

HOMER CENTRAL SCHOOL DISTRICT

AGREED - UPON PROCEDURES

INTERNAL AUDIT TESTING

FOR YEAR ENDED JUNE 30, 2015

Raymond F. Wager, CPA, P.C.
Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA
Thomas J. Lauffer, CPA
Thomas C. Zuber, CPA

Members of
American Institute of
Certified Public Accountants
and
New York State Society of
Certified Public Accountants

Independent Accountant's Report
On Applying Agreed-Upon-Procedures

To the Board of Education
Homer Central School District

In accordance with your request, we performed the agreed-upon procedures enumerated below, which were agreed to by the Homer Central School District Audit Committee to assist you in evaluating the internal controls over the online banking process, a risk area identified from the District's risk assessment for the year ended June 30, 2015. The District's management is responsible for the design and operation of internal controls

Our engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and findings are as follows:

1. Observation

We observed the District's Treasurer logging into websites for financial institutions with which the District has deposits. We observed the Treasurer initiate transfers between accounts and observed controls in place. The controls observed included:

- a. Unique username and password for access to banking systems.
- b. Key fob access required for use of wire transfer modes.
- c. Confirmation from system indicating user who initiated transfer.
- d. Secondary approval required for transfers out of bank in excess of \$500,000.

Findings

The controls described appeared to be in place, functioning properly and consistent with management's description of the transfer process. However, in effort to improve existing controls, the District should continue to review its procedures and protocols for processing transfers to accounts within between banks.

**To the Board of Education
Homer Central School District**

2. Examination of Transfers

We selected the months of September and December, 2014, and February and June, 2015 to test. We obtained bank statements for all of the District's accounts for each month tested and identified a total of 71 electronic transfers made. For each transfer we obtained supporting documentation and examined for the following:

- a. Transfers were made between valid District accounts.
- b. Vouched transactions to confirmations from financial institutions.
- c. Observed email requests sent to Business Official verifying timely authorization.
- d. Determined that transfers were in balance.
- e. Traced transfer activity to postings in general ledger.

Findings

Based on the procedures performed, no findings were noted.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the high risk areas reported in the District's risk assessment document. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than those specified parties.

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We would like to express our appreciation to all District personnel for the courtesies extended to us during the course of our engagement. If you have any questions regarding the above items, please do not hesitate to call.



January 4, 2016