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October 28, 2026

VIA EMAIL

Board of Education
Miller Place Union Free School District
7 Memorial Drive
Miller Place, NY 11764

Re: Internal Audit Key Control Reports

Board of Education:

We have performed internal audit services for the Miller Place Union Free School District applicable to various key controls within the Business Office. The services we performed include testing, reviewing and evaluating internal controls pertaining to selected transactions and accounting functions within the Business Office of the District. Enclosed within this correspondence are individual internal audit reports for work performed to date in the following audit areas:

- **Retirement Payout Analysis**

If you have any questions or you would like to discuss this matter further, please contact our offices.

Very truly yours,

Nawrocki Smith LLP

Retirement Payout Analysis
June 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

Pursuant to the request of the Miller Place Union Free School District we have reviewed the District's calculations of thirteen (13) retirement payouts applicable to the employees retiring during or at the end of the 2025-2026 school year. The objectives of our analysis in this regard were to:

- Determine compliance with bargaining unit, individual contracts, or memorandums of agreement (MOAs)
- Determine the accuracy of retirement payout calculations
- Determine whether the internal controls pertaining to the retirement payouts are adequate •

Determine the adequacy and completeness of the documents provided to us by the District, inclusive of:

  - Employment Agreements between the District and the Miller Place Teachers Association, Miller Place Operations Unit, and Miller Place Secretarial and Clerical bargaining units o Employment Agreements between the District and individual employees.
  - District Calculations for Retirement Payouts
  - Employee Attendance Records from nVision
  - Board of Education minutes indicating retirement/resignation of each employee
  - Letter of Intent to Retire from employee
  - Teacher's Retirement System (TRS) or Employee's Retirement System (ERS) membership information

- Determine if the employee meets the terms of the retirement incentive
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We communicated with the School Business Official and Senior Account Clerk in order to understand the procedures in place to monitor, track, calculate, and process retirement payouts. We then reviewed thirteen (13), or one hundred percent (100%), of the retirement payouts for the 2025-2026 school year in order to test that all payouts are in compliance with the objectives outlined above.

Retirement Payout Process

a. The retiring employee prepares a retirement letter addressed to the Superintendent of Schools, which is sent to the Human Resources Department.

b. An employee from the Human Resources Department stamps the retirement letter with the date received.

c. The Human Resources Department lists the employee's retirement for approval within the monthly Board of Education personnel agenda.

d. The Board of Education approves the effective date of the employee's retirement within the Board of Education minutes.

e. The Human Resources Department generates an Attendance Report from nVision to obtain the number of accrued sick, personal, and vacation (if applicable) days available to the employee.

f. The Human Resources Department forwards the Attendance Report with the amount of available sick, personal, and vacation (if applicable) days to the Payroll Department.

g. Teacher Retirement System membership information is provided by the teacher or staff member and reviewed by the Payroll Department to verify employee eligibility for retirement.

h. The Senior Account Clerk in the Payroll Department reviews the Attendance Reports to ensure attendance has not been changed before completing a retirement payout form for each employee as well as a spreadsheet which includes calculations for the number of available days, daily rate, and payout amount for all employees.

i. The retirement payout forms and supporting documentation are then forwarded to the School Business Official for final review and approval. The School Business Official must sign the retirement payout form prior to processing payment for the employee.

Observation

We noted that all thirteen (13) retirement payouts followed the retirement processes noted above, were accurately calculated and were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the retirement payout function are operating effectively.