



Communication of Management Comments

Members of the Board and Management
Kenton County School District
Fort Wright, Kentucky

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, the component unit, and the aggregate remaining fund information of Kenton County School District (the "District") as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that would not be identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider the item on page three to be a significant deficiency.

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

The District's written response to the comment identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the Members of the Board, management and others within the District, and the Kentucky Department of Education, and is not intended to be and should not be used by anyone other than these specified parties.

Strothman and Company

Louisville, Kentucky
November 14, 2019

Current Year Comments and Management Responses

Kenton County School District

June 30, 2019

Item 2019-1 – Data Encryption

Condition & Criteria: HIPAA (45 CFR 164.312(a)(2)(iv) and 45 CFR 164.312(e)(2)(ii)) require the encryption of student information when stored on disk, on tape, on USB drives, and on any non-volatile storage. This is called encryption of data at rest. Currently, student health information potentially rests on devices which are issued by the school and are not encrypted.

Cause: No school-issued devices are encrypted.

Effect: This is potentially a HIPAA violation and should be addressed.

Recommendation: We recommend that encryption software be selected and deployed on devices which might contain relevant HIPAA-protected data.

Management's Response: Management agrees with the recommendation regarding encryption of student health information stored on district-issued devices. The Technology Department has chosen the Microsoft Windows 10 data encryption system resident on all district-issued devices for this purpose. District employees have received direction to encrypt any and all files containing private data, including HIPAA-protected data, and specific directions on using the encryption system.

Prior Year Comments

Prior Year Comments

Kenton County School District

June 30, 2019

There were no findings that were required to be reported.