CASEY COUNTY SCHOOL DISTRICT

MANAGEMENT LETTER
COMMENTS

YEAR ENDED JUNE 30, 2018
Kentucky State Committee for School District Audits and
Members of the Board of Education
Casey County School District
Liberty, Kentucky

In planning and performing our audit of the financial statements of Casey County School District for the year ended June 30, 2018, we considered the District’s internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of certain matters that are an opportunity for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. A separate report dated November 12, 2018 contains our report on the District’s internal control structure. This letter does not affect our report dated November 12, 2018 on the financial statements of the Casey County School District.

We will review the status of our comments during our next audit engagement. We have already discussed the comments and suggestions with various District personnel, and their implementation is currently being reviewed. 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 report is intended solely for the information and use of management, members of the board of education, the Kentucky Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Stiles, Carter & Associates, CPAs, P.S.C.
Bardstown, Kentucky
November 12, 2018
CASEY COUNTY SCHOOL DISTRICT
MANAGEMENT LETTER COMMENTS
JUNE 30, 2018

PRIOR YEAR UNCORRECTED COMMENTS

LIBERTY ELEMENTARY SCHOOL

FUNDRAISERS
We noted during review of fundraisers, that the Book Fair fundraiser should have included Fundraiser Approval Form (F-SA-2A), Fundraiser Worksheet (F-SA-2B), and Sales Collection Form (F-SA-17). We noted that the Fundraiser Approval Form stated that the fund holding the fundraiser was the Library Fund. However, the proceeds were deposited into the Bookfair Fund. We also noted that there was not a Fundraiser Worksheet on file for the 2017-2018 school year.

MANAGEMENT’S RESPONSE
The Librarian was in her first year and did not complete the proper paperwork because she did not feel it was necessary because she did not receive monetary profit from the book fair. This has been corrected and all paperwork will be filled out for future book fairs.

CASEY COUNTY MIDDLE SCHOOL

SEGREGATION OF DUTIES
We noted that the school’s bookkeeper performs the following duties: enters invoices into the accounting system, prints checks, and matches invoices to checks. Redbook requires that one individual enter invoice and print checks and a different individual match the checks to the invoices.

MANAGEMENT’S RESPONSE
We will start having the other Secretary Danielle Wilson to start matching the checks to the invoices.

CURRENT YEAR COMMENTS

LIBERTY ELEMENTARY SCHOOL

EXTERNAL SUPPORT/BOOSTER ORGANIZATIONS
We noted that the Annual Financial Report that was on file for the Liberty Elementary PTO for the 2017-2018 school year, was not signed and dated by the organization’s treasurer or the school’s principal. Therefore, we were unable to determine if the report was submitted timely.

MANAGEMENT’S RESPONSE
The signatures were an oversight and will be signed in the future by both the organization’s treasurer and the school’s principal.

WALNUT HILL ELEMENTARY SCHOOL

EXTERNAL SUPPORT/BOOSTER CLUBS
We noted during review of external support/booster organization that there was not an annual financial report on hand for review. Redbook requires each external support/booster organization to submit an annual financial report to the principal by July 15.
CASEY COUNTY SCHOOL DISTRICT

MANAGEMENT LETTER COMMENTS

JUNE 30, 2018

We also noted that there was no proof of general liability insurance on hand for review. Redbook requires each external support/booster organization to have continuous liability coverage for their activities throughout the year.

MANAGEMENT’S RESPONSE
Both the PTO’s annual financial report and proof of insurance were submitted but were done so after the deadline for submission. Therefore, both items are there for review but were not so before deadline.

CASEY COUNTY MIDDLE SCHOOL

EXTERNAL SUPPORT/BOOSTER CLUBS
We noted that the Annual Financial Report and the June 2018 Monthly Financial Report that were on file for the PTO for the 2017-2018 school year were not signed by the PTO’s treasurer or the school’s principal. Therefore we were unable to determine if either reports were submitted timely.

We noted that the PTO did not have liability insurance coverage for the 2017-2018 school year. Redbook requires that external support/booster organizations obtain separate general liability coverage prior to commencing any fundraising activities.

MANAGEMENT’S RESPONSE
In the future I will make sure that all signatures are on the External PTO reports before including them in my audit box.