Miller Place Union Free School District

Office of the School Business Official

MEMORANDUM

TO: Seth A. Lipshie

FROM: Colleen V. Card

DATE: May 21, 2026

RE: District Response to the District's Key Control Audit Reports and; Corrective Action Plan (if applicable) and; Board Resolution

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This is the District's response and applicable corrective action plan, if required, to the District's Internal Audit Key Control Reports received November 6, 2025 issued by the District's auditor, Nawrocki Smith L.L.P. The Internal Audit Key Control Reports received were:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement

Status of Observations or Recommendations for Key Control Reports

✓ ***The District had no recommendations reported therefore a corrective action plan is not required for these Key Control audit reports.***

Therefore, please submit the resolution to the Board for their consideration at their next meeting:

RECOMMENDED MOTION: "BE IT RESOLVED, that the Board of Education of the Miller Place Union Free School District hereby approves the following Internal Audit Reports and responses:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement
- District Response to Key Control Audit Reports
- Internal Audit Status Report-May 28, 2026."

Should you have any questions, concerns, or require additional information regarding these key control audit reports, please feel to contact me.

C: Mr. Christopher Reino, CPA, Cullen and Danowski, LLP, District External Auditor
Mr. Darin Iacobelli, CPA, Nawrocki Smith, LLP, District Internal Auditor

NawrockiSmith

MILLER PLACE UNION FREE SCHOOL DISTRICT
AUDIT COMMITTEE MEETING AGENDA
Meeting Date: May 28, 2026

I. Nawrocki Smith Internal Audit Team

- **Darin Iacobelli, CPA, CFE – Partner**
- **Donna Tepper, CPA, CIA – Senior Manager**

II. Internal Audit Status Report 2025/2026

III. Review of 2025/2026 Human Resources Cycle Report

IV. Review of 2025/2026 Key Control Reports

- **Grant Applications**
- **Journal Entries**
- **Superintendent Attendance**
- **Superintendent Expense Reimbursement**
- **Transportation Federal and State Reimbursement**

NawrockiSmith

Miller Place Union Free School District
Internal Audit Status Report
Meeting Date: May 28, 2026

2025/2026 Cycle Review	Status
• Human Resources	Complete

Key Control Testing Areas	
• Grant Applications	Complete
• Journal Entries	Complete
• Superintendent Expense Reimbursement	Complete
• Superintendent Attendance	Complete
• Transportation Federal and State Reimbursement	Complete
• Retirement Payout Analysis	Planned for Jun-26

Additional Internal Audit Services	Status
• Annual Risk Assessment Update Report as of June 2025	Complete
• NIST Framework GAP Analysis	In Process
• Annual Risk Assessment Update as of June 2026	In Process
• External Audit Corrective Action Plan Review	As Needed
• Other Internal Audit Services at the Request of the District	As Requested

Tentative On-Site Internal Audit Schedule:

June 12th

Miller Place Union Free School District
Office of the School Business Official

MEMORANDUM

TO: Seth A. Lipshie

FROM: Colleen V. Card

DATE: May 22, 2026

RE: District Response/Corrective Action Plan to the Human Resources Cycle Audit Report

The following is the District's response and applicable corrective action plan to the Human Resources Audit Cycle Report for May 2026 issued by the District's auditor, Nawrocki Smith, L.L.P.

Report on the Internal Controls of the Human Resources Cycle:
The District received three recommendations and the Director of Human Resources submitted the following responses as the corrective action plans as follows:

Current Year Observation and Recommendation #1 regarding Employee Credentials (Certification Tracking):
We noted that only initial certifications are entered into and tracked in nVision. Permanent and professional certifications are reviewed and confirmed prior to an employee being hired, however, the certification information is not entered into nVision.

- *We recommend that all certification information be entered into and tracked in nVision. Although permanent and professional certifications do not expire, it would be beneficial to have all certifications in nVision to easily confirm an employee is certified for a specific grade and/or area in the event of a position change.*

District Response #1:
The District will implement procedures to ensure that all employee certification information, including initial, permanent, and professional certifications, is entered into and maintained within nVision. Human Resources staff will review existing employee records and update certification data accordingly to enhance tracking and verification capabilities for future assignments and position changes.

Current Year Observation and Recommendation #2 regarding Employee Attendance (Review Documentation):
We noted that there is clerical employee in the main office of each school building that is responsible for tracking and documenting daily employee absences. The building principals are responsible for reviewing daily absences and assisting with class coverage to ensure that all classes are assigned a substitute teacher for the day. Although daily absence reports are reviewed by building principals, the review is not documented.

- *We recommend that building principals continue to assist with class coverage and review daily absences for the respective buildings. To enhance this process, each building principal should sign and date the daily absence list before it is sent to the Human Resources Department for recording.*

District Response #2:
The District will implement a procedure requiring building principals to sign and date the daily absence reports prior to submission to the Human Resources Department. This additional step will formally document administrative review of employee absences and daily coverage assignments.

Current Year Observation and Recommendation #3 regarding Employee Evaluations (Non-Instructional):
We noted that a non-instructional employee's 2024-2025 evaluation was not finalized until March 2026. Another non-instructional employee's 2024-2025 evaluation was not completed due to supervisor turnover in the area. The employee received an evaluation in the 2025-2026 school year, once the supervisor had been in the position for one (1) year.

- *We recommend that all non-instructional employees receive annual evaluations and that the evaluations be finalized within the school year as annual evaluations are required by bargaining unit contracts. The District should consider implementing a spreadsheet to track non-instructional employee evaluations. The spreadsheet should identify all instructional employees requiring observations for that year, the type and number of evaluations, the observations assigned to each evaluator and the dates each observation is completed with final sign off.*

District Response #3:
The District will implement a centralized tracking spreadsheet for non-instructional employee evaluations to ensure all required annual evaluations are completed and finalized within the applicable school year. Building and department administrators will be reminded of evaluation timelines and monitoring procedures will be established by Human Resources to ensure compliance with bargaining unit requirements.

Board Resolution:
Therefore, please submit the resolution to the Board for their consideration at their next meeting to approve this report and accept the corrective actions being undertaken:

RECOMMENDED MOTION: "BE IT RESOLVED, that the Board of Education of the Miller Place Union Free School District hereby approves the Internal Audit Reports:

- Human Resources Cycle Report – Dated May 2026
- District Response and Corrective Action Plan for Human Resources Cycle Report – Dated May 2026

Should you have any questions or concerns, or require additional information regarding this cycle report, please feel to contact me.

C: Mr. Christopher Reino, CPA, Cullen and Danowski, LLP, District External Auditor
Mr. Darin Iacobelli, CPA, Nawrocki Smith, LLP, District Internal Auditor
Mr. Chris Herrschaft, Director of Human Resources



Miller Place Union Free School District

Report on Internal Controls Pertaining to the Human Resources Cycle

May 2026

Miller Place Union Free School District
Report on the Internal Controls of the Human Resource Cycle
May 2026

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Functional Area Exhibits (please see attached)

A. Narrative of the Human Resources Cycle
B. Narrative of Building Attendance

I. Scope of Engagement

The Board of Education of the Miller Place Union Free School District has engaged Nawrocki Smith LLP to provide internal audit services with respect to the District's policies, procedures, and internal controls pertaining to the Human Resources Cycle. As part of this engagement, we performed extensive analysis and validation tests within the District's Human Resources Cycle.

The objective of our audit was to determine if the internal controls over human resources are adequate so that internal procedures are followed, proper documentation is maintained, and duties are properly segregated. In order to verify the human resources area has proper internal controls, we interviewed key personnel and tested various transactions to assess if the key controls within these areas are operating effectively.

Our analysis within each functional area consisted of the following:

- Documented functional area policies and procedures applicable to the Human Resources Cycle after interviews and conversations with key employees.
- Identified key controls within each functional area of the Human Resources Cycle and performed audit tests of those controls.

- Made observations and recommendations pertaining to the internal controls of the Human Resources Cycle based on observed procedures and testing that was performed.

Interviews and inquiries were conducted with the following District employees:

Title	Department
Director of Human Resources	Human Resources
Senior Account Clerk	Human Resources
Building Principals	All School Buildings

Accordingly, we documented the current procedures within each functional area of the Human Resources Cycle by way of narrative within the attached Exhibits A.

II. Employee Requisition and Hiring

The employment requisition process begins with either a vacancy of a current position or a request for a new position to be created due to reasons such as student enrollment or department/program structure changes. The District has several Board of Education approved policies in place regarding employee requisition and hiring.

We reviewed documentation for fifteen (15) positions that were recently filled at the end of the 2024-2025 school year and the beginning of the 2025-2026 school year to determine if:

- The job description was consistent in all advertisements.
- The position was posted for at least one (1) week.
- The position was posted in the Online Application System ("OLAS") and/or the Board of Education approved newspapers.

We also reviewed the Board of Education meeting minutes to verify that the employee hired for each position was appointed to their position prior to their start date.

Observation

We noted that an electronic posting is sent to buildings and uploaded to OLAS for all position types.

➢ *No recommendation at this time.*

III. Recordkeeping - Personnel Files

The District maintains personnel files for all active and inactive employees. An Instructional Intake Form or Non-Instructional Intake Form is completed when an employee is hired and then maintained in the employee's personnel file to track all documentation that is required to be completed upon hire and maintained in each employee personnel file.

We selected fifteen (15) employees, both instructional and non-instructional, that were recently hired at the end of the 2024-2025 school year and the beginning of the 2025-2026 school year to confirm that proper documentation was maintained for each employee within the personnel files. Such documentation includes, but is not limited to, employee applications, resumes, interview

evaluations, reference checks, Board of Education appointment, fingerprinting clearance, certified I-9 Form, W-4 Form, ERS/TRS Form, certifications and/or transcripts.

Observation

We noted that the personnel files for the fifteen (15) employees selected for testing were completed and included the required documentation noted above.

- *No recommendation at this time.*

Employee Credentials

The District has a procedure in place to verify credentials for candidates interviewing for a certified or professional position. The Office Application Specialist is responsible for obtaining proof of certification from the employee or verifying the certification on the NYSED TEACH system. The certification information is entered into nVision once the individual is hired and has been approved by the Board of Education.

We selected fifteen (15) employees who have a position that requires a certification and requested an employee certification report from nVision and certification documentation to verify that each employee has the proper certification for their current position, their certification is current, and the certification information is maintained in nVision.

Observation

We noted that the fifteen (15) employees selected for testing had the appropriate certification on file for their current position. In addition, all employee certifications are current.

- *No recommendation at this time.*

Observation and Recommendation #1

We noted that only initial certifications are entered into and tracked in nVision. Permanent and professional certifications are reviewed and confirmed prior to an employee being hired, however, the certification information is not entered into nVision.

- *We recommend that all certification information be entered into and tracked in nVision. Although permanent and professional certifications do not expire, it would be beneficial to have all certifications in nVision to easily confirm an employee is certified for a specific grade and/or area in the event of a position change.*

IV. Employee Step/Level and Salary Increases

Employee bargaining unit contracts include the details regarding salary amounts and the number of credits necessary for each level. Employee salaries are increased in accordance with bargaining unit contracts or individual contracts, if applicable. Contracts specify if employees will receive an annual step increase in their salary and include the increase amount or new salary amount for each step and level or position. Instructional employees may also submit a request for a horizontal advancement upon completion of a degree or credits earned. The details regarding

the required documentation and approvals, number of credits needed, and limitations on frequency of column movement salary increases are included in the Teacher's Contract.

We reviewed fifteen (15) horizontal advancements for professional employees, effective September 1, 2025, to test that:

- An Application for Reclassification Form was completed by the employee and properly approved by an administrator.
- Approval was obtained prior to the salary increase.
- The horizonal advancement was approved by the Board of Education.
- The employee's new salary agrees to the salary for their step/level in the bargaining unit contract.
- Documentation, including certifications and transcripts, is maintained to support the employee's step/level.

Observation

We noted that horizontal advancements are not approved by the Board of Education as it is not required by the Teacher's bargaining unit contract. The Application for Reclassification Form is approved by both the School Business Official and Superintendent of Schools. The School Business Official also signs a Horizontal Advance Approval Form that documents the employee's name, employee number, number of pays, school year, prior level, step, contract salary, and biweekly salary, current level, step, contract salary, and biweekly salary.

➢ *No recommendation at this time.*

V. Employee Attendance

The District utilizes reports from AESOP, the substitute placement and absence management system, to record absences into the accounting software. The District also utilizes attendance reports from each building to reconcile the AESOP data. Vacation and personal time must be preapproved by the employee's supervisor. Additionally, conferences or workshops attended by instructional staff are pre-approved in My Learning Plan.

We selected a sample of fifteen (15) employees with absences during the month of November 2025 and reviewed absences reported in nVision and supporting documentation to determine if:

- The absences were entered into AESOP
- The correct number and type of days were entered into nVision
- A Request Form is completed for certain types of absences (i.e. Vacation or Personal days)

We also interviewed all building principals to determine and document building attendance tracking and reporting procedures.

Observation and Recommendation #2

We noted that there is clerical employee in the main office of each school building that is responsible for tracking and documenting daily employee absences. The building principals are

responsible for reviewing daily absences and assisting with class coverage to ensure that all classes are assigned a substitute teacher for the day. Although daily absence reports are reviewed by building principals, the review is not documented.

- *We recommend that building principals continue to assist with class coverage and review daily absences for the respective buildings. To enhance this process, each building principal should sign and date the daily absence list before it is sent to the Human Resources Department for recording.*

Observation

We noted that AESOP is utilized by instructional employees, all absences were recorded in nVision, and request forms are completed for personal and vacation days.

- *No recommendation at this time.*

We reviewed the sick and vacation days carried over, accrued, and taken for fifteen (15) employees for the 2025-2026 school year, as of January 2026, to determine if:

- The beginning balance is in accordance with the maximum carry over amount as per bargaining unit or individual contract.
- The accrual for the 2025-2026 school year is in accordance with the bargaining unit or individual contract.
- Days taken during the year are in accordance with the bargaining unit or individual contract.

Observation

We noted that the sick and vacation days carried over, accrued, and taken for fifteen (15) employees were in compliance with the objectives noted above.

- *No recommendation at this time.*

VI. Employee Evaluations

Observations and evaluations are performed at various times and intervals during the year depending on the employee's position and bargaining unit contract. However, all employees are subject to an annual evaluation regardless of their employee type. Certain instructional employees and administrators are subject to New York State Education Law §3012-d and Regulations of the Commissioner of Education §100.2 (o), *Annual Professional Performance Review (APPR)* requirements. The District has a New York State Education Department APPR plan in place which includes evaluation forms and rubrics.

We reviewed personnel files for fifteen (15) employees, both instructional and non-instructional, to determine if employees had evidence of an annual evaluation for the 2024-2025 school year, as our fieldwork was conducted during the 2025-2026 school year. For those employees' subject to APPR requirements, such as teachers and principals, we also reviewed their personnel files to ensure that the required APPR documentation was maintained regarding evaluations.

In addition, we reviewed the District's APPR Plan to ensure that the evaluation form and rubric utilized by the District was approved by the NYSED, the APPR Plan was signed and dated by the Superintendent, Teacher Union President, Administrative Union President, and BOE President.

APPR requirements were reformed in June 2024. The evaluation process is now determined as part of collective bargaining. As per the Teacher's Contract:

- Probationary teachers are required to receive three (3) observations and one (1) observation must be unannounced.
- Tenured teachers are required to receive one (1) observation.

Observation and Recommendation #3

We noted that a non-instructional employee's 2024-2025 evaluation was not finalized until March 2026. Another non-instructional employee's 2024-2025 evaluation was not completed due to supervisor turnover in the area. The employee received an evaluation in the 2025-2026 school year, once the supervisor had been in the position for one (1) year.

➢ *We recommend that all non-instructional employees receive annual evaluations and that the evaluations be finalized within the school year as annual evaluations are required by bargaining unit contracts. The District should consider implementing a spreadsheet to track non-instructional employee evaluations. The spreadsheet should identify all instructional employees requiring observations for that year, the type and number of evaluations, the observations assigned to each evaluator and the dates each observation is completed with final sign off.*

VII. Terminations

We selected the fifteen (15) most recent retirements, resignations, or terminations at the time of our fieldwork. This resulted in a sample of ten (10) employee resignations, three (3) employee terminations, and two (2) employee retirements during the 2024-2025 and 2025-2026 school years. We reviewed employee personnel files, Board of Education meeting minutes, and an employee listing from nVision to determine if:

- A written intent to retire/resign or determination of termination was on file.
- The Board of Education approved the retirement/resignation or termination.
- An Instructional Employee Exit Checklist or Non-Instructional Employee Exit Checklist was properly completed.
- Calculation of the employee's payout of accumulated time off, if applicable, was accurate and in accordance with the bargaining unit contract.
- The employee was inactivated in nVision.

Observation

We noted that the personnel files for the fifteen (15) most recent retirements, resignations, or terminations were in compliance with the objectives noted above.

➢ *No recommendation at this time.*

VIII. Risk Rating and Audit Opinion

Inherent Risk:	High
Control Risk:	Low
Audit Opinion:	Satisfactory

RISK RATING DEFINITIONS

Inherent Risk – Inherent risk is the risk of a material misstatement in the un-audited information assuming the absence of internal control procedures. Inherent risk includes any risk arising from fraud. As with other risks, inherent risk may be evaluated at various levels of aggregation (e.g. financial statement level, account balance assertion level) and at various stages during the course of the audit (e.g. client acceptance/retention state, audit planning stage, etc.).

> **Inherent Risk** *is particular to the area being reviewed if there were no controls in place. Thus, if there were no control procedures in place pertaining to the particular area, what is the risk of a material misstatement.*

Control Risk – Control risk is the risk that a material misstatement in the un-audited information will not be detected and corrected by management's internal control procedures on a timely basis. Auditors evaluate control risk at the account balance assertion level based on a detailed knowledge of the client's business. Auditors may evaluate this risk in the second, third, and forth audit stages, namely the audit planning, control testing, and substantive testing stages.

> **Control Risk** *is particular to the District's controls currently in place in the area being reviewed. Thus, what is the risk of a material misstatement with the control procedures currently in place.*

Audit Opinion – Based upon the audit work performed and our assessment of the controls within each particular audit area an audit opinion is provided for each audit area from one of the following three (3) categories:

Satisfactory:	Controls are operating effectively
Needs Improvement:	Controls need improvement for effectiveness
Unsatisfactory:	Controls are unacceptable and need immediate improvement

Miller Place Union Free School District
Exhibit A Narrative of the Human Resources Cycle
May 2026

Auditors Spoke with:
Director of Human Resources – Christopher Herrschaft
Senior Account Clerk – Nadine Steffens

The following is a narrative, or a sequence of events, which describes the step by step process within the Human Resources function of the Miller Place Union Free School District. The narrative was derived from discussions and interviews with key human resources employees as well as observations of each step in progress. The Human Resources function has been outlined by area for ease of reference, including the following areas:

I. Employee Requisition and Hiring
II. Recordkeeping – Personnel Files
III. Employee Step/Level and Salary Increases
IV. Employee Attendance
V. Employee Evaluations
VI. Terminations

Blue = Internal Control

I. Employee Requisition and Hiring

- The employment requisition process begins with either a vacancy of a current position or a request for a new position to be created due to student enrollment or changes in department structure.
- If an employee retires, resigns, or is terminated, the future needs of the District are assessed to determine if the position requires replacement.
- The District has the following Board of Education approved policies in place.
    - Policy #9010 *Equal Employment Opportunity*
    - Policy #9120.1 *Staff Conflict of Interest*
    - Policy #9160 *Personnel Records*
    - Policy #9260 *Conditional Appointment & Emergency Conditional Appointment Student Safety*
- The Human Resources Department is responsible for posting vacant instructional and non-instructional positions. Civil service lists are reviewed for vacant civil service positions.
- Vacant positions are posted at the District and on the website, emailed to current employees, and posted on the Online Application System ("OLAS").
- Positions are posted for at least five (5) days but may remain on OLAS and the District website for a few months or until the position is filled.

Non-Instructional Personnel

- If there is a need for a competitive class employee, the Human Resources Department will submit a request to the Department of Civil Service for a list of potential candidates who have passed the civil service test for that position.
- Based on the list, the Human Resources Department canvasses candidates to determine if they are available for the position in accordance with the requirements of civil service.
- Of the available candidates, the District can hire from the three (3) highest ranked candidates who respond "yes" to the canvass letter. Rankings are based upon the civil service test scores.
- Available candidates are contacted by the Human Resources Department to schedule initial interviews.
- Interview appointments are set up with candidates based on responses.

- Candidates meet with the department head or building administrator before meeting with the Director of Human Resources. The Superintendent of Schools meets with any civil service candidates that are filling a central office position.
- Once interviews are complete, Director of Human Resources or the Superintendent of Schools will select a candidate and make a recommendation for hire.
- The Board of Education approves all appointments which are documented in the Board of Education meeting minutes.

Instructional Personnel

- Resumes received are reviewed by the appropriate department head or administrator. The department head or administrator will select the candidates for first round interviews and schedule interviews.
- An interview committee is established that will vary in size depending on the vacant position. However, representatives from the appropriate bargaining unit are always part of the interview committee.
- The first interview is an initial screening and the second interview includes more in-depth questions and a demonstration lesson.
- Two (2) or three (3) candidates are selected by the interview committee for a third interview to meet with the Director of Human Resources.
- A candidate is only recommended by the Director of Human Resources once the employee's fingerprinting clearance and certifications have been obtained and references have been checked.
- The Director of Human Resources determines which candidates will meet with the Superintendent of Schools for a final interview.
- The Superintendent of Schools will make a recommendation to the Board of Education and the candidate is offered the position.
- Once the candidate accepts the position, their appointment will be included on the next Board of Education meeting agenda.
- The Board of Education approves all appointments which are documented in the Board of Education meeting minutes.
- When the candidate accepts the position, the following documentation is completed or obtained: Form I-9, Form W-4, official transcripts, Direct Deposit Form, and ERS/TRS enrollment/waiver form.
- After each Board of Education meeting, the Human Resources Department notifies the Senior Account Clerk (Payroll) and Senior Account Clerk (Benefits) of a new hire by sending an email with the Board of Education agenda.
- The Office Application Specialist in the Human Resources Department is responsible for entering employee demographic information and salary into nVision based upon Board of Education approval and properly completed new hire forms.

II. Recordkeeping – Personnel Files

- The District maintains a personnel file for each employee (active and inactive). Both instructional and non-instructional employee personnel files are maintained in locked filing cabinets in a secured closet in the Human Resources Department.
- Policy #9160 *Personnel Records* addresses the maintenance of and access to personnel files.
- The District utilizes an Intake Form to document that all required new hire forms and documentation have been obtained from the employee and properly completed.
- There is a Non-Instructional Intake Form and an Instructional Intake Form. The employee must sign and date the intake form when all required documentation is obtained.

- Each employee personnel file includes the following:
  - Application
  - Appointment Letter/Board of Education Approval
  - Transcripts
  - Certifications, if applicable
  - Background/Reference Check
  - Fingerprint Clearance
  - Resume
  - Oath of Allegiance
  - Emergency Contact Information
  - New Hire Checklist
  - ERS/TRS Enrollment/Waiver
  - Form I-9 *Employee Eligibility Verification*
  - Form W-4 *Employee's Withholding Allowance Certificate*
  - Documentation for Level and Salary Increases
  - Evaluations
  - Attendance Documentation
  - Resignation/Retirement
  - Other correspondence

III. Employee Step/Level and Salary Increases

- Employee salaries are increased in accordance with bargaining unit contracts or individual contracts, if applicable.
- Salary tables from bargaining unit agreements or individual contracts are entered into nVision by the Senior Account Clerk. Salary information is pulled based on the employee's position, step, and level, if applicable.
- If a pay rate is not tied to a bargaining unit agreement, the Senior Account Clerk will update the rate by position. Any employees coded to this position will be updated.
- Instructional employees may also submit a request for a horizontal advancement upon completion of a degree or credits earned.
- However, as per the Teacher's Contract, horizontal advancements will only be processed once a year, in the fall or spring, effective September 1st and February 1st, respectively.
- Coursework must be completed by August 31st for fall horizontal advancements and by January 31st for spring horizontal advancements.
- Employees have until October 31st or March 31st to submit documentation for fall and spring horizontal advancements, respectively.
- Employees must complete an Application for Reclassification Form and submit transcripts and/or proof of in service credits.
- The School Business Official and Superintendent of Schools both sign the Application for Reclassification Form once the supporting documentation has been reconciled to the information on the form.
- A Horizontal Advance Approval Form is completed once an Application for Reclassification Form has been approved.
- The Horizontal Advance Approval Form documents the employee's name, employee number, number of pays, school year, prior level, step, contract salary, and biweekly salary, current level, step, contract salary, and biweekly salary. Detail of any retroactive payments are also documented.
- The School Business Official signs and dates the form.

- After all horizontal advancement approvals have been obtained, the Office Application Specialist updates the employee's level in nVision which updates their salary.
- A separate retroactive payment is entered into nVision by the Senior Account Clerk (Payroll) as per an approved Horizontal Advance Approval Form.
- The Application for Reclassification Form, transcripts and/or proof of in service credits, and the Horizontal Advance Approval Form are maintained in the employee's personnel file.

IV. Employee Attendance

- nVision is used to track and record employee absences.
- AESOP is also utilized to track attendance and to assign substitutes, as needed, but this system is only used by instructional employees.
- Most non-instructional and clerical staff absences are tracked at the building level and reported to the Human Resources Department.
- Custodial attendance is tracked in Timepiece.
- There is a clerical employee in the main office of each school building who is responsible for tracking all employee absences and compiling them on a standard daily absence report.
- Building clerical call out to the building principals and the Security Department calls out to the head of security.
- Information is taken from AESOP, Timepiece, and department call outs to compile the daily absence report.
- The daily absence report is sent to the Senior Account Clerk in the Human Resources Department.
- Employee absences are entered into nVision on a daily basis.
- The Senior Account Clerk is responsible for entering absences for teachers, confidential employees, and administrators.
- The Office Assistant is responsible for entering absences for clerical and operations employees.
- AESOP reports and the daily absence reports are utilized to enter employee absences into nVision.
- If there is a discrepancy between the daily absence reports and AESOP, the Senior Account Clerk will contact the building secretaries to determine the reason.
- The Senior Account Clerk reconciles personal, bereavement, and vacation day absences to request forms.
- A request form must be completed by employees prior to taking a vacation, bereavement or personal day.
- A Request for Personal/Bereavement Days(s) Form is completed by instructional and non instructional staff prior to taking a personal or bereavement day.
- The form must be signed by the employee's direct supervisor and the Director of Human Resources.
- The Senior Account Clerk documents on the form when personal days have been verified and posted to nVision.
- The Facilities Department has a Leave Request Form that is completed for vacation, bereavement, and personal days. The form must be signed by the head custodian, building principal, Director of Facilities, and Director of Human Resources.
- Employees that exceed their allowable days off as per bargaining unit agreements or individual contracts will be docked days.

V. Employee Evaluations

- Observations and evaluations are performed at various times and intervals during the year depending on the employee's job description and bargaining unit contract.

- New York State Education Law §3012-c and Regulations of the Commissioner of Education §100.2 (o), *Annual Professional Performance Review* requirements were reformed in June 2024. The evaluation process is now determined as part of collective bargaining.
- The District has developed and documented an evaluation plan in accordance with New York State Education Law §3012-d and Regulations of the Commissioner of Education §100.2 (o). *Annual Professional Performance Review (APPR)*. The plan was last approved by the New York State Education Department in November 2021.
- Principal evaluations are completed using the Multidimensional Principal Performance Rubric ("MPPR") which is a NYSED approved evaluation rubric.
- As per the Teacher's Contract and the District's APPR Plan, probationary teachers are required to receive three (3) announced observations and one (1) unannounced. Tenured teachers are required to receive (1) announced observation and one (1) unannounced observation.
- The Director of Human Resources maintains an evaluation tracking spreadsheet that identifies all instructional employees requiring observations, the type and number of evaluations, the observations assigned to each evaluator and the dates each observation is completed.
- Building administrators are responsible for making sure that all instructional employees receive the required number of observations each school year.
- Non-instructional employees are required to receive one (1) annual evaluation. Department administrators are responsible for making sure that their employees receive an annual evaluation.
- District-wide Administrators receive annual evaluations.
- Evaluations for instructional employees and administrators subject to APPR requirements are entered into OASYS, an evaluation module of the My Learning Plan software, once completed by the evaluator.
- All other evaluations are maintained in paper form.
- The employee and evaluator sign the printed observation reports before they are sent to the Human Resources Department to be signed by the Director of Human Resources and filed in the employee's personnel file.

VI. Terminations

- Employment with the District may end either by resignation, retirement, excessing, or termination.
- The decision to terminate an employee is made by the Superintendent of Schools, with input from other administrators.
- An employee and/or their position can be excessed due to changes in the budget and/or student enrollment. However, this decision is only made after discussion amongst administrators and approval of the Superintendent of Schools.
- Employees intending to resign or retire must send a letter to the Human Resources Department that includes the date on which they plan to resign or retire.
- A copy of the letter is maintained in the employee's personnel file.
- All retirement and resignation letters are reviewed by the Director of Human Resources before being added to the next Board of Education meeting agenda.
- The Board of Education approves all resignations, retirements, excessed employees and/or positions, and terminations at the Board of Education meetings. This is documented in the Board of Education meeting minutes.
- An Instructional Employee Exit Checklist or Non-Instructional Employee Exit Checklist is completed when an employee leaves the District.
- The Office Application Specialist initiates an Instructional/Non-Instructional Employee Exit Checklist. The checklist includes the employee name, position, building/department, reason for exit, and separation date.

- The employee must sign and date the form to certify that they have returned all Miller Place School District property.
- There are sections on each form to notify all relevant departments including employee's supervisor, technology, payroll, benefits, and human resources.
- The individual responsible for each section must check off that each item in their section has been completed and sign.
- The completed Instructional/Non-Instructional Employee Exit Checklist is filed in the employee inactive personnel file.
- Inactive files are maintained in locked filing cabinets in the Human Resources Department or stored in a locked filing room.

Miller Place Union Free School District
Narrative of Building Attendance
May 2026

Auditors Spoke with:
Miller Place High School Principal – Kevin Slavin
North Country Road Middle School Principal – Christine Mangiamele
Laddie A. Decker Sound Beach School Principal – Jean Marie D'Aversa, Ed.D.
Andrew Muller Primary School Principal – Laura Gewurz

The following is a narrative, or a sequence of events, which describes the step by step process within the building attendance function of the Miller Place Union Free School District. The narrative was derived from discussions and interviews with building principals as well as a review of documentation.

Blue = Internal Control

- All District employees utilize their key card to enter the building each morning.
- Therefore, there is a record of each employee's entry into the building.
- Employees are not required to sign out when they leave the building.
- Non-permanent employees including permanent substitutes, per diem substitutes, and part time aides sign in and out on a timesheet daily.
- Building principals approve timesheets on a weekly basis.
- The District utilizes an absence management system, AESOP, to record employee absences and assign substitutes.
- All instructional employees are required to utilize AESOP to record daily absences.
- Non-instructional employees call or email the main office.
- Substitutes are automatically assigned to a class when an instructional employee enters an absence into AESOP.
- There is a clerical employee in the main office of each school building that is responsible for reviewing employee absences in AESOP each morning.
- The review includes determining if all classrooms have instructional coverage for the day.
- If there are more absent employees than substitutes, the building principal will assist and determine which teachers can provide class coverage throughout the day.
- After a certain time, employees cannot enter an absence into AESOP. The time differs per building but is usually right before the start of school.
- Any absences that cannot be entered into AESOP must be called in to the main office.
- Each building is responsible for reporting their daily absences to the Human Resources Department at the end of each day.
- There is a standard daily absence report that is completed by all buildings using the information from AESOP and daily call ins from non-instructional employees.
- The daily absence report includes the employee name, employee type, reason for absence, substitute name, if applicable, and checkbox for if a request form was required.
- Custodians are not included on the daily absence report. They utilize Timepiece to clock in and out daily.
- Custodian absences are tracked by the Director of Facilities and reported directly to the Human Resources Department.
- The Director of Facilities will notify building principals if a custodian in their building is absent and let them know who will be covering their shift.
- The daily absence report is emailed to the Human Resources Department and any request forms completed by employees for a vacation day or personal day are interofficed to the Human Resources Department.
- If there are revisions to the daily absence list, a revised list will be sent to the Human Resources Department.

Miller Place Union Free School District
Office of the School Business Official

M E M O R A N D U M

TO: Seth A. Lipshie

FROM: Colleen V. Card

DATE: May 21, 2026

RE: District Response to the District's Key Control Audit Reports and; Corrective Action Plan (if applicable) and; Board Resolution

---

This is the District's response and applicable corrective action plan, if required, to the District's Internal Audit Key Control Reports received November 6, 2025 issued by the District's auditor, Nawrocki Smith L.L.P. The Internal Audit Key Control Reports received were:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement

Status of Observations or Recommendations for Key Control Reports

✓ ***The District had no recommendations reported therefore a corrective action plan is not required for these Key Control audit reports.***

Therefore, please submit the resolution to the Board for their consideration at their next meeting:

RECOMMENDED MOTION: "BE IT RESOLVED, that the Board of Education of the Miller Place Union Free School District hereby approves the following Internal Audit Reports and responses:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement
- District Response to Key Control Audit Reports
- Internal Audit Status Report-May 28, 2026."

Should you have any questions, concerns, or require additional information regarding these key control audit reports, please feel to contact me.

C: Mr. Christopher Reino, CPA, Cullen and Danowski, LLP, District External Auditor
Mr. Darin Iacobelli, CPA, Nawrocki Smith, LLP, District Internal Auditor

Ernest Patrick Smith
Lauren M. Agunzo
John K. Hoffman
Michael E. Nawrocki

NawrockiSmith
ACCOUNTANTS & ADVISORS

Darin V. Iacobelli
David M. Tellier
Christopher Angotta

May 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:

- **Grant Applications**
- **Journal Entries**
- **Superintendent Attendance**
- **Superintendent Expense Reimbursement**
- **Transportation Federal and State Reimbursement**

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

Very truly yours,

Nawrocki Smith LLP

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Grant Applications
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

School districts receive federal or state funds, based upon submission of the required forms, to help support certain student and employee expenses. Compliance with the grant application requirements will help ensure that school districts receive the maximum amount of grant funds available to them. Therefore, it is imperative to monitor grants applications and ensure that all required forms, and any supporting documentation, are properly completed and submitted prior to the applicable deadlines. Testing procedures were conducted to assess the procedures and documentation maintained regarding grant applications.

The objectives of the testing were to:

- Determine compliance with District policies and procedures
- Determine if Form FS-10 *Proposed Budget for Federal or State Project* (Form FS-10) was submitted before the deadline
- Review Form FS-10 for the Superintendent's certification and New York State Education Department (NYSED) approval
- Review Form FS-10-A *Proposed Amendment*, if applicable, for the Superintendent's certification and for SED approval
- Determine if any available carryover funds are included in Form FS-10 or Form FS-10-A
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We selected one hundred percent (100%) of the federal and state grant applications completed by the District for the 2025-2026 school year, which resulted in six (6) grants, and tested documentation maintained for each grant against the objectives noted above.

Observation

We noted that all grant applications were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the grant application function are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Journal Entries
June 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

Journal entries include a wide range of infrequent or perhaps unexpected transactions. Documented oversight of the general journal, that is both consistent and reliable, can increase the District's control over its journal entries and reduce the likelihood of error or misappropriation. Testing procedures were conducted to assess the processing and maintenance of journal entries.

The objectives of the testing were to:

- Ensure compliance with District policies and procedures
- Ensure proper approval was obtained prior to processing
- Evaluate the sufficiency of supporting documentation
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We selected fifteen (15) journal entries for the months of July 2025 through May 2026 in order to test that the District's processing of journal entries is in compliance with the objectives noted above. Normal recurring journal entries, such as payroll and interest entries, were not included in our sample.

Observation

We noted that journal entries are entered directly into the accounting system by the Treasurer and monthly journal entry reports are printed for review and approval by the School Business Official within one month of entry.

- *No recommendations at this time.*

Audit Comment:

The District's controls surrounding the journal entry function are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Superintendent Attendance
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

Employee attendance, including the Superintendent's attendance, is entered into the District's financial system as per supporting documentation such as request forms for certain types of time off. The type and amount of time off taken (i.e. vacation, sick, and personal days) including any remaining balances from previous years are tracked and monitored in order to identify discrepancies and unusual trends in a timely manner. Testing procedures were conducted to assess the processing and maintenance of the Superintendent's attendance.

The objectives of the testing were to:

- Verify compliance with District policies and procedures.
- Verify an Administration Request for Vacation Form or an Administration Request for Conference Form is properly completed.
- Verify that the request forms noted above are approved by the Board of Education President prior to the Superintendent's absence.
- Verify that the Superintendent is docked the correct number of days in the financial system.
- Verify that the correct absence code is utilized in the financial system.
- Verify that the Superintendent has not exceeded the allowable amount of entitled time.
- Verify that any accrued days do not exceed the allowance as per the Superintendent's contract.
- Identify weaknesses, if any, in the internal control process.
- Recommend possible enhancements to the process; if applicable.

Scope:

We selected one hundred percent (100%) of the absent days taken by the Superintendent for March 1, 2025 through February 28, 2026 as reported in the District's financial system as of March 27, 2026. This resulted in a total of eighteen (18) days which we tested against the above objectives.

Observation

We noted that all eighteen (18) days taken by the Superintendent were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the Superintendent's attendance are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Superintendent Expense Reimbursement
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

The Superintendent is reimbursed for certain expenses as per an employment contract with the District and District Policy. Such expenses include approved travel and attendance at conferences/workshops. It is imperative for the District to monitor expenses to ensure proper approval has been obtained, proper purchasing procedures have been followed, there is sufficient documentation to support the reasonableness and accuracy of the expense, and all reimbursements are in compliance with the Superintendent's employment contract and District Policy. Testing procedures were conducted to assess the processing of the Superintendent's expense reimbursements.

The objectives of the testing were to:

- Verify compliance with District policies and procedures.
- Verify that purchase orders are utilized and properly approved.
- Verify that claim forms are utilized and properly completed, if applicable.
- Verify that expenditures agree to purchase order detail and include sufficient supporting documentation.
- Verify that expenditures are reasonable and reimbursement amounts are accurate.
- Verify Claims Auditor approval.
- Verify that reimbursements are allowable as per the Superintendent's contract.
- Identify weaknesses, if any, in the internal control process.
- Recommend possible enhancements to the process; if applicable.

Scope:

We selected one-hundred percent (100%), of the Superintendent's expense reimbursements for the time period of March 1, 2025 through February 28, 2026 in order to test that the documentation and District's processing of the Superintendent's expense reimbursements is in compliance with the objectives outlined above.

Observation

We noted that all twelve (12) of the Superintendent's expense reimbursements tested were in compliance with the objectives noted above.

➢ *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the Superintendent's expense reimbursements are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Transportation State Aide Reimbursement
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

School districts are eligible to receive transportation aid from New York State for approved transportation expenses incurred and paid for by the District. This includes both in-district transportation expenses and transportation contract expenses, subject to certain requirements as specified by the NYSED. It order for a school district to receive transportation aid, the type and dollar amount of expenses claimed must be reasonable and have supporting documentation. School districts must complete a Transportation Formula Aid Output Report ("TRA") and Form FT: Transportation Data which includes several schedules and a nonallowable pupil deduction data collection worksheet. Documented and knowledgeable oversight of transportation state aid reimbursement can increase the District's control over its resources so that the District is maximizing aide received for eligible expenses. Testing procedures were conducted to assess the process and documentation maintained by the District regarding transportation state aid reimbursement.

The objectives of the testing were to:

- Verify compliance with District policies and procedures
- Verify compliance with NYSED guidelines
- Verify the mathematical accuracy of the District's Transportation Formula Aid Output Report and Form FT: Transportation Data
- Verify supporting documentation for the amounts entered into the Transportation Formula Aid Output Report and Form FT: Transportation Data
- Verify that amounts claimed do not include non-eligible expenses
- Verify that all eligible transportation expenses are included in amounts claimed
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We reviewed the District's Transportation Formula Aid Output Report, Form FT: Transportation Data, and supporting documentation for the 2024-2025 claim year to determine compliance with the objectives noted above.

Observation

We noted that the District's Transportation Formula Aid Output Report, Form FT: Transportation Data, and supporting documentation were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding transportation state aid reimbursement are operating effectively.

Miller Place Union Free School District
Office of the School Business Official

MEMORANDUM

TO: Seth A. Lipshie

FROM: Colleen V. Card

DATE: May 21, 2026

RE: District Response to the District's Key Control Audit Reports and; Corrective Action Plan (if applicable) and; Board Resolution

---

This is the District's response and applicable corrective action plan, if required, to the District's Internal Audit Key Control Reports received November 6, 2025 issued by the District's auditor, Nawrocki Smith L.L.P. The Internal Audit Key Control Reports received were:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement

Status of Observations or Recommendations for Key Control Reports

✓ ***The District had no recommendations reported therefore a corrective action plan is not required for these Key Control audit reports.***

Therefore, please submit the resolution to the Board for their consideration at their next meeting:

RECOMMENDED MOTION: "BE IT RESOLVED, that the Board of Education of the Miller Place Union Free School District hereby approves the following Internal Audit Reports and responses:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement
- District Response to Key Control Audit Reports
- Internal Audit Status Report-May 28, 2026."

Should you have any questions, concerns, or require additional information regarding these key control audit reports, please feel to contact me.

C: Mr. Christopher Reino, CPA, Cullen and Danowski, LLP, District External Auditor
Mr. Darin Iacobelli, CPA, Nawrocki Smith, LLP, District Internal Auditor

NawrockiSmith

MILLER PLACE UNION FREE SCHOOL DISTRICT
AUDIT COMMITTEE MEETING AGENDA
Meeting Date: May 28, 2026

I. Nawrocki Smith Internal Audit Team

- **Darin Iacobelli, CPA, CFE – Partner**
- **Donna Tepper, CPA, CIA – Senior Manager**

II. Internal Audit Status Report 2025/2026

III. Review of 2025/2026 Human Resources Cycle Report

IV. Review of 2025/2026 Key Control Reports

- **Grant Applications**
- **Journal Entries**
- **Superintendent Attendance**
- **Superintendent Expense Reimbursement**
- **Transportation Federal and State Reimbursement**

NawrockiSmith

Miller Place Union Free School District
Internal Audit Status Report
Meeting Date: May 28, 2026

2025/2026 Cycle Review	Status
• Human Resources	Complete

Key Control Testing Areas	
• Grant Applications	Complete
• Journal Entries	Complete
• Superintendent Expense Reimbursement	Complete
• Superintendent Attendance	Complete
• Transportation Federal and State Reimbursement	Complete
• Retirement Payout Analysis	Planned for Jun-26

Additional Internal Audit Services	Status
• Annual Risk Assessment Update Report as of June 2025	Complete
• NIST Framework GAP Analysis	In Process
• Annual Risk Assessment Update as of June 2026	In Process
• External Audit Corrective Action Plan Review	As Needed
• Other Internal Audit Services at the Request of the District	As Requested

Tentative On-Site Internal Audit Schedule:

June 12th

Miller Place Union Free School District
Office of the School Business Official

MEMORANDUM

TO: Seth A. Lipshie

FROM: Colleen V. Card

DATE: May 22, 2026

RE: District Response/Corrective Action Plan to the Human Resources Cycle Audit Report

The following is the District's response and applicable corrective action plan to the Human Resources Audit Cycle Report for May 2026 issued by the District's auditor, Nawrocki Smith, L.L.P.

Report on the Internal Controls of the Human Resources Cycle:
The District received three recommendations and the Director of Human Resources submitted the following responses as the corrective action plans as follows:

Current Year Observation and Recommendation #1 regarding Employee Credentials (Certification Tracking):
We noted that only initial certifications are entered into and tracked in nVision. Permanent and professional certifications are reviewed and confirmed prior to an employee being hired, however, the certification information is not entered into nVision.

- *We recommend that all certification information be entered into and tracked in nVision. Although permanent and professional certifications do not expire, it would be beneficial to have all certifications in nVision to easily confirm an employee is certified for a specific grade and/or area in the event of a position change.*

District Response #1:
The District will implement procedures to ensure that all employee certification information, including initial, permanent, and professional certifications, is entered into and maintained within nVision. Human Resources staff will review existing employee records and update certification data accordingly to enhance tracking and verification capabilities for future assignments and position changes.

Current Year Observation and Recommendation #2 regarding Employee Attendance (Review Documentation):
We noted that there is clerical employee in the main office of each school building that is responsible for tracking and documenting daily employee absences. The building principals are responsible for reviewing daily absences and assisting with class coverage to ensure that all classes are assigned a substitute teacher for the day. Although daily absence reports are reviewed by building principals, the review is not documented.

- *We recommend that building principals continue to assist with class coverage and review daily absences for the respective buildings. To enhance this process, each building principal should sign and date the daily absence list before it is sent to the Human Resources Department for recording.*

District Response #2:
The District will implement a procedure requiring building principals to sign and date the daily absence reports prior to submission to the Human Resources Department. This additional step will formally document administrative review of employee absences and daily coverage assignments.

Current Year Observation and Recommendation #3 regarding Employee Evaluations (Non-Instructional):
We noted that a non-instructional employee's 2024-2025 evaluation was not finalized until March 2026. Another non-instructional employee's 2024-2025 evaluation was not completed due to supervisor turnover in the area. The employee received an evaluation in the 2025-2026 school year, once the supervisor had been in the position for one (1) year.

- *We recommend that all non-instructional employees receive annual evaluations and that the evaluations be finalized within the school year as annual evaluations are required by bargaining unit contracts. The District should consider implementing a spreadsheet to track non-instructional employee evaluations. The spreadsheet should identify all instructional employees requiring observations for that year, the type and number of evaluations, the observations assigned to each evaluator and the dates each observation is completed with final sign off.*

District Response #3:
The District will implement a centralized tracking spreadsheet for non-instructional employee evaluations to ensure all required annual evaluations are completed and finalized within the applicable school year. Building and department administrators will be reminded of evaluation timelines and monitoring procedures will be established by Human Resources to ensure compliance with bargaining unit requirements.

Board Resolution:
Therefore, please submit the resolution to the Board for their consideration at their next meeting to approve this report and accept the corrective actions being undertaken:

RECOMMENDED MOTION: "BE IT RESOLVED, that the Board of Education of the Miller Place Union Free School District hereby approves the Internal Audit Reports:

- Human Resources Cycle Report – Dated May 2026
- District Response and Corrective Action Plan for Human Resources Cycle Report – Dated May 2026

Should you have any questions or concerns, or require additional information regarding this cycle report, please feel to contact me.

C: Mr. Christopher Reino, CPA, Cullen and Danowski, LLP, District External Auditor
Mr. Darin Iacobelli, CPA, Nawrocki Smith, LLP, District Internal Auditor
Mr. Chris Herrschaft, Director of Human Resources



Miller Place Union Free School District

Report on Internal Controls Pertaining to the Human Resources Cycle

May 2026

Miller Place Union Free School District
Report on the Internal Controls of the Human Resource Cycle
May 2026

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Functional Area Exhibits (please see attached)

A. Narrative of the Human Resources Cycle
B. Narrative of Building Attendance

I. Scope of Engagement

The Board of Education of the Miller Place Union Free School District has engaged Nawrocki Smith LLP to provide internal audit services with respect to the District's policies, procedures, and internal controls pertaining to the Human Resources Cycle. As part of this engagement, we performed extensive analysis and validation tests within the District's Human Resources Cycle.

The objective of our audit was to determine if the internal controls over human resources are adequate so that internal procedures are followed, proper documentation is maintained, and duties are properly segregated. In order to verify the human resources area has proper internal controls, we interviewed key personnel and tested various transactions to assess if the key controls within these areas are operating effectively.

Our analysis within each functional area consisted of the following:

- Documented functional area policies and procedures applicable to the Human Resources Cycle after interviews and conversations with key employees.
- Identified key controls within each functional area of the Human Resources Cycle and performed audit tests of those controls.

- Made observations and recommendations pertaining to the internal controls of the Human Resources Cycle based on observed procedures and testing that was performed.

Interviews and inquiries were conducted with the following District employees:

Title	Department
Director of Human Resources	Human Resources
Senior Account Clerk	Human Resources
Building Principals	All School Buildings

Accordingly, we documented the current procedures within each functional area of the Human Resources Cycle by way of narrative within the attached Exhibits A.

II. Employee Requisition and Hiring

The employment requisition process begins with either a vacancy of a current position or a request for a new position to be created due to reasons such as student enrollment or department/program structure changes. The District has several Board of Education approved policies in place regarding employee requisition and hiring.

We reviewed documentation for fifteen (15) positions that were recently filled at the end of the 2024-2025 school year and the beginning of the 2025-2026 school year to determine if:

- The job description was consistent in all advertisements.
- The position was posted for at least one (1) week.
- The position was posted in the Online Application System ("OLAS") and/or the Board of Education approved newspapers.

We also reviewed the Board of Education meeting minutes to verify that the employee hired for each position was appointed to their position prior to their start date.

Observation

We noted that an electronic posting is sent to buildings and uploaded to OLAS for all position types.

➢ *No recommendation at this time.*

III. Recordkeeping - Personnel Files

The District maintains personnel files for all active and inactive employees. An Instructional Intake Form or Non-Instructional Intake Form is completed when an employee is hired and then maintained in the employee's personnel file to track all documentation that is required to be completed upon hire and maintained in each employee personnel file.

We selected fifteen (15) employees, both instructional and non-instructional, that were recently hired at the end of the 2024-2025 school year and the beginning of the 2025-2026 school year to confirm that proper documentation was maintained for each employee within the personnel files. Such documentation includes, but is not limited to, employee applications, resumes, interview

evaluations, reference checks, Board of Education appointment, fingerprinting clearance, certified I-9 Form, W-4 Form, ERS/TRS Form, certifications and/or transcripts.

Observation

We noted that the personnel files for the fifteen (15) employees selected for testing were completed and included the required documentation noted above.

- *No recommendation at this time.*

Employee Credentials

The District has a procedure in place to verify credentials for candidates interviewing for a certified or professional position. The Office Application Specialist is responsible for obtaining proof of certification from the employee or verifying the certification on the NYSED TEACH system. The certification information is entered into nVision once the individual is hired and has been approved by the Board of Education.

We selected fifteen (15) employees who have a position that requires a certification and requested an employee certification report from nVision and certification documentation to verify that each employee has the proper certification for their current position, their certification is current, and the certification information is maintained in nVision.

Observation

We noted that the fifteen (15) employees selected for testing had the appropriate certification on file for their current position. In addition, all employee certifications are current.

- *No recommendation at this time.*

Observation and Recommendation #1

We noted that only initial certifications are entered into and tracked in nVision. Permanent and professional certifications are reviewed and confirmed prior to an employee being hired, however, the certification information is not entered into nVision.

- *We recommend that all certification information be entered into and tracked in nVision. Although permanent and professional certifications do not expire, it would be beneficial to have all certifications in nVision to easily confirm an employee is certified for a specific grade and/or area in the event of a position change.*

IV. Employee Step/Level and Salary Increases

Employee bargaining unit contracts include the details regarding salary amounts and the number of credits necessary for each level. Employee salaries are increased in accordance with bargaining unit contracts or individual contracts, if applicable. Contracts specify if employees will receive an annual step increase in their salary and include the increase amount or new salary amount for each step and level or position. Instructional employees may also submit a request for a horizontal advancement upon completion of a degree or credits earned. The details regarding

the required documentation and approvals, number of credits needed, and limitations on frequency of column movement salary increases are included in the Teacher's Contract.

We reviewed fifteen (15) horizontal advancements for professional employees, effective September 1, 2025, to test that:

- An Application for Reclassification Form was completed by the employee and properly approved by an administrator.
- Approval was obtained prior to the salary increase.
- The horizonal advancement was approved by the Board of Education.
- The employee's new salary agrees to the salary for their step/level in the bargaining unit contract.
- Documentation, including certifications and transcripts, is maintained to support the employee's step/level.

Observation

We noted that horizontal advancements are not approved by the Board of Education as it is not required by the Teacher's bargaining unit contract. The Application for Reclassification Form is approved by both the School Business Official and Superintendent of Schools. The School Business Official also signs a Horizontal Advance Approval Form that documents the employee's name, employee number, number of pays, school year, prior level, step, contract salary, and biweekly salary, current level, step, contract salary, and biweekly salary.

➢ *No recommendation at this time.*

V. Employee Attendance

The District utilizes reports from AESOP, the substitute placement and absence management system, to record absences into the accounting software. The District also utilizes attendance reports from each building to reconcile the AESOP data. Vacation and personal time must be preapproved by the employee's supervisor. Additionally, conferences or workshops attended by instructional staff are pre-approved in My Learning Plan.

We selected a sample of fifteen (15) employees with absences during the month of November 2025 and reviewed absences reported in nVision and supporting documentation to determine if:

- The absences were entered into AESOP
- The correct number and type of days were entered into nVision
- A Request Form is completed for certain types of absences (i.e. Vacation or Personal days)

We also interviewed all building principals to determine and document building attendance tracking and reporting procedures.

Observation and Recommendation #2

We noted that there is clerical employee in the main office of each school building that is responsible for tracking and documenting daily employee absences. The building principals are

responsible for reviewing daily absences and assisting with class coverage to ensure that all classes are assigned a substitute teacher for the day. Although daily absence reports are reviewed by building principals, the review is not documented.

- *We recommend that building principals continue to assist with class coverage and review daily absences for the respective buildings. To enhance this process, each building principal should sign and date the daily absence list before it is sent to the Human Resources Department for recording.*

Observation

We noted that AESOP is utilized by instructional employees, all absences were recorded in nVision, and request forms are completed for personal and vacation days.

- *No recommendation at this time.*

We reviewed the sick and vacation days carried over, accrued, and taken for fifteen (15) employees for the 2025-2026 school year, as of January 2026, to determine if:

- The beginning balance is in accordance with the maximum carry over amount as per bargaining unit or individual contract.
- The accrual for the 2025-2026 school year is in accordance with the bargaining unit or individual contract.
- Days taken during the year are in accordance with the bargaining unit or individual contract.

Observation

We noted that the sick and vacation days carried over, accrued, and taken for fifteen (15) employees were in compliance with the objectives noted above.

- *No recommendation at this time.*

VI. Employee Evaluations

Observations and evaluations are performed at various times and intervals during the year depending on the employee's position and bargaining unit contract. However, all employees are subject to an annual evaluation regardless of their employee type. Certain instructional employees and administrators are subject to New York State Education Law §3012-d and Regulations of the Commissioner of Education §100.2 (o), *Annual Professional Performance Review (APPR)* requirements. The District has a New York State Education Department APPR plan in place which includes evaluation forms and rubrics.

We reviewed personnel files for fifteen (15) employees, both instructional and non-instructional, to determine if employees had evidence of an annual evaluation for the 2024-2025 school year, as our fieldwork was conducted during the 2025-2026 school year. For those employees' subject to APPR requirements, such as teachers and principals, we also reviewed their personnel files to ensure that the required APPR documentation was maintained regarding evaluations.

In addition, we reviewed the District's APPR Plan to ensure that the evaluation form and rubric utilized by the District was approved by the NYSED, the APPR Plan was signed and dated by the Superintendent, Teacher Union President, Administrative Union President, and BOE President.

APPR requirements were reformed in June 2024. The evaluation process is now determined as part of collective bargaining. As per the Teacher's Contract:

- Probationary teachers are required to receive three (3) observations and one (1) observation must be unannounced.
- Tenured teachers are required to receive one (1) observation.

Observation and Recommendation #3

We noted that a non-instructional employee's 2024-2025 evaluation was not finalized until March 2026. Another non-instructional employee's 2024-2025 evaluation was not completed due to supervisor turnover in the area. The employee received an evaluation in the 2025-2026 school year, once the supervisor had been in the position for one (1) year.

➢ *We recommend that all non-instructional employees receive annual evaluations and that the evaluations be finalized within the school year as annual evaluations are required by bargaining unit contracts. The District should consider implementing a spreadsheet to track non-instructional employee evaluations. The spreadsheet should identify all instructional employees requiring observations for that year, the type and number of evaluations, the observations assigned to each evaluator and the dates each observation is completed with final sign off.*

VII. Terminations

We selected the fifteen (15) most recent retirements, resignations, or terminations at the time of our fieldwork. This resulted in a sample of ten (10) employee resignations, three (3) employee terminations, and two (2) employee retirements during the 2024-2025 and 2025-2026 school years. We reviewed employee personnel files, Board of Education meeting minutes, and an employee listing from nVision to determine if:

- A written intent to retire/resign or determination of termination was on file.
- The Board of Education approved the retirement/resignation or termination.
- An Instructional Employee Exit Checklist or Non-Instructional Employee Exit Checklist was properly completed.
- Calculation of the employee's payout of accumulated time off, if applicable, was accurate and in accordance with the bargaining unit contract.
- The employee was inactivated in nVision.

Observation

We noted that the personnel files for the fifteen (15) most recent retirements, resignations, or terminations were in compliance with the objectives noted above.

➢ *No recommendation at this time.*

VIII. Risk Rating and Audit Opinion

Inherent Risk:	High
Control Risk:	Low
Audit Opinion:	Satisfactory

RISK RATING DEFINITIONS

Inherent Risk – Inherent risk is the risk of a material misstatement in the un-audited information assuming the absence of internal control procedures. Inherent risk includes any risk arising from fraud. As with other risks, inherent risk may be evaluated at various levels of aggregation (e.g. financial statement level, account balance assertion level) and at various stages during the course of the audit (e.g. client acceptance/retention state, audit planning stage, etc.).

> **Inherent Risk** *is particular to the area being reviewed if there were no controls in place. Thus, if there were no control procedures in place pertaining to the particular area, what is the risk of a material misstatement.*

Control Risk – Control risk is the risk that a material misstatement in the un-audited information will not be detected and corrected by management's internal control procedures on a timely basis. Auditors evaluate control risk at the account balance assertion level based on a detailed knowledge of the client's business. Auditors may evaluate this risk in the second, third, and forth audit stages, namely the audit planning, control testing, and substantive testing stages.

> **Control Risk** *is particular to the District's controls currently in place in the area being reviewed. Thus, what is the risk of a material misstatement with the control procedures currently in place.*

Audit Opinion – Based upon the audit work performed and our assessment of the controls within each particular audit area an audit opinion is provided for each audit area from one of the following three (3) categories:

Satisfactory:	Controls are operating effectively
Needs Improvement:	Controls need improvement for effectiveness
Unsatisfactory:	Controls are unacceptable and need immediate improvement

Miller Place Union Free School District
Exhibit A Narrative of the Human Resources Cycle
May 2026

Auditors Spoke with:
Director of Human Resources – Christopher Herrschaft
Senior Account Clerk – Nadine Steffens

The following is a narrative, or a sequence of events, which describes the step by step process within the Human Resources function of the Miller Place Union Free School District. The narrative was derived from discussions and interviews with key human resources employees as well as observations of each step in progress. The Human Resources function has been outlined by area for ease of reference, including the following areas:

I. Employee Requisition and Hiring
II. Recordkeeping – Personnel Files
III. Employee Step/Level and Salary Increases
IV. Employee Attendance
V. Employee Evaluations
VI. Terminations

Blue = Internal Control

I. Employee Requisition and Hiring

- The employment requisition process begins with either a vacancy of a current position or a request for a new position to be created due to student enrollment or changes in department structure.
- If an employee retires, resigns, or is terminated, the future needs of the District are assessed to determine if the position requires replacement.
- The District has the following Board of Education approved policies in place.
    - Policy #9010 *Equal Employment Opportunity*
    - Policy #9120.1 *Staff Conflict of Interest*
    - Policy #9160 *Personnel Records*
    - Policy #9260 *Conditional Appointment & Emergency Conditional Appointment Student Safety*
- The Human Resources Department is responsible for posting vacant instructional and non-instructional positions. Civil service lists are reviewed for vacant civil service positions.
- Vacant positions are posted at the District and on the website, emailed to current employees, and posted on the Online Application System ("OLAS").
- Positions are posted for at least five (5) days but may remain on OLAS and the District website for a few months or until the position is filled.

Non-Instructional Personnel

- If there is a need for a competitive class employee, the Human Resources Department will submit a request to the Department of Civil Service for a list of potential candidates who have passed the civil service test for that position.
- Based on the list, the Human Resources Department canvasses candidates to determine if they are available for the position in accordance with the requirements of civil service.
- Of the available candidates, the District can hire from the three (3) highest ranked candidates who respond "yes" to the canvass letter. Rankings are based upon the civil service test scores.
- Available candidates are contacted by the Human Resources Department to schedule initial interviews.
- Interview appointments are set up with candidates based on responses.

- Candidates meet with the department head or building administrator before meeting with the Director of Human Resources. The Superintendent of Schools meets with any civil service candidates that are filling a central office position.
- Once interviews are complete, Director of Human Resources or the Superintendent of Schools will select a candidate and make a recommendation for hire.
- The Board of Education approves all appointments which are documented in the Board of Education meeting minutes.

Instructional Personnel

- Resumes received are reviewed by the appropriate department head or administrator. The department head or administrator will select the candidates for first round interviews and schedule interviews.
- An interview committee is established that will vary in size depending on the vacant position. However, representatives from the appropriate bargaining unit are always part of the interview committee.
- The first interview is an initial screening and the second interview includes more in-depth questions and a demonstration lesson.
- Two (2) or three (3) candidates are selected by the interview committee for a third interview to meet with the Director of Human Resources.
- A candidate is only recommended by the Director of Human Resources once the employee's fingerprinting clearance and certifications have been obtained and references have been checked.
- The Director of Human Resources determines which candidates will meet with the Superintendent of Schools for a final interview.
- The Superintendent of Schools will make a recommendation to the Board of Education and the candidate is offered the position.
- Once the candidate accepts the position, their appointment will be included on the next Board of Education meeting agenda.
- The Board of Education approves all appointments which are documented in the Board of Education meeting minutes.
- When the candidate accepts the position, the following documentation is completed or obtained: Form I-9, Form W-4, official transcripts, Direct Deposit Form, and ERS/TRS enrollment/waiver form.
- After each Board of Education meeting, the Human Resources Department notifies the Senior Account Clerk (Payroll) and Senior Account Clerk (Benefits) of a new hire by sending an email with the Board of Education agenda.
- The Office Application Specialist in the Human Resources Department is responsible for entering employee demographic information and salary into nVision based upon Board of Education approval and properly completed new hire forms.

II. Recordkeeping – Personnel Files

- The District maintains a personnel file for each employee (active and inactive). Both instructional and non-instructional employee personnel files are maintained in locked filing cabinets in a secured closet in the Human Resources Department.
- Policy #9160 *Personnel Records* addresses the maintenance of and access to personnel files.
- The District utilizes an Intake Form to document that all required new hire forms and documentation have been obtained from the employee and properly completed.
- There is a Non-Instructional Intake Form and an Instructional Intake Form. The employee must sign and date the intake form when all required documentation is obtained.

- Each employee personnel file includes the following:
  - Application
  - Appointment Letter/Board of Education Approval
  - Transcripts
  - Certifications, if applicable
  - Background/Reference Check
  - Fingerprint Clearance
  - Resume
  - Oath of Allegiance
  - Emergency Contact Information
  - New Hire Checklist
  - ERS/TRS Enrollment/Waiver
  - Form I-9 *Employee Eligibility Verification*
  - Form W-4 *Employee's Withholding Allowance Certificate*
  - Documentation for Level and Salary Increases
  - Evaluations
  - Attendance Documentation
  - Resignation/Retirement
  - Other correspondence

III. Employee Step/Level and Salary Increases

- Employee salaries are increased in accordance with bargaining unit contracts or individual contracts, if applicable.
- Salary tables from bargaining unit agreements or individual contracts are entered into nVision by the Senior Account Clerk. Salary information is pulled based on the employee's position, step, and level, if applicable.
- If a pay rate is not tied to a bargaining unit agreement, the Senior Account Clerk will update the rate by position. Any employees coded to this position will be updated.
- Instructional employees may also submit a request for a horizontal advancement upon completion of a degree or credits earned.
- However, as per the Teacher's Contract, horizontal advancements will only be processed once a year, in the fall or spring, effective September 1st and February 1st, respectively.
- Coursework must be completed by August 31st for fall horizontal advancements and by January 31st for spring horizontal advancements.
- Employees have until October 31st or March 31st to submit documentation for fall and spring horizontal advancements, respectively.
- Employees must complete an Application for Reclassification Form and submit transcripts and/or proof of in service credits.
- The School Business Official and Superintendent of Schools both sign the Application for Reclassification Form once the supporting documentation has been reconciled to the information on the form.
- A Horizontal Advance Approval Form is completed once an Application for Reclassification Form has been approved.
- The Horizontal Advance Approval Form documents the employee's name, employee number, number of pays, school year, prior level, step, contract salary, and biweekly salary, current level, step, contract salary, and biweekly salary. Detail of any retroactive payments are also documented.
- The School Business Official signs and dates the form.

- After all horizontal advancement approvals have been obtained, the Office Application Specialist updates the employee's level in nVision which updates their salary.
- A separate retroactive payment is entered into nVision by the Senior Account Clerk (Payroll) as per an approved Horizontal Advance Approval Form.
- The Application for Reclassification Form, transcripts and/or proof of in service credits, and the Horizontal Advance Approval Form are maintained in the employee's personnel file.

IV. Employee Attendance

- nVision is used to track and record employee absences.
- AESOP is also utilized to track attendance and to assign substitutes, as needed, but this system is only used by instructional employees.
- Most non-instructional and clerical staff absences are tracked at the building level and reported to the Human Resources Department.
- Custodial attendance is tracked in Timepiece.
- There is a clerical employee in the main office of each school building who is responsible for tracking all employee absences and compiling them on a standard daily absence report.
- Building clerical call out to the building principals and the Security Department calls out to the head of security.
- Information is taken from AESOP, Timepiece, and department call outs to compile the daily absence report.
- The daily absence report is sent to the Senior Account Clerk in the Human Resources Department.
- Employee absences are entered into nVision on a daily basis.
- The Senior Account Clerk is responsible for entering absences for teachers, confidential employees, and administrators.
- The Office Assistant is responsible for entering absences for clerical and operations employees.
- AESOP reports and the daily absence reports are utilized to enter employee absences into nVision.
- If there is a discrepancy between the daily absence reports and AESOP, the Senior Account Clerk will contact the building secretaries to determine the reason.
- The Senior Account Clerk reconciles personal, bereavement, and vacation day absences to request forms.
- A request form must be completed by employees prior to taking a vacation, bereavement or personal day.
- A Request for Personal/Bereavement Days(s) Form is completed by instructional and non instructional staff prior to taking a personal or bereavement day.
- The form must be signed by the employee's direct supervisor and the Director of Human Resources.
- The Senior Account Clerk documents on the form when personal days have been verified and posted to nVision.
- The Facilities Department has a Leave Request Form that is completed for vacation, bereavement, and personal days. The form must be signed by the head custodian, building principal, Director of Facilities, and Director of Human Resources.
- Employees that exceed their allowable days off as per bargaining unit agreements or individual contracts will be docked days.

V. Employee Evaluations

- Observations and evaluations are performed at various times and intervals during the year depending on the employee's job description and bargaining unit contract.

- New York State Education Law §3012-c and Regulations of the Commissioner of Education §100.2 (o), *Annual Professional Performance Review* requirements were reformed in June 2024. The evaluation process is now determined as part of collective bargaining.
- The District has developed and documented an evaluation plan in accordance with New York State Education Law §3012-d and Regulations of the Commissioner of Education §100.2 (o), *Annual Professional Performance Review (APPR)*. The plan was last approved by the New York State Education Department in November 2021.
- Principal evaluations are completed using the Multidimensional Principal Performance Rubric ("MPPR") which is a NYSED approved evaluation rubric.
- As per the Teacher's Contract and the District's APPR Plan, probationary teachers are required to receive three (3) announced observations and one (1) unannounced. Tenured teachers are required to receive (1) announced observation and one (1) unannounced observation.
- The Director of Human Resources maintains an evaluation tracking spreadsheet that identifies all instructional employees requiring observations, the type and number of evaluations, the observations assigned to each evaluator and the dates each observation is completed.
- Building administrators are responsible for making sure that all instructional employees receive the required number of observations each school year.
- Non-instructional employees are required to receive one (1) annual evaluation. Department administrators are responsible for making sure that their employees receive an annual evaluation.
- District-wide Administrators receive annual evaluations.
- Evaluations for instructional employees and administrators subject to APPR requirements are entered into OASYS, an evaluation module of the My Learning Plan software, once completed by the evaluator.
- All other evaluations are maintained in paper form.
- The employee and evaluator sign the printed observation reports before they are sent to the Human Resources Department to be signed by the Director of Human Resources and filed in the employee's personnel file.

VI. Terminations

- Employment with the District may end either by resignation, retirement, excessing, or termination.
- The decision to terminate an employee is made by the Superintendent of Schools, with input from other administrators.
- An employee and/or their position can be excessed due to changes in the budget and/or student enrollment. However, this decision is only made after discussion amongst administrators and approval of the Superintendent of Schools.
- Employees intending to resign or retire must send a letter to the Human Resources Department that includes the date on which they plan to resign or retire.
- A copy of the letter is maintained in the employee's personnel file.
- All retirement and resignation letters are reviewed by the Director of Human Resources before being added to the next Board of Education meeting agenda.
- The Board of Education approves all resignations, retirements, excessed employees and/or positions, and terminations at the Board of Education meetings. This is documented in the Board of Education meeting minutes.
- An Instructional Employee Exit Checklist or Non-Instructional Employee Exit Checklist is completed when an employee leaves the District.
- The Office Application Specialist initiates an Instructional/Non-Instructional Employee Exit Checklist. The checklist includes the employee name, position, building/department, reason for exit, and separation date.

- The employee must sign and date the form to certify that they have returned all Miller Place School District property.
- There are sections on each form to notify all relevant departments including employee's supervisor, technology, payroll, benefits, and human resources.
- The individual responsible for each section must check off that each item in their section has been completed and sign.
- The completed Instructional/Non-Instructional Employee Exit Checklist is filed in the employee inactive personnel file.
- Inactive files are maintained in locked filing cabinets in the Human Resources Department or stored in a locked filing room.

Miller Place Union Free School District
Narrative of Building Attendance
May 2026

Auditors Spoke with:
Miller Place High School Principal – Kevin Slavin
North Country Road Middle School Principal – Christine Mangiamele
Laddie A. Decker Sound Beach School Principal – Jean Marie D'Aversa, Ed.D.
Andrew Muller Primary School Principal – Laura Gewurz

The following is a narrative, or a sequence of events, which describes the step by step process within the building attendance function of the Miller Place Union Free School District. The narrative was derived from discussions and interviews with building principals as well as a review of documentation.

Blue = Internal Control

- All District employees utilize their key card to enter the building each morning.
- Therefore, there is a record of each employee's entry into the building.
- Employees are not required to sign out when they leave the building.
- Non-permanent employees including permanent substitutes, per diem substitutes, and part time aides sign in and out on a timesheet daily.
- Building principals approve timesheets on a weekly basis.
- The District utilizes an absence management system, AESOP, to record employee absences and assign substitutes.
- All instructional employees are required to utilize AESOP to record daily absences.
- Non-instructional employees call or email the main office.
- Substitutes are automatically assigned to a class when an instructional employee enters an absence into AESOP.
- There is a clerical employee in the main office of each school building that is responsible for reviewing employee absences in AESOP each morning.
- The review includes determining if all classrooms have instructional coverage for the day.
- If there are more absent employees than substitutes, the building principal will assist and determine which teachers can provide class coverage throughout the day.
- After a certain time, employees cannot enter an absence into AESOP. The time differs per building but is usually right before the start of school.
- Any absences that cannot be entered into AESOP must be called in to the main office.
- Each building is responsible for reporting their daily absences to the Human Resources Department at the end of each day.
- There is a standard daily absence report that is completed by all buildings using the information from AESOP and daily call ins from non-instructional employees.
- The daily absence report includes the employee name, employee type, reason for absence, substitute name, if applicable, and checkbox for if a request form was required.
- Custodians are not included on the daily absence report. They utilize Timepiece to clock in and out daily.
- Custodian absences are tracked by the Director of Facilities and reported directly to the Human Resources Department.
- The Director of Facilities will notify building principals if a custodian in their building is absent and let them know who will be covering their shift.
- The daily absence report is emailed to the Human Resources Department and any request forms completed by employees for a vacation day or personal day are interofficed to the Human Resources Department.
- If there are revisions to the daily absence list, a revised list will be sent to the Human Resources Department.

Miller Place Union Free School District
Office of the School Business Official

M E M O R A N D U M

TO: Seth A. Lipshie

FROM: Colleen V. Card

DATE: May 21, 2026

RE: District Response to the District's Key Control Audit Reports and; Corrective Action Plan (if applicable) and; Board Resolution

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This is the District's response and applicable corrective action plan, if required, to the District's Internal Audit Key Control Reports received November 6, 2025 issued by the District's auditor, Nawrocki Smith L.L.P. The Internal Audit Key Control Reports received were:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement

Status of Observations or Recommendations for Key Control Reports

✓ ***The District had no recommendations reported therefore a corrective action plan is not required for these Key Control audit reports.***

Therefore, please submit the resolution to the Board for their consideration at their next meeting:

RECOMMENDED MOTION: "BE IT RESOLVED, that the Board of Education of the Miller Place Union Free School District hereby approves the following Internal Audit Reports and responses:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement
- District Response to Key Control Audit Reports
- Internal Audit Status Report-May 28, 2026."

Should you have any questions, concerns, or require additional information regarding these key control audit reports, please feel to contact me.

C: Mr. Christopher Reino, CPA, Cullen and Danowski, LLP, District External Auditor
Mr. Darin Iacobelli, CPA, Nawrocki Smith, LLP, District Internal Auditor

Ernest Patrick Smith
Lauren M. Agunzo
John K. Hoffman
Michael E. Nawrocki

NawrockiSmith
ACCOUNTANTS & ADVISORS

Darin V. Iacobelli
David M. Tellier
Christopher Angotta

May 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:

- **Grant Applications**
- **Journal Entries**
- **Superintendent Attendance**
- **Superintendent Expense Reimbursement**
- **Transportation Federal and State Reimbursement**

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

Very truly yours,

Nawrocki Smith LLP

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Grant Applications
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

School districts receive federal or state funds, based upon submission of the required forms, to help support certain student and employee expenses. Compliance with the grant application requirements will help ensure that school districts receive the maximum amount of grant funds available to them. Therefore, it is imperative to monitor grants applications and ensure that all required forms, and any supporting documentation, are properly completed and submitted prior to the applicable deadlines. Testing procedures were conducted to assess the procedures and documentation maintained regarding grant applications.

The objectives of the testing were to:

- Determine compliance with District policies and procedures
- Determine if Form FS-10 *Proposed Budget for Federal or State Project* (Form FS-10) was submitted before the deadline
- Review Form FS-10 for the Superintendent's certification and New York State Education Department (NYSED) approval
- Review Form FS-10-A *Proposed Amendment*, if applicable, for the Superintendent's certification and for SED approval
- Determine if any available carryover funds are included in Form FS-10 or Form FS-10-A
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We selected one hundred percent (100%) of the federal and state grant applications completed by the District for the 2025-2026 school year, which resulted in six (6) grants, and tested documentation maintained for each grant against the objectives noted above.

Observation

We noted that all grant applications were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the grant application function are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Journal Entries
June 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

Journal entries include a wide range of infrequent or perhaps unexpected transactions. Documented oversight of the general journal, that is both consistent and reliable, can increase the District's control over its journal entries and reduce the likelihood of error or misappropriation. Testing procedures were conducted to assess the processing and maintenance of journal entries.

The objectives of the testing were to:

- Ensure compliance with District policies and procedures
- Ensure proper approval was obtained prior to processing
- Evaluate the sufficiency of supporting documentation
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We selected fifteen (15) journal entries for the months of July 2025 through May 2026 in order to test that the District's processing of journal entries is in compliance with the objectives noted above. Normal recurring journal entries, such as payroll and interest entries, were not included in our sample.

Observation

We noted that journal entries are entered directly into the accounting system by the Treasurer and monthly journal entry reports are printed for review and approval by the School Business Official within one month of entry.

- *No recommendations at this time.*

Audit Comment:

The District's controls surrounding the journal entry function are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Superintendent Attendance
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

Employee attendance, including the Superintendent's attendance, is entered into the District's financial system as per supporting documentation such as request forms for certain types of time off. The type and amount of time off taken (i.e. vacation, sick, and personal days) including any remaining balances from previous years are tracked and monitored in order to identify discrepancies and unusual trends in a timely manner. Testing procedures were conducted to assess the processing and maintenance of the Superintendent's attendance.

The objectives of the testing were to:

- Verify compliance with District policies and procedures.
- Verify an Administration Request for Vacation Form or an Administration Request for Conference Form is properly completed.
- Verify that the request forms noted above are approved by the Board of Education President prior to the Superintendent's absence.
- Verify that the Superintendent is docked the correct number of days in the financial system.
- Verify that the correct absence code is utilized in the financial system.
- Verify that the Superintendent has not exceeded the allowable amount of entitled time.
- Verify that any accrued days do not exceed the allowance as per the Superintendent's contract.
- Identify weaknesses, if any, in the internal control process.
- Recommend possible enhancements to the process; if applicable.

Scope:

We selected one hundred percent (100%) of the absent days taken by the Superintendent for March 1, 2025 through February 28, 2026 as reported in the District's financial system as of March 27, 2026. This resulted in a total of eighteen (18) days which we tested against the above objectives.

Observation

We noted that all eighteen (18) days taken by the Superintendent were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the Superintendent's attendance are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Superintendent Expense Reimbursement
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

The Superintendent is reimbursed for certain expenses as per an employment contract with the District and District Policy. Such expenses include approved travel and attendance at conferences/workshops. It is imperative for the District to monitor expenses to ensure proper approval has been obtained, proper purchasing procedures have been followed, there is sufficient documentation to support the reasonableness and accuracy of the expense, and all reimbursements are in compliance with the Superintendent's employment contract and District Policy. Testing procedures were conducted to assess the processing of the Superintendent's expense reimbursements.

The objectives of the testing were to:

- Verify compliance with District policies and procedures.
- Verify that purchase orders are utilized and properly approved.
- Verify that claim forms are utilized and properly completed, if applicable.
- Verify that expenditures agree to purchase order detail and include sufficient supporting documentation.
- Verify that expenditures are reasonable and reimbursement amounts are accurate.
- Verify Claims Auditor approval.
- Verify that reimbursements are allowable as per the Superintendent's contract.
- Identify weaknesses, if any, in the internal control process.
- Recommend possible enhancements to the process; if applicable.

Scope:

We selected one-hundred percent (100%), of the Superintendent's expense reimbursements for the time period of March 1, 2025 through February 28, 2026 in order to test that the documentation and District's processing of the Superintendent's expense reimbursements is in compliance with the objectives outlined above.

Observation

We noted that all twelve (12) of the Superintendent's expense reimbursements tested were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the Superintendent's expense reimbursements are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Transportation State Aide Reimbursement
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

School districts are eligible to receive transportation aid from New York State for approved transportation expenses incurred and paid for by the District. This includes both in-district transportation expenses and transportation contract expenses, subject to certain requirements as specified by the NYSED. It order for a school district to receive transportation aid, the type and dollar amount of expenses claimed must be reasonable and have supporting documentation. School districts must complete a Transportation Formula Aid Output Report ("TRA") and Form FT: Transportation Data which includes several schedules and a nonallowable pupil deduction data collection worksheet. Documented and knowledgeable oversight of transportation state aid reimbursement can increase the District's control over its resources so that the District is maximizing aide received for eligible expenses. Testing procedures were conducted to assess the process and documentation maintained by the District regarding transportation state aid reimbursement.

The objectives of the testing were to:

- Verify compliance with District policies and procedures
- Verify compliance with NYSED guidelines
- Verify the mathematical accuracy of the District's Transportation Formula Aid Output Report and Form FT: Transportation Data
- Verify supporting documentation for the amounts entered into the Transportation Formula Aid Output Report and Form FT: Transportation Data
- Verify that amounts claimed do not include non-eligible expenses
- Verify that all eligible transportation expenses are included in amounts claimed
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We reviewed the District's Transportation Formula Aid Output Report, Form FT: Transportation Data, and supporting documentation for the 2024-2025 claim year to determine compliance with the objectives noted above.

Observation

We noted that the District's Transportation Formula Aid Output Report, Form FT: Transportation Data, and supporting documentation were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding transportation state aid reimbursement are operating effectively.

Miller Place Union Free School District

Office of the School Business Official

MEMORANDUM

TO: Seth A. Lipshie

FROM: Colleen V. Card

DATE: May 21, 2026

RE: District Response to the District's Key Control Audit Reports and; Corrective Action Plan (if applicable) and; Board Resolution

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This is the District's response and applicable corrective action plan, if required, to the District's Internal Audit Key Control Reports received November 6, 2025 issued by the District's auditor, Nawrocki Smith L.L.P. The Internal Audit Key Control Reports received were:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement

Status of Observations or Recommendations for Key Control Reports

✓ ***The District had no recommendations reported therefore a corrective action plan is not required for these Key Control audit reports.***

Therefore, please submit the resolution to the Board for their consideration at their next meeting:

RECOMMENDED MOTION: "BE IT RESOLVED, that the Board of Education of the Miller Place Union Free School District hereby approves the following Internal Audit Reports and responses:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement
- District Response to Key Control Audit Reports
- Internal Audit Status Report-May 28, 2026."

Should you have any questions, concerns, or require additional information regarding these key control audit reports, please feel to contact me.

C: Mr. Christopher Reino, CPA, Cullen and Danowski, LLP, District External Auditor
Mr. Darin Iacobelli, CPA, Nawrocki Smith, LLP, District Internal Auditor

NawrockiSmith

MILLER PLACE UNION FREE SCHOOL DISTRICT
AUDIT COMMITTEE MEETING AGENDA
Meeting Date: May 28, 2026

I. Nawrocki Smith Internal Audit Team

- **Darin Iacobelli, CPA, CFE – Partner**
- **Donna Tepper, CPA, CIA – Senior Manager**

II. Internal Audit Status Report 2025/2026

III. Review of 2025/2026 Human Resources Cycle Report

IV. Review of 2025/2026 Key Control Reports

- **Grant Applications**
- **Journal Entries**
- **Superintendent Attendance**
- **Superintendent Expense Reimbursement**
- **Transportation Federal and State Reimbursement**

NawrockiSmith

Miller Place Union Free School District
Internal Audit Status Report
Meeting Date: May 28, 2026

2025/2026 Cycle Review	Status
• Human Resources	Complete

Key Control Testing Areas	
• Grant Applications	Complete
• Journal Entries	Complete
• Superintendent Expense Reimbursement	Complete
• Superintendent Attendance	Complete
• Transportation Federal and State Reimbursement	Complete
• Retirement Payout Analysis	Planned for Jun-26

Additional Internal Audit Services	Status
• Annual Risk Assessment Update Report as of June 2025	Complete
• NIST Framework GAP Analysis	In Process
• Annual Risk Assessment Update as of June 2026	In Process
• External Audit Corrective Action Plan Review	As Needed
• Other Internal Audit Services at the Request of the District	As Requested

Tentative On-Site Internal Audit Schedule:

June 12th

Miller Place Union Free School District
Office of the School Business Official

MEMORANDUM

TO: Seth A. Lipshie

FROM: Colleen V. Card

DATE: May 22, 2026

RE: District Response/Corrective Action Plan to the Human Resources Cycle Audit Report

The following is the District's response and applicable corrective action plan to the Human Resources Audit Cycle Report for May 2026 issued by the District's auditor, Nawrocki Smith, L.L.P.

Report on the Internal Controls of the Human Resources Cycle:
The District received three recommendations and the Director of Human Resources submitted the following responses as the corrective action plans as follows:

Current Year Observation and Recommendation #1 regarding Employee Credentials (Certification Tracking):
We noted that only initial certifications are entered into and tracked in nVision. Permanent and professional certifications are reviewed and confirmed prior to an employee being hired, however, the certification information is not entered into nVision.

- *We recommend that all certification information be entered into and tracked in nVision. Although permanent and professional certifications do not expire, it would be beneficial to have all certifications in nVision to easily confirm an employee is certified for a specific grade and/or area in the event of a position change.*

District Response #1:
The District will implement procedures to ensure that all employee certification information, including initial, permanent, and professional certifications, is entered into and maintained within nVision. Human Resources staff will review existing employee records and update certification data accordingly to enhance tracking and verification capabilities for future assignments and position changes.

Current Year Observation and Recommendation #2 regarding Employee Attendance (Review Documentation):
We noted that there is clerical employee in the main office of each school building that is responsible for tracking and documenting daily employee absences. The building principals are responsible for reviewing daily absences and assisting with class coverage to ensure that all classes are assigned a substitute teacher for the day. Although daily absence reports are reviewed by building principals, the review is not documented.

- *We recommend that building principals continue to assist with class coverage and review daily absences for the respective buildings. To enhance this process, each building principal should sign and date the daily absence list before it is sent to the Human Resources Department for recording.*

District Response #2:
The District will implement a procedure requiring building principals to sign and date the daily absence reports prior to submission to the Human Resources Department. This additional step will formally document administrative review of employee absences and daily coverage assignments.

Current Year Observation and Recommendation #3 regarding Employee Evaluations (Non-Instructional):
We noted that a non-instructional employee's 2024-2025 evaluation was not finalized until March 2026. Another non-instructional employee's 2024-2025 evaluation was not completed due to supervisor turnover in the area. The employee received an evaluation in the 2025-2026 school year, once the supervisor had been in the position for one (1) year.

- *We recommend that all non-instructional employees receive annual evaluations and that the evaluations be finalized within the school year as annual evaluations are required by bargaining unit contracts. The District should consider implementing a spreadsheet to track non-instructional employee evaluations. The spreadsheet should identify all instructional employees requiring observations for that year, the type and number of evaluations, the observations assigned to each evaluator and the dates each observation is completed with final sign off.*

District Response #3:
The District will implement a centralized tracking spreadsheet for non-instructional employee evaluations to ensure all required annual evaluations are completed and finalized within the applicable school year. Building and department administrators will be reminded of evaluation timelines and monitoring procedures will be established by Human Resources to ensure compliance with bargaining unit requirements.

Board Resolution:
Therefore, please submit the resolution to the Board for their consideration at their next meeting to approve this report and accept the corrective actions being undertaken:

RECOMMENDED MOTION: "BE IT RESOLVED, that the Board of Education of the Miller Place Union Free School District hereby approves the Internal Audit Reports:

- Human Resources Cycle Report – Dated May 2026
- District Response and Corrective Action Plan for Human Resources Cycle Report – Dated May 2026

Should you have any questions or concerns, or require additional information regarding this cycle report, please feel to contact me.

C: Mr. Christopher Reino, CPA, Cullen and Danowski, LLP, District External Auditor
Mr. Darin Iacobelli, CPA, Nawrocki Smith, LLP, District Internal Auditor
Mr. Chris Herrschaft, Director of Human Resources



Miller Place Union Free School District

Report on Internal Controls Pertaining to the Human Resources Cycle

May 2026

Miller Place Union Free School District
Report on the Internal Controls of the Human Resource Cycle
May 2026

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Functional Area Exhibits (please see attached)

A. **Narrative of the Human Resources Cycle**
B. **Narrative of Building Attendance**

I. Scope of Engagement

The Board of Education of the Miller Place Union Free School District has engaged Nawrocki Smith LLP to provide internal audit services with respect to the District's policies, procedures, and internal controls pertaining to the Human Resources Cycle. As part of this engagement, we performed extensive analysis and validation tests within the District's Human Resources Cycle.

The objective of our audit was to determine if the internal controls over human resources are adequate so that internal procedures are followed, proper documentation is maintained, and duties are properly segregated. In order to verify the human resources area has proper internal controls, we interviewed key personnel and tested various transactions to assess if the key controls within these areas are operating effectively.

Our analysis within each functional area consisted of the following:

- Documented functional area policies and procedures applicable to the Human Resources Cycle after interviews and conversations with key employees.
- Identified key controls within each functional area of the Human Resources Cycle and performed audit tests of those controls.

- Made observations and recommendations pertaining to the internal controls of the Human Resources Cycle based on observed procedures and testing that was performed.

Interviews and inquiries were conducted with the following District employees:

Title	Department
Director of Human Resources	Human Resources
Senior Account Clerk	Human Resources
Building Principals	All School Buildings

Accordingly, we documented the current procedures within each functional area of the Human Resources Cycle by way of narrative within the attached Exhibits A.

II. Employee Requisition and Hiring

The employment requisition process begins with either a vacancy of a current position or a request for a new position to be created due to reasons such as student enrollment or department/program structure changes. The District has several Board of Education approved policies in place regarding employee requisition and hiring.

We reviewed documentation for fifteen (15) positions that were recently filled at the end of the 2024-2025 school year and the beginning of the 2025-2026 school year to determine if:

- The job description was consistent in all advertisements.
- The position was posted for at least one (1) week.
- The position was posted in the Online Application System ("OLAS") and/or the Board of Education approved newspapers.

We also reviewed the Board of Education meeting minutes to verify that the employee hired for each position was appointed to their position prior to their start date.

Observation

We noted that an electronic posting is sent to buildings and uploaded to OLAS for all position types.

➢ *No recommendation at this time.*

III. Recordkeeping - Personnel Files

The District maintains personnel files for all active and inactive employees. An Instructional Intake Form or Non-Instructional Intake Form is completed when an employee is hired and then maintained in the employee's personnel file to track all documentation that is required to be completed upon hire and maintained in each employee personnel file.

We selected fifteen (15) employees, both instructional and non-instructional, that were recently hired at the end of the 2024-2025 school year and the beginning of the 2025-2026 school year to confirm that proper documentation was maintained for each employee within the personnel files. Such documentation includes, but is not limited to, employee applications, resumes, interview

evaluations, reference checks, Board of Education appointment, fingerprinting clearance, certified I-9 Form, W-4 Form, ERS/TRS Form, certifications and/or transcripts.

Observation

We noted that the personnel files for the fifteen (15) employees selected for testing were completed and included the required documentation noted above.

- *No recommendation at this time.*

Employee Credentials

The District has a procedure in place to verify credentials for candidates interviewing for a certified or professional position. The Office Application Specialist is responsible for obtaining proof of certification from the employee or verifying the certification on the NYSED TEACH system. The certification information is entered into nVision once the individual is hired and has been approved by the Board of Education.

We selected fifteen (15) employees who have a position that requires a certification and requested an employee certification report from nVision and certification documentation to verify that each employee has the proper certification for their current position, their certification is current, and the certification information is maintained in nVision.

Observation

We noted that the fifteen (15) employees selected for testing had the appropriate certification on file for their current position. In addition, all employee certifications are current.

- *No recommendation at this time.*

Observation and Recommendation #1

We noted that only initial certifications are entered into and tracked in nVision. Permanent and professional certifications are reviewed and confirmed prior to an employee being hired, however, the certification information is not entered into nVision.

- *We recommend that all certification information be entered into and tracked in nVision. Although permanent and professional certifications do not expire, it would be beneficial to have all certifications in nVision to easily confirm an employee is certified for a specific grade and/or area in the event of a position change.*

IV. Employee Step/Level and Salary Increases

Employee bargaining unit contracts include the details regarding salary amounts and the number of credits necessary for each level. Employee salaries are increased in accordance with bargaining unit contracts or individual contracts, if applicable. Contracts specify if employees will receive an annual step increase in their salary and include the increase amount or new salary amount for each step and level or position. Instructional employees may also submit a request for a horizontal advancement upon completion of a degree or credits earned. The details regarding

the required documentation and approvals, number of credits needed, and limitations on frequency of column movement salary increases are included in the Teacher's Contract.

We reviewed fifteen (15) horizontal advancements for professional employees, effective September 1, 2025, to test that:

- An Application for Reclassification Form was completed by the employee and properly approved by an administrator.
- Approval was obtained prior to the salary increase.
- The horizonal advancement was approved by the Board of Education.
- The employee's new salary agrees to the salary for their step/level in the bargaining unit contract.
- Documentation, including certifications and transcripts, is maintained to support the employee's step/level.

Observation

We noted that horizontal advancements are not approved by the Board of Education as it is not required by the Teacher's bargaining unit contract. The Application for Reclassification Form is approved by both the School Business Official and Superintendent of Schools. The School Business Official also signs a Horizontal Advance Approval Form that documents the employee's name, employee number, number of pays, school year, prior level, step, contract salary, and biweekly salary, current level, step, contract salary, and biweekly salary.

➢ *No recommendation at this time.*

V. Employee Attendance

The District utilizes reports from AESOP, the substitute placement and absence management system, to record absences into the accounting software. The District also utilizes attendance reports from each building to reconcile the AESOP data. Vacation and personal time must be preapproved by the employee's supervisor. Additionally, conferences or workshops attended by instructional staff are pre-approved in My Learning Plan.

We selected a sample of fifteen (15) employees with absences during the month of November 2025 and reviewed absences reported in nVision and supporting documentation to determine if:

- The absences were entered into AESOP
- The correct number and type of days were entered into nVision
- A Request Form is completed for certain types of absences (i.e. Vacation or Personal days)

We also interviewed all building principals to determine and document building attendance tracking and reporting procedures.

Observation and Recommendation #2

We noted that there is clerical employee in the main office of each school building that is responsible for tracking and documenting daily employee absences. The building principals are

responsible for reviewing daily absences and assisting with class coverage to ensure that all classes are assigned a substitute teacher for the day. Although daily absence reports are reviewed by building principals, the review is not documented.

- *We recommend that building principals continue to assist with class coverage and review daily absences for the respective buildings. To enhance this process, each building principal should sign and date the daily absence list before it is sent to the Human Resources Department for recording.*

Observation

We noted that AESOP is utilized by instructional employees, all absences were recorded in nVision, and request forms are completed for personal and vacation days.

- *No recommendation at this time.*

We reviewed the sick and vacation days carried over, accrued, and taken for fifteen (15) employees for the 2025-2026 school year, as of January 2026, to determine if:

- The beginning balance is in accordance with the maximum carry over amount as per bargaining unit or individual contract.
- The accrual for the 2025-2026 school year is in accordance with the bargaining unit or individual contract.
- Days taken during the year are in accordance with the bargaining unit or individual contract.

Observation

We noted that the sick and vacation days carried over, accrued, and taken for fifteen (15) employees were in compliance with the objectives noted above.

- *No recommendation at this time.*

VI. Employee Evaluations

Observations and evaluations are performed at various times and intervals during the year depending on the employee's position and bargaining unit contract. However, all employees are subject to an annual evaluation regardless of their employee type. Certain instructional employees and administrators are subject to New York State Education Law §3012-d and Regulations of the Commissioner of Education §100.2 (o), *Annual Professional Performance Review (APPR)* requirements. The District has a New York State Education Department APPR plan in place which includes evaluation forms and rubrics.

We reviewed personnel files for fifteen (15) employees, both instructional and non-instructional, to determine if employees had evidence of an annual evaluation for the 2024-2025 school year, as our fieldwork was conducted during the 2025-2026 school year. For those employees' subject to APPR requirements, such as teachers and principals, we also reviewed their personnel files to ensure that the required APPR documentation was maintained regarding evaluations.

In addition, we reviewed the District's APPR Plan to ensure that the evaluation form and rubric utilized by the District was approved by the NYSED, the APPR Plan was signed and dated by the Superintendent, Teacher Union President, Administrative Union President, and BOE President.

APPR requirements were reformed in June 2024. The evaluation process is now determined as part of collective bargaining. As per the Teacher's Contract:

- Probationary teachers are required to receive three (3) observations and one (1) observation must be unannounced.
- Tenured teachers are required to receive one (1) observation.

Observation and Recommendation #3

We noted that a non-instructional employee's 2024-2025 evaluation was not finalized until March 2026. Another non-instructional employee's 2024-2025 evaluation was not completed due to supervisor turnover in the area. The employee received an evaluation in the 2025-2026 school year, once the supervisor had been in the position for one (1) year.

➢ *We recommend that all non-instructional employees receive annual evaluations and that the evaluations be finalized within the school year as annual evaluations are required by bargaining unit contracts. The District should consider implementing a spreadsheet to track non-instructional employee evaluations. The spreadsheet should identify all instructional employees requiring observations for that year, the type and number of evaluations, the observations assigned to each evaluator and the dates each observation is completed with final sign off.*

VII. Terminations

We selected the fifteen (15) most recent retirements, resignations, or terminations at the time of our fieldwork. This resulted in a sample of ten (10) employee resignations, three (3) employee terminations, and two (2) employee retirements during the 2024-2025 and 2025-2026 school years. We reviewed employee personnel files, Board of Education meeting minutes, and an employee listing from nVision to determine if:

- A written intent to retire/resign or determination of termination was on file.
- The Board of Education approved the retirement/resignation or termination.
- An Instructional Employee Exit Checklist or Non-Instructional Employee Exit Checklist was properly completed.
- Calculation of the employee's payout of accumulated time off, if applicable, was accurate and in accordance with the bargaining unit contract.
- The employee was inactivated in nVision.

Observation

We noted that the personnel files for the fifteen (15) most recent retirements, resignations, or terminations were in compliance with the objectives noted above.

➢ *No recommendation at this time.*

VIII. Risk Rating and Audit Opinion

Inherent Risk:	High
Control Risk:	Low
Audit Opinion:	Satisfactory

RISK RATING DEFINITIONS

Inherent Risk – Inherent risk is the risk of a material misstatement in the un-audited information assuming the absence of internal control procedures. Inherent risk includes any risk arising from fraud. As with other risks, inherent risk may be evaluated at various levels of aggregation (e.g. financial statement level, account balance assertion level) and at various stages during the course of the audit (e.g. client acceptance/retention state, audit planning stage, etc.).

> **Inherent Risk** *is particular to the area being reviewed if there were no controls in place. Thus, if there were no control procedures in place pertaining to the particular area, what is the risk of a material misstatement.*

Control Risk – Control risk is the risk that a material misstatement in the un-audited information will not be detected and corrected by management's internal control procedures on a timely basis. Auditors evaluate control risk at the account balance assertion level based on a detailed knowledge of the client's business. Auditors may evaluate this risk in the second, third, and forth audit stages, namely the audit planning, control testing, and substantive testing stages.

> **Control Risk** *is particular to the District's controls currently in place in the area being reviewed. Thus, what is the risk of a material misstatement with the control procedures currently in place.*

Audit Opinion – Based upon the audit work performed and our assessment of the controls within each particular audit area an audit opinion is provided for each audit area from one of the following three (3) categories:

Satisfactory:	Controls are operating effectively
Needs Improvement:	Controls need improvement for effectiveness
Unsatisfactory:	Controls are unacceptable and need immediate improvement

Miller Place Union Free School District
Exhibit A Narrative of the Human Resources Cycle
May 2026

Auditors Spoke with:
Director of Human Resources – Christopher Herrschaft
Senior Account Clerk – Nadine Steffens

The following is a narrative, or a sequence of events, which describes the step by step process within the Human Resources function of the Miller Place Union Free School District. The narrative was derived from discussions and interviews with key human resources employees as well as observations of each step in progress. The Human Resources function has been outlined by area for ease of reference, including the following areas:

I. Employee Requisition and Hiring
II. Recordkeeping – Personnel Files
III. Employee Step/Level and Salary Increases
IV. Employee Attendance
V. Employee Evaluations
VI. Terminations

Blue = Internal Control

I. Employee Requisition and Hiring

- The employment requisition process begins with either a vacancy of a current position or a request for a new position to be created due to student enrollment or changes in department structure.
- If an employee retires, resigns, or is terminated, the future needs of the District are assessed to determine if the position requires replacement.
- The District has the following Board of Education approved policies in place.
    - Policy #9010 *Equal Employment Opportunity*
    - Policy #9120.1 *Staff Conflict of Interest*
    - Policy #9160 *Personnel Records*
    - Policy #9260 *Conditional Appointment & Emergency Conditional Appointment Student Safety*
- The Human Resources Department is responsible for posting vacant instructional and non-instructional positions. Civil service lists are reviewed for vacant civil service positions.
- Vacant positions are posted at the District and on the website, emailed to current employees, and posted on the Online Application System ("OLAS").
- Positions are posted for at least five (5) days but may remain on OLAS and the District website for a few months or until the position is filled.

Non-Instructional Personnel

- If there is a need for a competitive class employee, the Human Resources Department will submit a request to the Department of Civil Service for a list of potential candidates who have passed the civil service test for that position.
- Based on the list, the Human Resources Department canvasses candidates to determine if they are available for the position in accordance with the requirements of civil service.
- Of the available candidates, the District can hire from the three (3) highest ranked candidates who respond "yes" to the canvass letter. Rankings are based upon the civil service test scores.
- Available candidates are contacted by the Human Resources Department to schedule initial interviews.
- Interview appointments are set up with candidates based on responses.

- Candidates meet with the department head or building administrator before meeting with the Director of Human Resources. The Superintendent of Schools meets with any civil service candidates that are filling a central office position.
- Once interviews are complete, Director of Human Resources or the Superintendent of Schools will select a candidate and make a recommendation for hire.
- The Board of Education approves all appointments which are documented in the Board of Education meeting minutes.

Instructional Personnel

- Resumes received are reviewed by the appropriate department head or administrator. The department head or administrator will select the candidates for first round interviews and schedule interviews.
- An interview committee is established that will vary in size depending on the vacant position. However, representatives from the appropriate bargaining unit are always part of the interview committee.
- The first interview is an initial screening and the second interview includes more in-depth questions and a demonstration lesson.
- Two (2) or three (3) candidates are selected by the interview committee for a third interview to meet with the Director of Human Resources.
- A candidate is only recommended by the Director of Human Resources once the employee's fingerprinting clearance and certifications have been obtained and references have been checked.
- The Director of Human Resources determines which candidates will meet with the Superintendent of Schools for a final interview.
- The Superintendent of Schools will make a recommendation to the Board of Education and the candidate is offered the position.
- Once the candidate accepts the position, their appointment will be included on the next Board of Education meeting agenda.
- The Board of Education approves all appointments which are documented in the Board of Education meeting minutes.
- When the candidate accepts the position, the following documentation is completed or obtained: Form I-9, Form W-4, official transcripts, Direct Deposit Form, and ERS/TRS enrollment/waiver form.
- After each Board of Education meeting, the Human Resources Department notifies the Senior Account Clerk (Payroll) and Senior Account Clerk (Benefits) of a new hire by sending an email with the Board of Education agenda.
- The Office Application Specialist in the Human Resources Department is responsible for entering employee demographic information and salary into nVision based upon Board of Education approval and properly completed new hire forms.

II. Recordkeeping – Personnel Files

- The District maintains a personnel file for each employee (active and inactive). Both instructional and non-instructional employee personnel files are maintained in locked filing cabinets in a secured closet in the Human Resources Department.
- Policy #9160 *Personnel Records* addresses the maintenance of and access to personnel files.
- The District utilizes an Intake Form to document that all required new hire forms and documentation have been obtained from the employee and properly completed.
- There is a Non-Instructional Intake Form and an Instructional Intake Form. The employee must sign and date the intake form when all required documentation is obtained.

- Each employee personnel file includes the following:
  - Application
  - Appointment Letter/Board of Education Approval
  - Transcripts
  - Certifications, if applicable
  - Background/Reference Check
  - Fingerprint Clearance
  - Resume
  - Oath of Allegiance
  - Emergency Contact Information
  - New Hire Checklist
  - ERS/TRS Enrollment/Waiver
  - Form I-9 *Employee Eligibility Verification*
  - Form W-4 *Employee's Withholding Allowance Certificate*
  - Documentation for Level and Salary Increases
  - Evaluations
  - Attendance Documentation
  - Resignation/Retirement
  - Other correspondence

III. Employee Step/Level and Salary Increases

- Employee salaries are increased in accordance with bargaining unit contracts or individual contracts, if applicable.
- Salary tables from bargaining unit agreements or individual contracts are entered into nVision by the Senior Account Clerk. Salary information is pulled based on the employee's position, step, and level, if applicable.
- If a pay rate is not tied to a bargaining unit agreement, the Senior Account Clerk will update the rate by position. Any employees coded to this position will be updated.
- Instructional employees may also submit a request for a horizontal advancement upon completion of a degree or credits earned.
- However, as per the Teacher's Contract, horizontal advancements will only be processed once a year, in the fall or spring, effective September 1st and February 1st, respectively.
- Coursework must be completed by August 31st for fall horizontal advancements and by January 31st for spring horizontal advancements.
- Employees have until October 31st or March 31st to submit documentation for fall and spring horizontal advancements, respectively.
- Employees must complete an Application for Reclassification Form and submit transcripts and/or proof of in service credits.
- The School Business Official and Superintendent of Schools both sign the Application for Reclassification Form once the supporting documentation has been reconciled to the information on the form.
- A Horizontal Advance Approval Form is completed once an Application for Reclassification Form has been approved.
- The Horizontal Advance Approval Form documents the employee's name, employee number, number of pays, school year, prior level, step, contract salary, and biweekly salary, current level, step, contract salary, and biweekly salary. Detail of any retroactive payments are also documented.
- The School Business Official signs and dates the form.

- After all horizontal advancement approvals have been obtained, the Office Application Specialist updates the employee's level in nVision which updates their salary.
- A separate retroactive payment is entered into nVision by the Senior Account Clerk (Payroll) as per an approved Horizontal Advance Approval Form.
- The Application for Reclassification Form, transcripts and/or proof of in service credits, and the Horizontal Advance Approval Form are maintained in the employee's personnel file.

IV. Employee Attendance

- nVision is used to track and record employee absences.
- AESOP is also utilized to track attendance and to assign substitutes, as needed, but this system is only used by instructional employees.
- Most non-instructional and clerical staff absences are tracked at the building level and reported to the Human Resources Department.
- Custodial attendance is tracked in Timepiece.
- There is a clerical employee in the main office of each school building who is responsible for tracking all employee absences and compiling them on a standard daily absence report.
- Building clerical call out to the building principals and the Security Department calls out to the head of security.
- Information is taken from AESOP, Timepiece, and department call outs to compile the daily absence report.
- The daily absence report is sent to the Senior Account Clerk in the Human Resources Department.
- Employee absences are entered into nVision on a daily basis.
- The Senior Account Clerk is responsible for entering absences for teachers, confidential employees, and administrators.
- The Office Assistant is responsible for entering absences for clerical and operations employees.
- AESOP reports and the daily absence reports are utilized to enter employee absences into nVision.
- If there is a discrepancy between the daily absence reports and AESOP, the Senior Account Clerk will contact the building secretaries to determine the reason.
- The Senior Account Clerk reconciles personal, bereavement, and vacation day absences to request forms.
- A request form must be completed by employees prior to taking a vacation, bereavement or personal day.
- A Request for Personal/Bereavement Days(s) Form is completed by instructional and non instructional staff prior to taking a personal or bereavement day.
- The form must be signed by the employee's direct supervisor and the Director of Human Resources.
- The Senior Account Clerk documents on the form when personal days have been verified and posted to nVision.
- The Facilities Department has a Leave Request Form that is completed for vacation, bereavement, and personal days. The form must be signed by the head custodian, building principal, Director of Facilities, and Director of Human Resources.
- Employees that exceed their allowable days off as per bargaining unit agreements or individual contracts will be docked days.

V. Employee Evaluations

- Observations and evaluations are performed at various times and intervals during the year depending on the employee's job description and bargaining unit contract.

- New York State Education Law §3012-c and Regulations of the Commissioner of Education §100.2 (o), *Annual Professional Performance Review* requirements were reformed in June 2024. The evaluation process is now determined as part of collective bargaining.
- The District has developed and documented an evaluation plan in accordance with New York State Education Law §3012-d and Regulations of the Commissioner of Education §100.2 (o), *Annual Professional Performance Review (APPR)*. The plan was last approved by the New York State Education Department in November 2021.
- Principal evaluations are completed using the Multidimensional Principal Performance Rubric ("MPPR") which is a NYSED approved evaluation rubric.
- As per the Teacher's Contract and the District's APPR Plan, probationary teachers are required to receive three (3) announced observations and one (1) unannounced. Tenured teachers are required to receive (1) announced observation and one (1) unannounced observation.
- The Director of Human Resources maintains an evaluation tracking spreadsheet that identifies all instructional employees requiring observations, the type and number of evaluations, the observations assigned to each evaluator and the dates each observation is completed.
- Building administrators are responsible for making sure that all instructional employees receive the required number of observations each school year.
- Non-instructional employees are required to receive one (1) annual evaluation. Department administrators are responsible for making sure that their employees receive an annual evaluation.
- District-wide Administrators receive annual evaluations.
- Evaluations for instructional employees and administrators subject to APPR requirements are entered into OASYS, an evaluation module of the My Learning Plan software, once completed by the evaluator.
- All other evaluations are maintained in paper form.
- The employee and evaluator sign the printed observation reports before they are sent to the Human Resources Department to be signed by the Director of Human Resources and filed in the employee's personnel file.

VI. Terminations

- Employment with the District may end either by resignation, retirement, excessing, or termination.
- The decision to terminate an employee is made by the Superintendent of Schools, with input from other administrators.
- An employee and/or their position can be excessed due to changes in the budget and/or student enrollment. However, this decision is only made after discussion amongst administrators and approval of the Superintendent of Schools.
- Employees intending to resign or retire must send a letter to the Human Resources Department that includes the date on which they plan to resign or retire.
- A copy of the letter is maintained in the employee's personnel file.
- All retirement and resignation letters are reviewed by the Director of Human Resources before being added to the next Board of Education meeting agenda.
- The Board of Education approves all resignations, retirements, excessed employees and/or positions, and terminations at the Board of Education meetings. This is documented in the Board of Education meeting minutes.
- An Instructional Employee Exit Checklist or Non-Instructional Employee Exit Checklist is completed when an employee leaves the District.
- The Office Application Specialist initiates an Instructional/Non-Instructional Employee Exit Checklist. The checklist includes the employee name, position, building/department, reason for exit, and separation date.

- The employee must sign and date the form to certify that they have returned all Miller Place School District property.
- There are sections on each form to notify all relevant departments including employee's supervisor, technology, payroll, benefits, and human resources.
- The individual responsible for each section must check off that each item in their section has been completed and sign.
- The completed Instructional/Non-Instructional Employee Exit Checklist is filed in the employee inactive personnel file.
- Inactive files are maintained in locked filing cabinets in the Human Resources Department or stored in a locked filing room.

Miller Place Union Free School District
Narrative of Building Attendance
May 2026

Auditors Spoke with:
Miller Place High School Principal – Kevin Slavin
North Country Road Middle School Principal – Christine Mangiamele
Laddie A. Decker Sound Beach School Principal – Jean Marie D'Aversa, Ed.D.
Andrew Muller Primary School Principal – Laura Gewurz

The following is a narrative, or a sequence of events, which describes the step by step process within the building attendance function of the Miller Place Union Free School District. The narrative was derived from discussions and interviews with building principals as well as a review of documentation.

Blue = Internal Control

- All District employees utilize their key card to enter the building each morning.
- Therefore, there is a record of each employee's entry into the building.
- Employees are not required to sign out when they leave the building.
- Non-permanent employees including permanent substitutes, per diem substitutes, and part time aides sign in and out on a timesheet daily.
- Building principals approve timesheets on a weekly basis.
- The District utilizes an absence management system, AESOP, to record employee absences and assign substitutes.
- All instructional employees are required to utilize AESOP to record daily absences.
- Non-instructional employees call or email the main office.
- Substitutes are automatically assigned to a class when an instructional employee enters an absence into AESOP.
- There is a clerical employee in the main office of each school building that is responsible for reviewing employee absences in AESOP each morning.
- The review includes determining if all classrooms have instructional coverage for the day.
- If there are more absent employees than substitutes, the building principal will assist and determine which teachers can provide class coverage throughout the day.
- After a certain time, employees cannot enter an absence into AESOP. The time differs per building but is usually right before the start of school.
- Any absences that cannot be entered into AESOP must be called in to the main office.
- Each building is responsible for reporting their daily absences to the Human Resources Department at the end of each day.
- There is a standard daily absence report that is completed by all buildings using the information from AESOP and daily call ins from non-instructional employees.
- The daily absence report includes the employee name, employee type, reason for absence, substitute name, if applicable, and checkbox for if a request form was required.
- Custodians are not included on the daily absence report. They utilize Timepiece to clock in and out daily.
- Custodian absences are tracked by the Director of Facilities and reported directly to the Human Resources Department.
- The Director of Facilities will notify building principals if a custodian in their building is absent and let them know who will be covering their shift.
- The daily absence report is emailed to the Human Resources Department and any request forms completed by employees for a vacation day or personal day are interofficed to the Human Resources Department.
- If there are revisions to the daily absence list, a revised list will be sent to the Human Resources Department.

Miller Place Union Free School District
Office of the School Business Official

M E M O R A N D U M

TO: Seth A. Lipshie

FROM: Colleen V. Card

DATE: May 21, 2026

RE: District Response to the District's Key Control Audit Reports and; Corrective Action Plan (if applicable) and; Board Resolution

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This is the District's response and applicable corrective action plan, if required, to the District's Internal Audit Key Control Reports received November 6, 2025 issued by the District's auditor, Nawrocki Smith L.L.P. The Internal Audit Key Control Reports received were:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement

Status of Observations or Recommendations for Key Control Reports

✓ ***The District had no recommendations reported therefore a corrective action plan is not required for these Key Control audit reports.***

Therefore, please submit the resolution to the Board for their consideration at their next meeting:

RECOMMENDED MOTION: "BE IT RESOLVED, that the Board of Education of the Miller Place Union Free School District hereby approves the following Internal Audit Reports and responses:

- Grant Applications
- Journal Entries
- Superintendent Attendance
- Superintendent Expense Reimbursement
- Transportation Federal and State Reimbursement
- District Response to Key Control Audit Reports
- Internal Audit Status Report-May 28, 2026."

Should you have any questions, concerns, or require additional information regarding these key control audit reports, please feel to contact me.

C: Mr. Christopher Reino, CPA, Cullen and Danowski, LLP, District External Auditor
Mr. Darin Iacobelli, CPA, Nawrocki Smith, LLP, District Internal Auditor

Ernest Patrick Smith
Lauren M. Agunzo
John K. Hoffman
Michael E. Nawrocki

NawrockiSmith
ACCOUNTANTS & ADVISORS

Darin V. Iacobelli
David M. Tellier
Christopher Angotta

May 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:

- **Grant Applications**
- **Journal Entries**
- **Superintendent Attendance**
- **Superintendent Expense Reimbursement**
- **Transportation Federal and State Reimbursement**

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

Very truly yours,

Nawrocki Smith LLP

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Grant Applications
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

School districts receive federal or state funds, based upon submission of the required forms, to help support certain student and employee expenses. Compliance with the grant application requirements will help ensure that school districts receive the maximum amount of grant funds available to them. Therefore, it is imperative to monitor grants applications and ensure that all required forms, and any supporting documentation, are properly completed and submitted prior to the applicable deadlines. Testing procedures were conducted to assess the procedures and documentation maintained regarding grant applications.

The objectives of the testing were to:

- Determine compliance with District policies and procedures
- Determine if Form FS-10 *Proposed Budget for Federal or State Project* (Form FS-10) was submitted before the deadline
- Review Form FS-10 for the Superintendent's certification and New York State Education Department (NYSED) approval
- Review Form FS-10-A *Proposed Amendment*, if applicable, for the Superintendent's certification and for SED approval
- Determine if any available carryover funds are included in Form FS-10 or Form FS-10-A
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We selected one hundred percent (100%) of the federal and state grant applications completed by the District for the 2025-2026 school year, which resulted in six (6) grants, and tested documentation maintained for each grant against the objectives noted above.

Observation

We noted that all grant applications were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the grant application function are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Journal Entries
June 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

Journal entries include a wide range of infrequent or perhaps unexpected transactions. Documented oversight of the general journal, that is both consistent and reliable, can increase the District's control over its journal entries and reduce the likelihood of error or misappropriation. Testing procedures were conducted to assess the processing and maintenance of journal entries.

The objectives of the testing were to:

- Ensure compliance with District policies and procedures
- Ensure proper approval was obtained prior to processing
- Evaluate the sufficiency of supporting documentation
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We selected fifteen (15) journal entries for the months of July 2025 through May 2026 in order to test that the District's processing of journal entries is in compliance with the objectives noted above. Normal recurring journal entries, such as payroll and interest entries, were not included in our sample.

Observation

We noted that journal entries are entered directly into the accounting system by the Treasurer and monthly journal entry reports are printed for review and approval by the School Business Official within one month of entry.

- *No recommendations at this time.*

Audit Comment:

The District's controls surrounding the journal entry function are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Superintendent Attendance
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

Employee attendance, including the Superintendent's attendance, is entered into the District's financial system as per supporting documentation such as request forms for certain types of time off. The type and amount of time off taken (i.e. vacation, sick, and personal days) including any remaining balances from previous years are tracked and monitored in order to identify discrepancies and unusual trends in a timely manner. Testing procedures were conducted to assess the processing and maintenance of the Superintendent's attendance.

The objectives of the testing were to:

- Verify compliance with District policies and procedures.
- Verify an Administration Request for Vacation Form or an Administration Request for Conference Form is properly completed.
- Verify that the request forms noted above are approved by the Board of Education President prior to the Superintendent's absence.
- Verify that the Superintendent is docked the correct number of days in the financial system.
- Verify that the correct absence code is utilized in the financial system.
- Verify that the Superintendent has not exceeded the allowable amount of entitled time.
- Verify that any accrued days do not exceed the allowance as per the Superintendent's contract.
- Identify weaknesses, if any, in the internal control process.
- Recommend possible enhancements to the process; if applicable.

Scope:

We selected one hundred percent (100%) of the absent days taken by the Superintendent for March 1, 2025 through February 28, 2026 as reported in the District's financial system as of March 27, 2026. This resulted in a total of eighteen (18) days which we tested against the above objectives.

Observation

We noted that all eighteen (18) days taken by the Superintendent were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the Superintendent's attendance are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Superintendent Expense Reimbursement
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

The Superintendent is reimbursed for certain expenses as per an employment contract with the District and District Policy. Such expenses include approved travel and attendance at conferences/workshops. It is imperative for the District to monitor expenses to ensure proper approval has been obtained, proper purchasing procedures have been followed, there is sufficient documentation to support the reasonableness and accuracy of the expense, and all reimbursements are in compliance with the Superintendent's employment contract and District Policy. Testing procedures were conducted to assess the processing of the Superintendent's expense reimbursements.

The objectives of the testing were to:

- Verify compliance with District policies and procedures.
- Verify that purchase orders are utilized and properly approved.
- Verify that claim forms are utilized and properly completed, if applicable.
- Verify that expenditures agree to purchase order detail and include sufficient supporting documentation.
- Verify that expenditures are reasonable and reimbursement amounts are accurate.
- Verify Claims Auditor approval.
- Verify that reimbursements are allowable as per the Superintendent's contract.
- Identify weaknesses, if any, in the internal control process.
- Recommend possible enhancements to the process; if applicable.

Scope:

We selected one-hundred percent (100%), of the Superintendent's expense reimbursements for the time period of March 1, 2025 through February 28, 2026 in order to test that the documentation and District's processing of the Superintendent's expense reimbursements is in compliance with the objectives outlined above.

Observation

We noted that all twelve (12) of the Superintendent's expense reimbursements tested were in compliance with the objectives noted above.

➢ *No recommendation at this time.*

Audit Comment:

The District's controls surrounding the Superintendent's expense reimbursements are operating effectively.

INTERNAL AUDITOR'S REPORT
Miller Place Union Free School District

Transportation State Aide Reimbursement
May 2026

Inherent Risk Rating: High

Control Risk Rating: Low

Audit Opinion: Satisfactory

Purpose/Objectives:

School districts are eligible to receive transportation aid from New York State for approved transportation expenses incurred and paid for by the District. This includes both in-district transportation expenses and transportation contract expenses, subject to certain requirements as specified by the NYSED. It order for a school district to receive transportation aid, the type and dollar amount of expenses claimed must be reasonable and have supporting documentation. School districts must complete a Transportation Formula Aid Output Report ("TRA") and Form FT: Transportation Data which includes several schedules and a nonallowable pupil deduction data collection worksheet. Documented and knowledgeable oversight of transportation state aid reimbursement can increase the District's control over its resources so that the District is maximizing aide received for eligible expenses. Testing procedures were conducted to assess the process and documentation maintained by the District regarding transportation state aid reimbursement.

The objectives of the testing were to:

- Verify compliance with District policies and procedures
- Verify compliance with NYSED guidelines
- Verify the mathematical accuracy of the District's Transportation Formula Aid Output Report and Form FT: Transportation Data
- Verify supporting documentation for the amounts entered into the Transportation Formula Aid Output Report and Form FT: Transportation Data
- Verify that amounts claimed do not include non-eligible expenses
- Verify that all eligible transportation expenses are included in amounts claimed
- Identify weaknesses, if any, in the internal control process
- Recommend possible enhancements to the process, if applicable

Scope:

We reviewed the District's Transportation Formula Aid Output Report, Form FT: Transportation Data, and supporting documentation for the 2024-2025 claim year to determine compliance with the objectives noted above.

Observation

We noted that the District's Transportation Formula Aid Output Report, Form FT: Transportation Data, and supporting documentation were in compliance with the objectives noted above.

- *No recommendation at this time.*

Audit Comment:

The District's controls surrounding transportation state aid reimbursement are operating effectively.