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(1926-2014)

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To the Board of Education and  
Mr. Stephen Harrison, Assistant Superintendent for Business  
East Islip Union Free School District  
1 Craig B. Gariepy Avenue  
Islip Terrace, New York 11752

In planning and performing our audit of the financial statements of the governmental activities, each major fund and the fiduciary funds of the East Islip Union Free School District as of and for the fiscal year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered East Islip Union Free School 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 East Islip Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the East Islip Union Free School District'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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

However, during our audit we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestions concerning those matters. We have also included the status of our prior year findings and recommendations.

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## **CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

### **SCHOOL FOOD SERVICE FUND**

#### **Fund Balance**

During our current year audit, we noted that the fund balance in the school food service fund exceeded the three-month average expenditure level allowable by federal regulations 7CFR Part 210.14(b) by \$58,714. We recommend the District develop a plan to reduce the fund balance to an allowable level.

### **EXTRACLASSROOM ACCOUNTS**

#### **Extraclassroom Accounts**

The District has established extra classroom activity accounts to maintain student activities and funds. The New York State Education Department has published guidelines governing the proper procedures and policies governing the extra classroom accounts and transactions. During our current year audit of the District's extra classroom activity accounts, we noted the following:

- Supporting documentation for cash receipts was not always provided to the Central Treasurer for review. In addition, the District was unable to provide sufficient supporting documentation for six out of fifteen cash receipts selected for testing.
- Four clubs did not appear to meet the State's definition of a bona fide club.

We recommend that supporting documentation for all cash receipts be provided to the Central Treasurer for review, and that the supporting documentation be maintained on file. We also recommended that cash disbursements be properly signed with a student signature, and that the extra classroom accounts which do not meet the State's definition of a bona fide club be closed, and that the account balance be transferred to an appropriate club in accordance with District policy.

## **STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

### **INFORMATION TECHNOLOGY CONTROLS**

#### **Disaster Recovery Plan:**

**FINDING:** During the prior year audit, we noted that although the District had adopted a formal disaster recovery plan to help minimize equipment and data loss in the event of a disaster and to recover data, the District had not tested the plan. We recommended that the District test the disaster recovery plan, and document the outcome.

**STATUS:** **Implemented.**

#### **Network Passwords:**

**FINDING:** During the prior year audit, we noted user passwords for the District's network had a required length of six characters, and were not held to complexity requirements. We

recommended that the District revise its network password policy to require a minimum of eight characters, and that network passwords be held to complexity requirements, as recommended by the Office of the State Comptroller.

STATUS: **Implemented.**

### **EXTRACLASSROOM ACCOUNTS**

#### **Extraclassroom Accounts:**

FINDING: During the prior year audit of the District's extra classroom activity accounts, we noted the following:

- Supporting documentation for cash receipts was not provided to the Central Treasurer for review. In addition, the faculty advisors were unable to provide sufficient supporting documentation for ten out of fifteen cash receipts selected for testing.
- Cash disbursements were not properly cancelled after payment to prevent duplicate payment.
- Four clubs did not appear to meet the State's definition of a bona fide club.
- The District did not monitor the extra classroom activity fund to ensure that IRS Forms 1099 were issued for all non-employee compensation exceeding \$600 during the calendar year.

We recommended that supporting documentation for all cash receipts be provided to the Central Treasurer for review, and that the supporting documentation be maintained on file. We also recommended that cash disbursements be properly cancelled after payment to prevent duplicate payment, and that extra classroom accounts which do not meet the State's definition of a bona fide club be closed, and that the account balance be transferred to an appropriate club in accordance with District policy. In addition, we recommended that the District monitor the extra classroom activity fund for compliance with IRS Form 1099 requirements.

STATUS: **Partially Implemented.** During our current year audit, we noted the following:

- Supporting documentation for cash receipts was not always provided to the Central Treasurer for review. In addition, the District was unable to provide sufficient supporting documentation for six out of fifteen cash receipts selected for testing.
- Four clubs did not appear to meet the State's definition of a bona fide club.

\* \* \* \* \*

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District. Should you have any questions concerning the matters referred to in this letter, we shall be pleased to discuss them with you, at your convenience.

This communication is intended solely for the information and use of the Board of Education, the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*R.S. Abrams & Co., LLP*

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Islandia, NY 11749  
October 6, 2020