Chappaqua Central School District

Joshua Culwell-Block
Assistant Superintendent for Business

Christine Ackerman Ph.D.
Superintendent of Schools

TO: Board of Education
CC: Dr. Christine Ackerman
Audit Committee

FROM: Joshua Culwell-Block
DATE: September 12, 2025

RE: Management Response to June 2025 Report on Internal Controls Pertaining to the Benefits Cycle

The auditors of Nawrocki Smith LLP, the district's internal audit firm, have completed their internal controls audit pertaining to Fixed Assets for the 2024-2025 school year as required under Chapter 263 of the Laws of 2005 and Section 170.12 of the Regulations of the Commissioner of Education. Their report cites various recommendations for improvements. Below is the District's response to their recommendations along with the person responsible for and anticipated completion date of any corrective actions.

Recommendation (BC2425-1): The District and the Congress of Teachers Benefit Fund (CCTBF) should implement a formal process to maintain and readily provide up-to-date employee enrollment listings for its dental and vision coverage and benefit plans. The listings should be centralized, access-controlled, and made available upon request to relevant stakeholders, including internal audit. This will assist the District in performing accurate reconciliations and improving oversight of benefit expenditures.

Response: The District will meet with the Benefit Fund leaders, and create a process to reconcile quarterly delta and vision invoices. A process will be created for transparent rosters from the benefit fund and the District. A shared database with the District, CCTJBF, and its providers will be created and maintained, not simply the count reconciliation.

Responsible Person: Joshua Culwell-Block, Assistant Superintendent for Business, CCTJBF
Anticipated Completed: November 30, 2025

Recommendation (FA2425-2): The District and Putnam/Northern Westchester Health Benefits Consortium (PNW HBC) should align their health benefits administration with NAIC Model Regulation #1205, which mandates Coordination of Benefits (COB) rules to determine primary and secondary coverage. Under this regulation, secondary plans pay only after the primary plan and within defined limits they cannot cover denied services or serve as excess coverage. Additionally, the District should implement an annual certification process that requires employees to disclose any other active coverage and report any changes. This will assist the District in maintaining regulatory compliance and preventing overpayments.

Response: The District will work with PNW HBC to verify and receive appropriate documentation of alignment to NAIC Model Regulation #1205. The District will work with PNW HBC to create an annual certification process for all individuals, not just ones who are required to submit documentation for the Working Spouse Rule

Responsible Person: Joshua Culwell-Block, PNW HBC
Completed: February 1, 2026

Thank you,

Joshua Culwell-Block
Assistant Superintendent for Business