

Syosset Central School District

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

Dear Madam/Sir:

The comments contained in this letter collectively represent the corrective action plan for the Syosset Central School District in response to the two internal audit reports prepared by R.S. Abrams & Co. LLP for the 2017-18 school year.

Risk Assessment Update Report—We are pleased to report that of the 54 business areas evaluated in the Risk Assessment, 52 were evaluated as low control risk and none were found to be high risk. The two areas identified as moderate control risk are (1) Food Services – Fund Balance and (2) Capital Assets Acquisition, Disposal and Capitalization Policy. We were pleased that the auditors noted improvement in Inventory Tracking within the area of Capital Assets and moved this specific area from medium to low risk.

- **Food Services**—The auditors noted the school lunch fund balance exceeded three month's expenditures. The district completed another competitive bid for a food service provider in May 2018 and appointed a new food services management company effective July 1, 2018. We are working on a complete review of the district's food services with the new company to determine the most effective investment to both improve the district's food service program and address the excess fund balance noted by the auditors.
- **Capital Assets**—The auditors have recommended greater specificity in the capital asset policy related to the cost at which donated assets are recorded as well as the types of assets that are included in the category of computer hardware. District staff will continue working with our external auditors and attorneys to determine the appropriate changes to the policy based on this recommendation.

Procurement and Claims Processing—The auditors performed an in-depth review of Procurement and Claims Processes. The auditors reported no findings or recommendations in the areas of Governance, Competitive Bids and Quotations, Cash Disbursements and Purchasing, Travel and Conferences and Cell Phones. The only finding they reported was in the area of IRS 1099 compliance where they reported that one vendor that was paid in excess of \$600 in the calendar year was not issued an IRS 1099 form. Due to the financial system conversion the 1099 data was being pulled from two systems, which increased the opportunity for error. Going forward all 1099 data will come from the district's new WinCap system, which has more robust 1099 reporting functionality and a more updated vendor file, which will help to reduce the opportunity for error.

Sincerely,
Patricia Rufo