

East Islip Union Free School District
Risk Assessment Update Report
September 30, 2025



Risk Assessment Update Report

To the Board of Education and Audit Committee
East Islip Union Free School District
Islip Terrace, New York

We have performed the annual risk assessment update for the East Islip Union Free School District (“the District”) as required by Chapter 263 of the Laws of New York, 2005, and as per our engagement letter of June 20, 2025.

This engagement is in accordance with auditing standards generally accepted in the United States of America and the applicable standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States, or the *International Standards for the Professional Practice of Internal Audit* issued by the Institute for Internal Auditors. We have also considered the guidelines promulgated by the New York State Education Department in connection with such risk assessments.

Specifically, we performed the following:

- Reviewed our understanding of the critical business processes of the District.
- Identified the key risks based on our understanding of these business processes.
- Identified the stated controls that are currently in place to address those risks.

These procedures were performed by interviewing District management, as well as accounting and other departmental personnel to determine the flow of accounting information and controls placed in operation. The scope of our engagement did not include testing the operating effectiveness of such controls.

Our procedures were not designed to express an opinion on the internal controls of the District, and we do not express such an opinion. Additionally, because of inherent limitations of any internal control, errors or fraud may occur and not be prevented or detected by internal controls. Also, projections of an evaluation of the accounting system and controls to future periods are subject to the risk that procedures may become inadequate because of changed conditions.

We would like to express our appreciation for the cooperation and assistance that we received from the District’s administration and other employees during our engagement, especially the Business Office personnel.

This report is intended solely for the use and information of the Board of Education (Board), Audit Committee, and the management of the District, and is not intended to be and should not be used by anyone other than these specified parties.

Cullen & Danowski, LLP

Port Jefferson Station, New York
September 30, 2025

EAST ISLIP UNION FREE SCHOOL DISTRICT

Introduction

September 30, 2025

Chapter 263 of the Laws of New York, 2005 requires most school districts to create an internal audit function. The creation of this function requires districts to engage either a qualified audit firm or an individual to make an initial risk assessment of the design of the District's internal controls; annually update this assessment; and, periodically test these controls for operational effectiveness and efficiency. This report addresses the second requirement, which is an annual risk assessment update.

Internal controls are the checks and balances over the various processes or functions that comprise the operations of a district. One key element in any internal control system is the concept of **segregation of duties**. This concept ensures that one person cannot execute a transaction without at least one other individual checking his or her work. Of course, where segregation of duties is not feasible, the district can employ compensating controls.

Nevertheless, there are some important concepts that should be understood when reviewing internal controls. These concepts are:

- An internal control system is designed to provide reasonable but not absolute assurance in safeguarding the assets of the District.
- The concept of reasonable assurance recognizes that the cost of the internal control should not exceed the benefits derived.
- There are inherent limitations that should be recognized when considering the potential effectiveness of any internal control system, e.g., errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. More importantly, it is **collusion** that poses the greatest threat to any internal control system. If two employees collude in order to circumvent the controls set up by the District, they could perpetrate fraud.

The initial risk assessment required the internal auditor to obtain an understanding of both the inherent and control risks associated with the various functions within the District. The risk assessment update requires the internal auditor to identify the changes in procedures, policies, personnel, and systems that may have an impact on these risks and possibly alter the initial risk assessment's level of control risk.

Control risk measures the adequacy of internal controls designed to mitigate the inherent risk within the process. In this engagement, we have assessed the control risk based on our interview process. The testing of the controls, which is performed during the detailed test work, could support the lowering of the initial control risk assessment associated with individual processes and sub-functions.

We have organized this report into the following two sections:

The first section is a risk assessment table. In this table, we identify the processes or functions that we have reviewed. This table includes our assessment of the control risk associated with each process. There are two control risk columns to reflect the prior year's risk assessment level and the current year's risk assessment level based on the results of the risk assessment update as well as the detailed test work performed for selected processes. **Since the testing of controls has not been done for all processes, it is important to note that this table should not be viewed as the final assessment of the District's control environment.** The Risk Assessment Table also includes processes to be tested during the coming year. The decision of which processes to review in detail is at the discretion of the Audit Committee.

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Introduction (Continued)

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The second section of this report consists of any changes from the prior year’s risk assessment related to key policies, procedures, and/or controls of the functions we reviewed. Also included in this section are any new recommendations and the status of any prior year recommendations (note that this text is in *italics*), for areas of potential improvement in the District’s internal controls or operations. The status of prior year recommendations from the following reports was addressed in this year’s risk assessment:

| Report Type | Issue Date | Area(s) |
|--------------------|-------------------|----------------|
| Risk Assessment | December 5, 2024 | District-wide |
| Detailed Testing | October 1, 2024 | Food Service |

***Note:** the Detailed Testing Report dated September 30, 2025, related to employee benefits, was recently issued and those recommendations will be included in next year’s 2026-27 Risk Assessment Update Report.*

The changes and recommendations have been considered in the assessment of the level of control risk. Some of the recommendations may require a reassignment of personnel duties within the District and/or a financial investment. However, any improvement of controls should be done after a careful cost-benefit analysis is completed.

Corrective Action Plan

Commissioner of Education Regulation §170.12(e)(4) requires that a corrective action plan (CAP), approved by the Board, must be filed within 90 days of issuance with the New York State Education Department (NYSED).

The District should submit the CAP along with the respective Internal Audit Report via the NYSED portal system.

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Risk Assessment Table

September 30, 2025

(L=Low, M=Moderate, H=High)

| Business Process Area | Date of Detailed Testing* | Control Risk | | Proposed Detailed Testing |
|---|----------------------------------|---------------------|---------------------|----------------------------------|
| | | Prior Year | Current Year | |
| Governance and Planning | | | | |
| Governance & Control Environment | | M | M | |
| Budget Development, Administration, and Fund Balance Management | | M | M | |
| Accounting and Reporting | | | | |
| Financial Accounting and Reporting | | M | M | |
| Auditing | | M | M | |
| Revenue and Cash Management | | | | |
| Revenue Management | | M | M | |
| Billings | 11/21/22 | L | L | |
| Collections and Posting of Receipts | 11/21/22 | M | L | |
| Cash and Investments Management | | M | M | |
| Bank Activity and Reconciliations (SR) | 06/07/23 | L | L | |
| Payroll | | | | |
| Payroll Accounting and Reporting | | M | M | |
| Tax Filings and Reconciliations | | M | M | |
| Payroll Distribution | | M | M | |
| Human Resources | | | | |
| Employment Recruitment and Hiring | | M | M | |
| Employee Administration and Separation | | M | M | |
| Employee Attendance | | M | M | |
| Benefits | | | | |
| Administration | 09/30/25 | M | M | |
| Payments and Cost Sharing | 09/30/25 | M | M | |
| Purchasing and Related Expenditures | | | | |
| Purchasing System and Process | | M | M | |
| Payment Process | | M | M | |
| Credit Cards | | M | M | |

* Indicates the issuance date of a detail testing (DT) report for that area.

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Risk Assessment Table (Continued)
September 30, 2025

(L=Low, M=Moderate, H=High)

| Business Process Area | Date of Detailed Testing* | Control Risk | | | | Proposed Detailed Testing |
|--|---------------------------------|--------------|---|--------------|---|---------------------------------|
| | | Prior Year | | Current Year | | |
| Grants and Special Education | | | | | | |
| Grants Processing/Monitoring | | | M | | M | |
| Special Education (Financial Operations) | 12/16/20 | L | | L | | |
| Facilities and Capital Projects | | | | | | |
| Facilities Maintenance & Operations | 09/30/21 | L | | L | | |
| Capital Projects | | | M | | M | |
| Capital Assets and Inventory | | | | | | |
| Acquisition and Disposal | | | M | | M | |
| Maintenance and Inventories | | | M | | M | |
| School Lunch | | | | | | |
| Sales Cycle and System | 10/01/24 | | M | L | | |
| Purchasing and Inventory | 10/01/24 | | M | L | | |
| Federal and State Reimbursements | 10/01/24 | | M | L | | |
| Free and Reduced Lunch | 10/01/24 | | M | L | | |
| Extraclassroom Activity Fund | | | | | | |
| General Controls and Administration | | | M | | M | |
| Cash Receipts | | | | H | | H |
| Cash Disbursements | | | M | | M | |
| Information Technology | | | | | | |
| Governance | 10/30/23 | | M | L | | |
| Network Security | 10/30/23 | L | | L | | |
| Financial Application Security | 10/30/23 | L | | L | | |
| Disaster Recovery | 10/30/23 | L | | L | | |
| Student Related Data and Services | | | | | | |
| Student Attendance Data | | | M | | M | |
| Student Performance Data | | | M | | M | |
| Student Transportation | | | M | | M | |
| Student Safety and Security | | | M | | M | |

* Indicates the issuance date of a detail testing (DT) report for that area.

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KEY CHANGES FROM THE PRIOR YEAR'S RISK ASSESSMENT RELATED TO POLICIES, PROCEDURES AND/OR CONTROLS (as of our fieldwork conducted during August 2025)

Governance and Planning

Board and Personnel Changes

- The District has experienced several changes in leadership and key positions since the prior year. These changes include transitions in the Board President and Board Vice President roles, as well as key roles including the High School Principal, High School Assistant Principal, Middle School Principal, Director of Special Education, Interim Director of Art and Music, and Senior Network Engineer. In addition, there were staff changes in the Human Resources Department, Curriculum and Instruction Department, and Superintendent's Office.

Ex-Officio Board Member

- In compliance with amendments to New York State Education Law §1702, the District appointed a non-voting ex-officio student board member. This action ensures compliance with state requirements and enhances student engagement in board governance.

Policy Update

- The District has been actively reviewing and updating Board policies as needed, including *Policy #1741 – Home Schooling*, *Policy #2230 – Appointed Board Officials*, *Policy #2300 – Board of Education Membership*, *Policy #4321 – Programs for Students with Disabilities Under the IDEA and New York Education Law Article 89*, *Policy #4526 – Computer Network and Internet Access Acceptable Use*, *Policy #5300 – Code of Conduct*, *Policy #5300-E – Guidelines for the Implementation of the School Discipline Policy*, *Policy #5695 – Students and Personal Electronic Devices*, *Policy #6240 – Investments*, *Policy #6700 – Purchasing*, *Policy #8130 – School Safety Plans*, *Policy #8330 – Authorized Use of School-Owned Materials and Equipment*, *Policy #9240 – Recruiting and Hiring*, and *Policy #9550 – Expression of Breast Milk in the Workplace*.

NYS School Safety and Prevention Act

- The District has implemented Part 1 of Desha's Law (New York State Education Law §2801-a, as amended) by adopting cardiac emergency response procedures, ensuring AED accessibility, and designating trained responders. Preparations for Part 2 compliance, effective January 20, 2026, are underway, with updates to safety plans, staff training, and public comment processes on track to support timely implementation.

88 Degree Classroom Temperature

- The District has established procedures to comply with the New York State Education Department's 88-degree temperature rule, which requires districts to modify instructional activities when classroom temperatures reach or exceed 88 degrees. The District developed protocols to monitor building temperatures, communicate conditions to staff, and adjust student programming as necessary to ensure a safe learning environment. These procedures formalize responsibilities for facilities and instructional staff and establish clear guidance for when to relocate, modify, or suspend classroom activities in response to high-temperature conditions.

Bell-to-Bell Cellphone Ban

- The District implemented procedures to comply with the New York State "bell-to-bell" cellphone ban, which prohibits student cellphone use during instructional time. The District established guidelines for the collection, storage, and monitoring of student devices at the start of each instructional period, with return at the conclusion of the school day or designated instructional blocks. These procedures are intended to support instructional focus, reduce classroom disruptions, and align District practices with statewide requirements.

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Accounting and Reporting

Revised Accounting for Compensated Absences (GASB 101)

- The Business Office has revised its accounting for compensated absences to be in accordance with Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Under GASB 101, compensated absences are recognized as a liability when (a) the leave is attributable to services already rendered, (b) the rights to leave accumulate, and (c) the leave is more likely than not to be used for time off or otherwise paid or settled. This revision ensures the District's financial statements accurately reflect compensated absence liabilities in accordance with the new standard.

Benefits

Internal Audit Report

- Refer to Cullen & Danowski's *Internal Audit Report on Detailed Testing* dated September 30, 2025, related to employee benefits for information about the detailed review of this area.

Food Services

Universal Free School Meals

- Due to the enactment of New York State Education Law §915(a), Universal Free School Meals, effective September 2025, all students will continue to receive their first regular meal at no cost. The State paid reimbursement rate will provide the difference between the federal free and the federal paid rate for meals reimbursed in the paid category. While the legislation establishing Universal Free School Meals is written to continue indefinitely, its scope and duration remain subject to future legislative amendments or funding changes that could limit the extent of the program in subsequent years. Effective July 1, 2025, the District became eligible for the Community Eligibility Program (CEP) for all schools. Under this program, all students receive their first regular meal for these students at no cost to the students, with the State paid reimbursement rate providing the difference between the federal free and the federal paid rate for meals reimbursed in the paid category. This program has a four-year cycle, after which a school or group of schools must reapply.

Internal Audit Follow-up

- The District has actively addressed the recommendations from Cullen & Danowski's *Internal Audit Report on Detailed Testing* dated October 1, 2024, related to food service (refer to the section below "status of prior observations and recommendations (closed items)").

Information Technology (IT)

Required Staff Training and Awareness

- The District continues to require all staff to complete training courses on safe internet use that includes awareness of phishing scams, and compliance with Education Law §2-D. Additionally, the District has continued to perform periodic phishing campaigns to enhance awareness of potential scam emails.

Internal Audit Follow-up

- The District has continued to be active with addressing the recommendations from Cullen & Danowski's *Internal Audit Report on Detailed Testing* dated October 30, 2023, related to IT (refer to the section below "status of prior observations and recommendations (closed items)").

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Student Related Data and Services

Student Transportation

- On May 20, 2025, District voters approved a proposition to modify student transportation bus eligibility limits, with the changes effective beginning in the 2025-26 school year. The revised policy establishes standardized limits by grade level as follows:
 - Grades K-5 = ½ mile;
 - Grades 6-8 = 1 mile;
 - Grades 9-12 = 1.5 miles.

This replaces the previous structure of Grades K-3 = ½ mile; Grades 4-6 = 1 mile; Grades 7-12 = 1.5 miles. Additionally, on May 20, 2025, the District voters approved a proposition to provide transportation to students in grades 6 through 8, pursuant to Education Law Section 3635-b as a child safety zone. The child safety zone was designated as a result of a study performed by an independent contractor. To implement these changes, the District undertook a rerouting of existing service and the addition of bus routes to accommodate expanded eligibility. The adjustment aligns bus eligibility limits within each school level, provides transportation to those students in a designated child safety zone, and reflects the District's adherence to voter authorization and transportation policy updates.

Safety and Security Enhancements

- The District continued to provide the staff with additional safety and security related training.
- There have been enhancements to safety and security at the District that include the implementation of a lockdown system in all schools, installation of swipe card readers for exterior doors and interior doors, increased security patrols of all building's exterior doors, as well as expanding server storage to increase the retention period of surveillance footage.

CURRENT OBSERVATIONS AND RECOMMENDATIONS

PAYROLL AND HUMAN RESOURCES

Employee Offboarding – ID Badge Collection

Risk Assessment Update – 2025

We found that the District has procedures in place to deactivate employee ID badges upon separation; however, the process does not require the physical collection of the badges from departing staff. Without collecting these badges, there is a risk that former employees could retain inactive credentials, which could still be misused for identification and unauthorized access purposes, or cause confusion in security situations.

We recommend that the District update its offboarding procedures to require that all separating employees return their physical ID badges in addition to deactivation. Adding this step will help maintain full control over issued credentials and further strengthen overall access security.

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Onboarding/Offboarding Meetings with Payroll and Benefits

Risk Assessment Update – 2025

We found that District does not provide all new hires or separating employees the opportunity to meet with payroll and benefits staff outside of the annual new teacher orientation. As a result, some employees may not receive information regarding payroll and benefits entitlements, and the District may face delays in obtaining required documentation during the onboarding and offboarding processes, increasing the risk of payroll or benefit errors. .

We recommend that the District establish procedures requiring all new hires and separating employees to meet with payroll and benefits staff as part of the onboarding and offboarding processes. These meetings would promote consistent communication of payroll and benefits information while also ensuring the District collects all necessary documentation in a timely manner.

INFORMATION TECHNOLOGY

Backup Power System

Risk Assessment Update – 2025

We found that the High School Network Operations Center (NOC) and the backup NOC at Timber Point Elementary are equipped with battery-backup (UPS) units that provide power for roughly 90 minutes. However, the District does not have a long-term backup power source (e.g., a generator) to sustain network operations during extended outages. This could result in prolonged network and communications downtime during an extended power failure.

We recommend that the District consider adding a long-term backup power solution for the High School NOC and the Timber Point Elementary backup NOC, such as a properly sized standby generator with automatic transfer capability, to ensure continuity of network and communications during extended outages.

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (OPEN ITEMS)

GRANTS AND SPECIAL EDUCATION

Grants Processing/Monitoring – Personnel Activity Report (PAR) Forms

Risk Assessment Update 2023

We recommended that the District investigate the feasibility of using the nVision system or the SchoolFront system to facilitate the process related to the distribution and completion of the PAR forms.

Risk Assessment Update 2024

We noted that the HR Department is utilizing the nVision and SchoolFront systems to facilitate the process related to the distribution and completion of the annual salary notifications to employees. We suggested that the Business Office work with the HR Department to implement similar procedures to facilitate the distribution of the PAR forms.

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Risk Assessment Update 2025

We found that the District is in the process of implementing this recommendation, which required creating a custom export from the nVision system for import into the SchoolFront system. Our understanding is that the functionality exists, and the District successfully tested the process; however, the feature to create a separate role that only has access to PAR forms is not currently available. The SchoolFront representative stated that this feature should be in place around January 2026.

INFORMATION TECHNOLOGY

IT Storage Closets

Detailed Testing – 2023

We recommended that the District improve controls and conditions related to the IT Storage Closets as follows:

- a) Perform a cost/benefit analysis of installing an improved temperature control system that is properly designed for regulating temperatures and a heat detecting system within the areas.
- b) Restrict the use of these areas to IT equipment and not allow the storage of non-IT supplies and cleaning apparatus to prevent the risk of potential damage to the IT equipment in these closets.

Risk Assessment Update 2024

We noted that the IT Department had reviewed each of the 36 closets in the District’s buildings during the spring of 2024 to define the contents, set ups, and factors including cooling, heat detection, and temperature controls. This had been formalized in a Word document, and the IT Department was planning to prepare a cost-benefit analysis for each closet regarding setting up temperate and heat detection systems, as well as information regarding any items other than IT equipment that is stored in the closet. The IT Department will coordinate the storage in these closets with the Director of Facilities.

Risk Assessment Update 2025

We found that the District has continued with the remediation of IT storage closets by assessing installation of card-access readers and dedicated cooling where absent, and by reconfiguring layouts to determine whether equipment cages are necessary or whether access controls alone are sufficient. We noted ventilation improvements and the addition of card access in selected closets; dedicated cooling remains outstanding in several locations. Funding to complete the remaining access and cooling enhancements is included in the 2025–26 budget, and the District plans to address the outstanding closets during the fiscal year, including relocating non-IT items to appropriate storage.

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (CLOSED ITEMS)

REVENUE AND CASH MANAGEMENT

Cash Receipts Supporting Documentation – Retention & Review

Risk Assessment Update 2023

We recommended that the District strengthen controls related to receipts at the schools/departments, since the collection of funds has a high level of inherent risk. We recommended that the Business Office formally communicate the requirement that the employees who handle receipts in the departments and school buildings

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maintain the documentation to support the amount of billings and collections related to instrument rentals, AP exams, and photo fees. In addition, we recommended that the District establish procedures to assign Business Office staff the responsibility to periodically review such documentation related to these activities to ensure the completeness, accuracy, and timeliness of these types of receipts, as well as verifying the proper sequence of receipt numbers, student lists, and other supporting records.

Risk Assessment Update 2024

We noted that the District has improved controls related to receipts at the schools/departments by requiring the departments and school buildings to maintain the records to support the amount of billings and collections related to instrument rentals, AP exams, and photo fees. We note that the District plans to establish procedures to assign Business Office staff the responsibility to periodically review such documentation related to the receipts activity.

Risk Assessment Update 2025 (This item is now closed)

We found that, effective at the start of the 2025-26 school year, the District implemented procedures requiring the schools and departments to use a standard form to record the details of deposits, such as student rosters, to support the tracking of payments received for various collections. The form needs to be submitted to the Business Office each month and the District Treasurer along with the Deputy Treasurer to perform reconciliations of the school and department records to the general ledger, as well as confirm that deposits are complete, supported by appropriate documentation, and accurately recorded.

Board Policy – Billings, Collections and Receipts

Risk Assessment Update 2023

We recommended that the District consider creating additional Board policies related to billings, collections, and receipts that may include Early Morning Program (EMP), After School Program (ASP), and Use of Facilities.

Risk Assessment Update 2024

We were assisting the District with obtaining draft Board policies related to billings, collections, and receipts regarding EMP, ASP, and Use of Facilities.

Risk Assessment Update 2025 (This item is now closed)

We understand that the District has decided to develop procedures related to billings, collections, and receipts in lieu of creating Board policies. We assisted the District in developing a formal written procedure to document these key processes performed by the staff.

PAYROLL AND HUMAN RESOURCES

Payroll Distribution – Non-Salary Payments

Risk Assessment Update 2023

We recommended that the District investigate the use of an nVision component to set up an electronic process for employees to enter their non-salary related payments into the nVision system and have these transactions routed systematically for proper approvals.

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Risk Assessment Update 2024

We noted that the District is currently piloting a new product from Finance Manager which integrates with the nVision financial system. We understand that this system is currently in the development stage, but it will include functionality to facilitate this process once it is complete.

Risk Assessment Update 2025 (This item is now closed)

We found that the District is in active communication with the vendor regarding the rollout of new features, including an electronic submission and approval process for non-salary-related employee payments. However, implementation will depend on the successful launch of the system's functionality, as well as additional factors such as support from the applicable unions. Our understanding is that the District plans to continue collaborating with the vendor and will revisit this recommendation as implementation becomes feasible in the future.

Employee Administration – Communications with Payroll Regarding Leaves of Absence

Risk Assessment Update 2023

We recommended that the District establish procedures to enhance the communications between the Human Resources (HR) and Payroll Departments to ensure timely notifications of personnel actions with financial implications (e.g., shared spreadsheets, notifications via the School Front system, etc.).

Risk Assessment Update 2024

We noted that the HR Department was in the process of granting the Payroll Department with view-only access to their electronic spreadsheet. The electronic spreadsheet is used internally by the HR Department to track personnel changes to facilitate the development of the monthly Board Agendas.

Risk Assessment Update 2025 (This item is now closed)

We found that the HR Department has granted the Payroll Department shared, view-only access to the spreadsheets it maintains, which list staffing changes to be submitted for approval on the Board agenda, in order to provide early notification of potential personnel actions. In addition, the Payroll Department reviews the approved personnel changes after each Board meeting to ensure that all actions with financial implications are processed in a timely manner.

PURCHASING

Vendor Master File – Inactivate Unused Vendors

Risk Assessment Update 2024

We recommended that the District establish procedures to perform periodic reviews of the vendor master file in the nVision system's purchasing module and to inactivate vendors that have not been utilized by the District after a specified period (e.g., 3 years). This procedure will ensure that only active vendors are in the nVision system and reduce the potential risk of an inadvertent payment to an inactive vendor.

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Risk Assessment Update 2025 (This item is now closed)

We found that the District used the purge vendor functionality within the nVision system's purchasing module in May 2025 and again on July 1, 2025, to inactivate vendors not used in the prior three years. Additionally, the Business Office has established procedures to complete this process every two years to help ensure the vendor master file in the financial system remains accurate and up to date.

GRANTS AND SPECIAL EDUCATION

IDEA Section 611 Grant – Minimize Amount of Carryover Funds

Risk Assessment Update 2024

We recommended that the District develop procedures to minimize the IDEA Section 611 grant carryover amount.

Risk Assessment Update 2025 (This item is now closed)

We found that the Department used the carryover funds for one-time expenses including materials and devices for the students and classrooms, as well as RBT (Behavioral Therapy) to provide emergency services to support a student during the 2024-25 year. We also found that the Special Education Department has improved the management of the grants for special education by addressing the carryover in the IDEA Section 611 grant by reducing the amount from \$270,000 at the end of the 2023-24 year, to \$63,000 at the end of the 2024-25 year.

SCHOOL LUNCH

Reduce Fund Balance

Detailed Testing – 2024

We recommended that the District continue with efforts following the plan to reduce the District's fund balance in the food service fund below the allowable level of three months of the average expenditures in compliance with federal regulations 7CFR Part 210.14(b). Although the District has a plan to address the excess, we recommend that the Business Office continue to monitor the fund balance, especially now that the District has been approved by CEP and reimbursement amounts might result in additional profitability.

Risk Assessment Update 2025 (This item is now closed)

We found that, as of June 30, 2025, the District's fund balance in the food service fund is within the allowable limit under federal regulations. This was accomplished through the implementation of the District's approved plan along with a change effective July 1, 2024, when NYSED, with USDA approval, increased the allowable net cash resources limit for school food service funds from three months' average operating expenditures to six months.

Document Transfer of Daily Deposits from Buildings to Courier

Detailed Testing – 2024

We recommended that the District establish procedures for the sending building and the driver/courier to initial a transfer log to memorialize the transfer of the daily deposits from the buildings to the courier.

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Risk Assessment Update 2025 (This item is now closed)

We found that the District implemented enhanced procedures to ensure the completeness of deposits for checks collected at the buildings. When checks are received, cashiers record detailed information in a log, including the student's name, check number, check amount, cashier's initials, and student ID number. This log is independently verified and signed, and the Business Office obtains the monthly cashier checks/sign-off sheet from the Director of Food Services to perform a reconciliation to checks deposited in the bank account.

Mosaic System User Accounts

Detailed Testing – 2024

We recommended that the District develop procedures to perform periodic reviews of the Mosaic system user accounts to ensure that the permissions are aligned with the respective user's duties. This process should include verifying that the Whitsons staff are unable to make bulk/batch entries into the system.

Risk Assessment Update 2025 (This item is now closed)

We found that the District conducted a review of user permissions within the Mosaic system and confirmed that all users have appropriate access levels. The District also worked with Eastern Suffolk BOCES, which administers the Mosaic software, to review the status of bulk/batch entry capabilities. This review confirmed that bulk/batch entry functionality is not enabled and has not been utilized. Additionally, the District has established procedures to continue performing periodic reviews of the system user lists going forward to help ensure that permissions remain appropriate and consistent with assigned responsibilities.

INFORMATION TECHNOLOGY

Data Protection Officer

Detailed Testing – 2023

We recommended that the District consider appointing a Data Protection Officer (DPO) who is an administrator with information technology oversight and full knowledge of Ed Law 2D (e.g., Executive Director of Student Achievement & Technology).

Risk Assessment Update 2024

We note that the District is in the process of assessing this recommendation to ensure that the Executive Director of Student Achievement & Technology can be appointed as the Data Protection Officer.

Risk Assessment Update 2025 (This item is now closed)

We found that the District has opted not to pursue changes to the Data Protection Officer role at this time. The appointment of the Data Protection Officer is made upon the annual recommendation of the Superintendent to the Board of Education and may be revisited in future years.

