



HAUPPAUGE PUBLIC SCHOOLS
495 Hoffman Lane, P.O. Box 6006, Hauppauge, New York 11788

JACQUELINE I. PIRRO
Assistant Superintendent for Business & Operations

December 23, 2019

New York State Education Department
Office of Audit Services
89 Washington Avenue
Room 524 EB
Albany, NY 12234

RE: Hauppauge UFSD

Corrective Action Plan, External Audit, for the year ended June 30, 2019

To Whom It May Concern:

Please find the detailed notes below in summary to the management letter received from our external auditors for the 2018-2019 fiscal year:

Current Year
School Lunch Fund

1. *External Auditor Recommendation:* During our current year audit we noted that the school lunch fund balance exceeded the three month average expenditure level allowable by federal regulations by approximately \$501,331. We note that the District does currently have a plan in place to utilize this excess fund balance. As such we recommend the District continue to monitor the plan and implement any additional measures necessary to lower the fund balance in subsequent years.

Management Response: The district is implementing the school lunch balance plan and is implementing measures to lower the fund balance this year and going forward.

Extra Classroom Accounts

2. *External Auditor Recommendation:* We recommend the District continue to provide training to the extraclassroom treasurers and advisors of the proper procedures required by the State

Education Department, and that the District implement procedures for the noted items to improve the internal controls for the extra classroom activity accounts.

Management Response: The district is working with the extraclassroom treasurer and club advisors on the proper procedures required by the State Education Department. The Assistant Superintendent for Business now attends the kickoff meetings for club accounts at the start of each school year to review expectations and necessary procedures for the club activities. It is at this meeting that the advisors receive the pamphlet: The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds. The business office is requiring the use of recently revised ECAF forms for a complete snapshot of collection and deposit transactions. In addition, in the fall of 2019 the district sent the ECAF Treasurer and the district administrator whom supervises the clubs at the high school to half day training sessions on this topic.

Prior Year

Fund Balance - School Lunch Fund

1. *External Auditor Recommendation:* During our prior year audit we noted that the school lunch fund balance exceeded the three-month average expenditure level allowable by federal regulations by approximately \$644,000. We recommend the District develop a plan to implement additional measures to lower the fund balance in subsequent years.

Status: In process

Management Response: The district developed and plan and continues to purchase and install items to enhance the school lunch program. The district continues to work with the school lunch management to identify additional enhancements that can be made to the school lunch program district wide.

Capital Assets

2. *External Auditor Recommendation:* During our prior year audit we noted 2 out of 10 asset additions were incorrectly capitalized at the value of the purchase order rather than the amount actually paid to purchase the item. In addition, we noted 1 out of 10 asset additions had a capitalized cost that incorrectly excluded the installation cost of the item. The capitalized cost of an asset should include all costs necessary or required to place the asset into service. We recommended the District review their current year asset additions to ensure they are being capitalized at the appropriate amounts, including any costs required to bring that asset into service.

Status: Implemented.

Extra Classroom Accounts

3. *External Auditor Recommendation:* We recommend the District continue to provide training to the extraclassroom treasurers and advisors of the proper procedures required by the State Education Department.

Status: Not Implemented. (See current year findings)

Management Response: Management Response: The district is working with the extraclassroom treasurer and club advisors on the proper procedures required by the State Education Department. The Assistant Superintendent for Business now attends the kickoff meetings for club accounts at the start of each school year to review expectations and necessary procedures for the club activities. It is at this meeting that the advisors receive the pamphlet: The Safeguarding, Accounting, and Auditing of Extraclassroom Activity Funds. The business office is requiring the use of recently revised ECAF forms for a complete snapshot of collection and deposit transactions. In addition, in the fall of 2019 the district sent the ECAF Treasurer and the district administrator whom supervises the clubs at the high school to half day training sessions on this topic.

Sincerely,



Jacqueline I. Pirro

Assistant Superintendent for Business and Operations