

OTHER INTERNAL CONTROL MATTERS

October 17, 2011

To the Board of School Directors
Southwest Vermont Regional Technical School District:

Dear Board Members:

We have completed our audit of the financial statements of Southwest Vermont Regional Technical School District, as of June 30, 2011, and have issued our report thereon, dated October 17, 2011.

In planning and performing our audit of the financial statements of Southwest Vermont Regional Technical School District for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered Southwest Vermont Regional Technical 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

The financial statements and required reports include all required communications regarding internal control. During our audit, we became aware of other matters that are not necessary to be reported in the required reports, however, we are presenting them here for your consideration.

Current Year Comments:

Internet Usage Policy

While planning the audit, we performed an information system control review. We noted that the current internet usage policy does not address the use of social media. Social media use is on the rise and poses certain risks to the District. We recommend that the internet usage policy be updated to address their use by employees of the District.

Status of Prior Year's Comments:

IT Department – repeat comment

While planning the audit, we performed an information system control review. We noted that there does not appear to be adequate staff to support the number of servers, switches, computers, software packages and users. It is difficult for them to plan for the future, improve the network, or to increase functionality of Outlook, etc. We recommend that the School District look into hiring another full time person to support the current IT staff. A student assistant is not an acceptable alternative to hiring a full-time and trained and certified person, when network access is required

Passwords – repeat comment

While planning the audit, we performed an information system control review. We noted that passwords are not changed on a regular basis. We recommend that passwords be changed every 90 days and that users should not be able to use their previous eight passwords.

Segregation of Duties

During our previous audit, we noted that there is inadequate segregation of duties with respect to accounting procedures. Accounts are reconciled and reviewed by the same individual. This type of situation is frequently indicative of a business office that is short staffed. We noted no similar findings in the current year.

Firewall

While planning the audit in the previous year, we performed an information system control review. We noted that there is a firewall in place, but a penetration test has not been done. We noted that a firewall penetration test has been scheduled.

Terminated Employees

While planning the audit in the previous year, we performed an information system control review. We noted that there is no formal process for Administration to inform the IT department about personnel changes. We noted no similar findings in the current year.

We would like to acknowledge the cooperation and the professional conduct of the business office personnel and Treasurer's office personnel and thank all of the Southwest Vermont Regional Technical School District personnel for the courtesy received during the course of our audit. Should you have any questions regarding the matters presented, we will be pleased to discuss them at your convenience.

This report is intended solely for the information and use of the board of school directors, management, and others within the administration, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

BONADIO & CO., LLP