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September 12, 2013

To the Board of Education and Management
Jericho Union Free School District
Jericho, New York

Dear Members of the Board and Management:

In planning and performing our audit of the financial statements of the Jericho Union Free School District (District) as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

During our audit, we recommended opportunities for strengthening internal controls and operating efficiency to management. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those recommendations. This letter does not affect our report dated September 12, 2013 on the financial statements of the Jericho Union Free School District.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of the Board of Education, Audit Committee, management, others you deem appropriate within the District, and any governmental authorities you need to share this information with. It is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Cullen & Danowski, LLP

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STATUS OF PRIOR YEAR COMMENTS

Review of System and Audit Trail Reports

Effective internal controls include supervisory review and approval of transactions before they are entered into the accounting system, as well as subsequent reviews of system audit trail reports. The District has good controls in place over the approval of changes and adjustments to the accounting system before they are recorded. For example, changes to vendor information as well as proposed accounting journal entries are reviewed and approved by the Assistant Superintendent for Business Affairs before they are entered into the accounting system; payroll positions reports are reviewed by the Personnel Department and then by the Assistant Superintendent for Business Affairs. In addition, payroll check registers are also reviewed by the Personnel Department and certified by the Assistant Superintendent for Personnel and Educational Operations.

We reported last year that audit trail reports from the District's old accounting system were not periodically reviewed to ensure there were no unauthorized changes. At the beginning of the 2012-2013 fiscal year, the District began using a new financial accounting software, nVision, which has several built-in audit trail reports which the District planned to utilize.

Current Status: Corrected. The Assistant Superintendent for Business Affairs and the Treasurer have worked with the software provider to develop audit trail reports that would be useful to the District, and have been reviewing these audit trail reports. We recommend that the District initials and dates the audit trail reports as they are reviewed.

Computer Systems Disaster Recovery Plan

A disaster recovery plan details an organization's procedures and plans in the event of sudden, catastrophic disasters that may significantly affect its information technology systems and data. The plan should be periodically tested and updated when necessary.

We noted last year that while the District's accounting system was supported by Nassau BOCES, which had its own disaster recovery procedures for the accounting system, the District did not have a documented disaster recovery plan that encompasses all computer systems and data.

Current Status: Corrected. We noted this year that the District has prepared and adopted a formal disaster recovery plan.

CURRENT YEAR COMMENT

Segregation of Duties - Billings and Cash Receipts

The District bills other school districts for the cost of special services as well as health services, resource room, and tutoring services provided to students whose domiciles are in those other districts.

We noted that the individual who was responsible for preparing and tracking billings also received incoming checks to maintain the business office's daily cash and checks log before the checks are given to another individual for deposit.

We note that the District Treasurer reviews the individual's spreadsheet for accuracy; nevertheless, internal control would be improved by segregating the billing function from the handling of cash receipts. We recommend that the District consider separating the billing and the daily cash log functions.

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