

Ms. Mary Lou Roaseau
Assistant Superintendent, Business and Support Services
the School Board of the City of
Newport News, Virginia

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board of the City of Newport News, Virginia (the "School Board"), a component unit of the City of Newport News, Virginia, as of and for the year ended June 30, 2016, in accordance with auditing standards generally accepted in the United States of America, we considered the School Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. .

Our consideration of internal control was for the limited purpose described in the first paragraph of this letter and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our audit, we did note an opportunity for strengthening internal controls and operating efficiencies. This letter does not affect our report on the financial statements of the City.

During our review of the Information Technology (IT) internal control environment, we noted that the School Board did not perform an annual review of access privileges to the MUNIS application. Access privileges to the MUNIS application should be periodically reviewed by the users' management to verify that the level of access still accurately reflects the appropriate level required for the user to perform their job function and accurately reflects an appropriate level of segregation of duties within logical access.

We recommend that the School Board perform scheduled periodic reviews of user access for all financially significant applications on a periodic basis in order to identify unauthorized/inappropriate access based on job function, as well as to identify any terminated users who have remained active in the application. These reviews should be documented and changes identified during the access review should be processed in accordance with the access provisioning procedures.

This communication is intended solely for the information and use of the School Board and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Richmond, Virginia
December 19, 2016