepared.

We recommend the District review this item and develop a consistent and standardized document for hourly employees to sign to attest to the hours worked, and to document the summary sheets prepared by the departments.

Flexible Spending Accounts/Group Insurance –

The District Flexible spending account and group insurance accounts were not completely reconciled at year end which required year end entries to adjust those account balances to actual.

We recommend every effort be made to complete the reconciliations of the payroll and group insurance accounts as part of the annual closing process for the District.

School Lunch Fund –

During the course of our examination, we noted that the fund balance in the School Lunch Fund at June 30, 2023 totaled \$622,362. This balance appears to be in excess of three months average expenditures level recommended by Federal Regulation #7CFR Part 210.14.

We recommend the District continue to develop the corrective action necessary for compliance with the Federal Regulation.

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:

Cyber Risk Management –

The District's IT personnel routinely assesses cyber risk as part of their normal operating procedures. The District should continue to document their cyber risk assessment process in writing which should include the risk assessment process, the frequency of the risk assessment, how findings are to be communicated to the appropriate level of management, and how the process will be monitored.

Prior Year Recommendations:

The prior year recommendations have been noted above.

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We believe that the implementation of these recommendations will provide Oswego City School District with a stronger system of internal control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you at your convenience.

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.

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

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
October 5, 2023