



# HAUPPAUGE PUBLIC SCHOOLS

495 HOFFMAN LANE, HAUPPAUGE, NEW YORK 11788

Jacqueline I. Pirro  
Assistant Superintendent for Business and Operations

November 30, 2018

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, 2018

To Whom It May Concern:

Please find the detailed notes below in summary to the management letter received from our external auditors for the 2017-2018 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 \$644,000. We recommend the District develop a plan to implement additional measures to lower the fund balance in the 2018-19 school year.

*Management Response:* The district worked with school lunch management and identified enhancements that were either implemented in the summer of 2018 or will be installed in the months to come. The district purchased new cafeteria tables for the high school during the summer of 2018 and will be moving forward with the ordering of new serving lines at the three elementary schools, purchasing updated serving carts and arranging the replacement of walk in refrigeration where necessary.

### Capital Assets

2. *External Auditor Recommendation:* During our current 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 recommend 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.

*Management Response:* The district is reviewing our current year asset additions to ensure they are being capitalized at the appropriate amounts. Additionally, the district is reviewing the asset identification process from inception to reporting to ensure the staff responsibilities match department areas.

### Extra Classroom Accounts

- 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 the extraclassroom treasurers and advisors on the proper procedures required by the State Education Department. The Assistant Superintendent for Business has in attendance and involved at meetings with the advisors to provide guidance and written documentation as a resource for the advisors. The business office has revised the ECAF forms to include additional information for a complete snapshot of collection and deposit transactions.

## **Prior Year**

### Extra Classroom Accounts

- 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:* Partially Implemented (See current year findings)

*Management Response:* The district administration is involved and working closely with the extraclassroom treasurer and club advisors of the proper procedures required by the State Education Department. The Treasurer will strengthen the written documentation provided to each of the advisors.

### School Lunch Fund

- 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 \$672,000. We recommend implementing additional measures to lower the fund balance in the 2017-2018 school year.

*Status:* In process

*Management Response:* The district has purchased items to enhance the school lunch program and continues to work with the school lunch management to identify additional enhancements that can be made to the school lunch program district wide.

Sincerely,

A handwritten signature in black ink that reads "Jacqueline I. Pirro". The signature is written in a cursive style with a large initial 'J'.

Jacqueline I. Pirro

Assistant Superintendent for Business and Operations