Hewlett-Woodmere UFSD
Corrective Action Plan in Response
External Audit Report of October 7, 2024 by R S Abrams & Co., LLP

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

ACCOUNTING POLICIES AND PROCEDURES

Finding: During our audit, we noted multiple instances of improper cut-off transactions between fiscal years in the accounting records, which resulted in adjusting entries being needed for accounts payable and encumbrances. We recommend that the District develop/refine a process and implement procedures to review transactions and supporting documentation during the year-end closing process to determine the period of applicability and accurately record year-end accrual and encumbrance balances.

District Response: The District notes that the Assistant Superintendent for Finance retired June 30, 2024. Her replacement was an interim that only provided two months of service. This criticism was never noted in the past and we attribute it to the transition in personnel and the lack of advance planning for that transition. Close attention will be paid to the old vs new year transactions and cut-off dates in the 2024-25 and 2025-26 budget years.

Anticipated Completion Date: July 2025

Person Responsible for Implementation: Assistant Superintendent for Finance & Personnel
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STATUS OF PRIOR YEAR RECOMMENDATIONS

FUND BALANCE MANAGEMENT

Finding: During our prior year audit, we noted the District had a balance of $11,205,068 in its workers' compensation reserve at June 30, 2023, which was higher than the total estimated liability for claims payable as calculated by the District's outside actuary. The estimated liability at June 30, 2023 was $6,802,565 which included incurred claims and claims incurred but not reported (IBNR). We noted the District appropriated $500,000 of the reserve in the prior year for claims payments. We recommended the District review the reserve balance for reasonableness and continue to utilize the reserve for future claim expenses in order to lower the balance to a reasonable level in relation to their estimated liability.

STATUS: Implemented.