



Farmingdale School District

Board of Education Meeting
July 8, 2020

EXECUTIVE SESSION, 6:00 P.M.
Virtual Meeting

It is anticipated that upon a majority vote of the total membership of the Board, a motion to meet in Executive Session to discuss specific litigation, collective bargaining, and personnel issues in accordance with Open Meetings Law will be considered. Following the Executive Session the Board will hold a virtual meeting approximately 7:30 p.m.

PUBLIC MEETING, 8:00 P.M.

Virtual

Welcome to this evening's meeting of the Board of Education.

Pursuant to Executive Order 202.1 (and subsequent orders closing District schools) issued by the Hon. Andrew M. Cuomo, Governor of the State of New York, signed March 12, 2020, and due to the concerns of the Board of Education for the Health and Safety of the community emanating from the current COVID 19 pandemic, there will be no in-person public access to the aforementioned board meeting and instead the meeting will be live streamed and recorded. Access to the live stream can be had by accessing the school district's website for a link that will bring you to a youtube site and the recording of the meeting can be accessed on www.farmingdaleschools.org. In addition, the public participation portion of the meeting shall be suspended by board resolution.

PLEASE KNOW THAT THE BOARD OF EDUCATION IS INTERESTED IN ENCOURAGING MEMBERS OF THE PUBLIC TO SHARE THEIR IDEAS, COMMENTS AND QUESTIONS. YOU MAY SEND YOUR FEEDBACK AND QUESTIONS TO US THROUGH OUR EMAIL ACCOUNT: BOE@FARMINGDALESCHOOLS.ORG. QUESTIONS WILL BE PUBLICLY ADDRESSED AT NEXT WEEK'S BOARD MEETING. THANK YOU FOR YOUR ANTICIPATED COURTESY AND COOPERATION.

Call to Order

Pledge of Allegiance

Superintendent's Update

- Don Hoffman - Cullen & Danowski
- Monthly Report

Board of Education Minutes

Motion made by _____, seconded by _____ to approve the minutes of

1. Minutes of Jun 3, 2020 Meeting
2. Minutes of Jun 5, 2020 Executive Session
3. Minutes of Jun 30, 2020 Special Meeting

Board Correspondence

Board Committee Reports

Consideration of Consent Agenda:

Motion made by _____, seconded by _____ that the Consent Agenda consisting of Items I (a-o), II (a-k), and III (a-d) be approved as a whole with action recorded separately.

I. Business Report

a. Acceptance for File of Financial Reports

1. Acceptance of the Claims Auditor Report - May 2020
2. Acceptance of the Extracurricular Report - May 2020
3. Acceptance of the Revenue and Expenditure Report - May 2020
4. Acceptance of the Treasurer's Report - May 2020

b. Approval of Award of Bid

- a. Approval of Award of Bid to Norberto Construction, Inc. for Contract SP - Swimming Pool Work at Weldon E. Howitt Middle School

c. Approval of Contracts and Agreements

1. Authorization to Participate as a Service Member of Sourcewell
2. Approval of Agreement with Norberto Construction, Inc. for the Swimming Pool Work at Weldon E. Howitt Middle School
3. Approval of a Rental Agreement with Sourcewell Pitney Bowes
4. Approval of an Addendum Agreement with Educational Bus Transportation, Inc. for the 2019/20 School Year and Contract Extension for the 2020/21 School Year
5. Approval of an Agreement with Travelers for Workers' Compensation Coverage for the 2020-21 School Year
6. Approval of Health & Welfare Services Agreements for Resident Students Attending Non Public Schools Outside of the District for the 2019/20 School Year (Bellmore & Brentwood)
7. Approval of a Standard Form of Agreement with School Construction Consultants for Construction Management Consulting Services for the 2020/21 School Year
8. Approval of The Omni Group Renewal Services Agreement for the 2020/21 School Year
9. Approval of U.S. Communities Agreement with Home Depot for the 2020/21 School Year
10. Approval of an Agreement with Cullen & Danowski for the Detailed Internal Audit for the 2020/21 School Year

- d. Approval of Cooperative Bid - Educational Data System for Office Supplies for the 2020/21 School Year
- e. Approval of Cooperative Bid - Long Island School Nutrition Directors' Association for the 2020/21 School Year
- f. Approval of a Variance to Board Policy 1500 for Farmingdale Youth Council for the 2020/21 School Year
- g. Authorization to Award Bids Based on Best Value for the 2020/21 School Year
- h. Approval of a Donation to the Alana Krumenacker Memorial Scholarship Fund
- i. Acceptance of a Donation to the Community Assistance Fund from Mr. & Mrs. DeRosa
- j. Acceptance of a Donation to the Community Assistance Fund from the FFT Retiree Chapter
- k. Approval of Declaration of Obsolete Textbooks
- l. Acceptance of Funds and Increase the 2020/21 Budget for Nassau BOCES On-Line Learning Academy
- m. Approval of Special Education and General Education Contracts
- n. Approval of a Discovery Education Order Form and Standard Terms of Service and License
- o. Approval of a College Board Order Form and College Readiness and Success Contract for Pre-AP Designation and Professional Development for Pre-AP World History and Geography, Pathway 1: Geography, Ancient, Classical, and Post Classical Periods

II. Items for Action

- a. Approval to Addendum for Unaffiliated/Confidential Staff Related to COVID-19
- b. Approval of the Districtwide Comprehensive School Safety Plan for 2020-2021
- c. Approval of Policy and Regulation #8635, Information and Data Privacy Security, Breach and Notification
- d. Approval of Expenses Related to District Meetings, Events, Staff Development and Designated Awards Ceremonies at the Discretion of the Superintendent for the 2020-2021 School Year
- e. Appointment of Committee on Special Education/Preschool
- f. Approval of the 2020-21 District Comprehensive Improvement Plan (DCIP)
- g. Approval of the 2020-21 School Comprehensive Education Plan
- h. Approval of the ESSA Accountability 2020-21 Participation Rate Improvement Plan Form
- i. Approval of the Response to Intervention (RTI) Plan for the 2020-2021 School Year
- j. Approval of the OverDrive, Inc. Agreement for the 2020/21 School Year
- k. Certification of Standard Work Days for Appointed Officials

III. Superintendent's Report

- a. Personnel Items -- Instructional
- b. Personnel Items -- Non-Instructional
- c. Approval of the Committee on Preschool Special Education Placements Report and Acceptance for File of Said Report
- d. Approval of the Committee on Special Education Placements Report and Acceptance for File of Said Report

IV. Items for Discussion and Action

Motion made by _____, seconded by _____ to accept and approve

1. Acceptance of the Agreed Upon Procedures Audit Report & Corrective Action Plan for the 2019/20 School Year
2. Acceptance of the Risk Assessment Update Report & Corrective Action Plan for the 2019/20 School Year
3. Approval of a Request for an Exemption to the Mandated School Zone Assignment #1
4. Approval of a Request for an Exemption to the Mandated School Zone Assignment #2

Adjournment

Mary E. Rogers, District Clerk

Board of Education
50 Van Cott Ave
Farmingdale, NY 11735

Meeting: 07/08/20 08:00 PM
Department: Assistant to the Superintendent for Business
Category: Action Item
Prepared By: Ro Fullam
Initiator: Michael Motisi
Sponsors:
DOC ID: 6366

SCHEDULED

CONSENT ITEM (ID # 6366)

Acceptance of the Agreed Upon Procedures Audit Report & Corrective Action Plan for the 2019/20 School Year

RESOLVED, that the Farmingdale Union Free School District Board of Education accept the Agreed Upon Procedures Audit Report related to the various processes and procedures of the district's payroll and transportation areas completed in the 2019/20 school year and to approve the Corrective Action Plan related to the Agreed Upon Procedures Audit Report.

**Farmingdale Union Free School District
Independent Accountant's Report On
Applying Agreed-Upon Procedures
May 28, 2020**

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2019-20 - July 8, 2020 (6366 : Acceptance of Agreed

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Education and Audit Committee
Farmingdale Union Free School District
Farmingdale, New York

We have performed the procedures described in the following pages, which were agreed to by the Farmingdale Union Free School District (District), solely to determine the effectiveness related to the various processes and procedures of the District's payroll and transportation areas during the period January 1, 2019 through November 30, 2019.

The District's management is responsible for administering these functions.

This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are described in the following pages.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion on the District's internal control related to payroll and transportation. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Based on the results and finding of this agreed-upon procedures engagement, we do not recommend that any additional testing be performed.

We would like to express our appreciation for the cooperation and assistance that we received from the District's administration and other employees during our engagement.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purpose.

Cullen & Danowski, LLP
May 28, 2020

T:\Office\50,000's\151550\Financial\2019\AUP Report 2020 pay & trans.docx

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures
For the Period Ended November 30, 2019

Introduction:

This report is categorized by function (payroll and transportation) and there are four sections under each function consisting of:

- Background information.
- Procedures performed.
- Findings.
- Recommendations.

Some of the recommendations may require a reassignment of personnel duties within the District and/or a monetary investment. However, any enhancement of controls should be done after a careful cost-benefit analysis.

Corrective Action Plan:

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

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

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2019-20 - July 8, 2020 (6366 : Acceptance of Agreed

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
 For the Period Ended November 30, 2019

As per our engagement letter, we were engaged by the Board of Education (Board) and the management of the District to apply auditing procedures to determine the effectiveness related to payroll and transportation processes and procedures of the District during the period January 1, 2019 through November 30, 2019 (due to schedule we changed the end date of testing to November 30, from December 31).

PAYROLL ACTIVITIES

Background:

Administration of payroll is a significant function of the District's Business Office. It is a relatively complex area because of provisions of law, collective bargaining agreements and individual contracts. The total spending in the 2018-19 fiscal year was approximately \$85,000,000.

The District uses both the Human Resources (HR) and Payroll modules of the nVision financial reporting system. nVision is a powerful, fully integrated system that has been tailored to New York State school districts. As a result there are great efficiencies in budget controls and actual accounting. The payroll module fully integrates to the general ledger and budget modules as well as the HR module.

The Payroll Department is under the responsibility of the Assistant to the Superintendent for Business. Day to day payroll activities are handled by two clerks in the Business Office under the direct Supervision of the School Business Administrator. One of these clerks has been in the payroll group for over 10 years, while the second clerk transferred from another Business Office role, to payroll during 2017.

Cullen & Danowski last performed comprehensive detail testing of the payroll area in 2015.

Procedures:

We performed a review of the effectiveness related to the various processes and procedures of the District's payroll areas per the engagement letter dated October 9, 2019 as follows:

- Reviewed Board policies and District procedures related to the payroll functions.
- Interviewed Business Office personnel regarding policies, procedures and systems in effect.
- Reviewed the current payroll cycle process and identified the strengths, weaknesses and key control attributes for testing.
- Performed a payroll reconciliation from one cycle to the next during this fiscal year. On a test basis, reviewed supporting documentation for all activities in one of the payrolls.
- Reviewed all collective bargaining agreements and a sample of individual employment agreements to understand the terms and conditions.
- Reviewed payroll related activity for the time period under review as follows:
 - For contractual payments – selected a sample of 50 payments to ensure amount paid agrees to employee records and contract (if applicable) and compared all amounts withheld for taxes, benefits, etc. to supporting documentation.
 - For non-salary payments (i.e., hourly, stipend, overtime, etc.) during that time period – selected a sample of 50 payments to ensure proper approval and amount.

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
 For the Period Ended November 30, 2019

- For separation payments - selected a sample of 5 payments to ensure final amounts are correct (i.e., retirement incentives; accumulated unused time), proper documentation is on file (i.e., retirement or resignation letter from employee, Board resolution) and compliance and specifications in the respective contract.
- For disbursements to third parties as a result of withholdings (i.e., union dues, taxes, etc.) during that time period - selected all third party payments from the 2 payroll cycles selected for the reconciliation testwork and ensure all monthly payments are captured.
- For changes to the payroll module data during that time period - selected a payroll change report for 2 payrolls and on a test basis, ensure all edits are appropriate as well as properly approved and supported (i.e., Board approval).
- For substitute teacher payments - reviewed and documented the procedures and selected these payments from one pay cycle during that time period to ensure accuracy and completeness, as well as reconciled these payments to the permanent teachers' absences and ensure the absence is recorded. Based on the results, determine if a reconciliation process needs to become a regular procedure.

Findings:

Review of the payroll activities noted:

- The District has several Board of Education Policies related to payroll activities including:
 - *6800 Payroll Procedures* *Revised January 2016*
 - *9221 Professional Staff Salary Schedules* *Adopted July 1995*
 - *9223 Staff Leaves and Absences* *Revised November 2016*
 - *9500 Compensation and Benefits* *Re-affirmed April 2009*
 - *9500R Compensation and Benefits Regulations* *Re-affirmed April 2009*
- The District has written procedures related to payroll processing. It is our understanding that these have not been reviewed or updated in recent years. (There has been little change in procedures over the past several years.)
- We found the physical payroll records to be well maintained. The staff has a thorough understanding of procedures and internal control requirements. Payroll reconciliations, review of contract change reports and other data review procedures are done timely and documented on a payroll checklist.
- We found no errors in any of our detail testing.
- We noted that the HR department notifies payroll that certain teachers are entitled to lane changes due to meeting educational requirements. However, we believe that there should be an administrator documenting approval and authorization to make changes to the salaries for these individuals.

Recommendations:

- **Lane Change** - As noted above, we recommend the District develop a system to formally document the approval for lane changes processed for teachers.

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2019

TRANSPORTATION ACTIVITIES

Background:

The transportation department is responsible for most of the day to day transportation of students. Substantially all transportation is performed by third party providers. Total transportation costs (including athletics and music, but excluding salaries) will be close to \$9,000,000 this fiscal year.

The Transportation Supervisor began with the District in 2018, replacing a long term supervisor. There is one clerk who handles most of the financial related activities and has been with the District since 2009.

Over the past several years, transportation costs have risen at the District and at many other Long Island school districts. This is due to fee increases by the providers as well as additional costs for providing services to students that are required due to the McKinney Vento law. In the 2018-19 fiscal year, the original budget for contract transportation services was increased during the year by \$400,000 and the 2019-20 budget was increased approximately \$300,000 above the already increased 2018-19 budget.

Procedures:

We performed a review of the effectiveness related to the various processes and procedures of the District's transportation areas per the engagement letter dated October 9, 2019 as follows:

- Reviewed Board policies and District procedures related to the transportation functions.
- Interviewed District personnel regarding policies, procedures and systems in effect.
- Selected 40 invoices and review for proper authorization, pricing and approval.
- Selected 2 payrolls for testing all salaries and hourly costs to supporting documentation.
- Reviewed the budget and actual results for transportation costs for the 2018-19 school year and reviewed the 2019-20 budget and year to date activities.

Findings:

Review of the transportation activities noted:

- The District has written policies and regulations related to transportation activities. However, *Policy 8410 Student Transportation and 8410 R Student Transportation Regulations* have not been updated since 2005 and 1995 respectively. There are some changes in titles that should be adjusted in the policy and our understanding is that there may be other changes required by the NYSED to be addressed in a Board of Education policy. Regardless of the potential changes to the policy, the District appears to be operating within the policy and regulations.
- Our review of the budgets for 2018-19 and 2019-20 indicate that the District monitors the budget on a timely basis and adjusts it when necessary. The Transportation Department actively monitors the individual purchase order encumbered balances for anticipated costs and adjusts these encumbrances on a timely basis. This helps provide up to date information to help in monitoring the overall budget.
- We noted that that budget code 5510-490-34-72 is titled *Special Ed-Transportation*. However this code is used to account only for BOCES related special education costs, and there are other special education related costs included in other transportation codes.

FARMINGDALE UNION FREE SCHOOL DISTRICT
Report on Applying Agreed-Upon Procedures (Continued)
For the Period Ended November 30, 2019

- We noted that the District is accounting for two clerical staff who are primarily responsible for student registration activities in the transportation budget codes since these employees work in the same physical office as the transportation staff. Both of these employees and the transportation employees report to the Assistant to the Superintendent for Business.
- During our review of invoices we noted that student names were included on the invoice. Based on our inquiries the District has contacted the vendors to determine how best to protect the student data.
- We found no errors in payments to vendors nor in payment of employee compensation.

Recommendations:

- **Review and Update Policies** - We recommend that the District review and update the Transportation Policy and related regulations to update the titles contained in the policies and to consider any other changes necessary to be in compliance with NYSED or other legal requirements.
- **Clarify Accounting** - We recommend that the District consider the current accounting for Special Education students and either adjust the accounting or adjust the account titles so that the accounting is more clear.
- **Student Privacy** - We recommend the District work with its transportation vendors to help ensure full compliance with education law 2d and any other applicable laws and regulations.



Farmingdale School District

MICHAEL MOTISI
Assistant to the Superintendent for Business
 (516) 434-5120

PAUL DEFENDINI
Superintendent of Schools

July 9, 2020

Office of the State Comptroller
 110 State Street
 Albany, NY 12236

Attention: The Honorable Thomas P. DiNapoli
 New York State Comptroller

Dear Mr. DiNapoli:

Below please find the district's response to findings and recommendations of the 2019/20 Agreed Upon Procedures Audit which was performed by the district's internal auditors, Cullen & Danowski.

Recommendation #1

It was recommended that the district develop a system to formally document the approval for lane changes for teachers.

Response

The district is in full agreement with this recommendation, and will develop a system to formally document the approval from the Human Resources Department to the Payroll Department for lane changes for teachers. Currently all lane changes are formally approved by the Office of Teaching and Learning and sent to the Human Resources Department. The Human Resources Department then reviews the lane changes and submits to the Payroll Department for processing. This recommendation will be fully implemented by the district's School Business Administrator prior to the next set of lane changes in September 2020.

Recommendation #2

It was recommended that the district update its Transportation Policy to update the titles contained in the policies and to make any other necessary changes.

Response

The district is in full agreement with this recommendation, and will make the necessary changes. This recommendation will be fully implemented by the district's Assistant to the Superintendent for Business and the district's School Business Administrator.

Recommendation #3

It was recommended that the district adjust the accounting and account titles for transportation codes so that the accounting is more clear.

Response

The district is in full agreement with this recommendation, and has corrected the account titles in its financial software so that the accounting is more clear.

Recommendation #4

It was recommended that the district work with its transportation vendors to help ensure student privacy and compliance with education law 2d.

Response

The district is in full agreement with this recommendation, and has contacted its transportation vendors to make revisions to invoices in order to protect student privacy.

If you have any questions, please do not hesitate to contact my office.

Very truly yours,



Michael Motisi
Assistant to the Superintendent for Business

MM/rf

- cc: J. Conway - Director, NYSED Audit Services
- D. Hoffmann - Partner, Cullen & Danowski
- P. Defendini - Superintendent, Farmingdale UFSD
- B. Ernst - School Business Administrator, Farmingdale UFSD

Attachment: Internal Audit Report (Agreed Upon Procedures) & Corrective Action Plan for 2019-20 - July 8, 2020 (6366 : Acceptance of Agreed

Board of Education
50 Van Cott Ave
Farmingdale, NY 11735

Meeting: 07/08/20 08:00 PM
Department: Assistant to the Superintendent for Business
Category: Action Item
Prepared By: Ro Fullam
Initiator: Michael Motisi
Sponsors:
DOC ID: 6367

SCHEDULED

CONSENT ITEM (ID # 6367)

Acceptance of the Risk Assessment Update Report & Corrective Action Plan for the 2019/20 School Year

RESOLVED, that the Farmingdale Union Free School District Board of Education accept the Risk Assessment Update Report completed in the 2019/20 school year and to approve the Corrective Action Plan for the Risk Assessment Update Report.

Farmingdale Union Free School District
Risk Assessment Update Report
May 28, 2020

**CULLEN &
DANOWSKI, LLP**
CERTIFIED PUBLIC ACCOUNTANTS

VINCENT D. CULLEN, CPA
(1950 - 2013)

JAMES E. DANOWSKI, CPA
PETER F. RODRIGUEZ, CPA
JILL S. SANDERS, CPA
DONALD J. HOFFMAN, CPA
CHRISTOPHER V. REINO, CPA
ALAN YU, CPA

Risk Assessment Update Report

To the Board of Education and Audit Committee
Farmingdale Union Free School District
Farmingdale, New York

We have performed the annual risk assessment update of the Farmingdale Union Free School District (District) as required by Chapter 263 of the Laws of New York, 2005 and as per our agreement of July 1, 2019.

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

Specifically, we performed the following:

- We reviewed our understanding of the critical business processes of the District. These critical business processes included, but were not limited to:
 - Governance and planning
 - Accounting and reporting
 - Revenue and cash management
 - Payroll and related benefits
 - Purchasing and related expenditures
 - Facilities and equipment
 - Student services
 - Student related data
 - Information technology
- We identified the key risks based on our understanding of these business processes.
- We identified the stated controls that are currently in place to address those risks.

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

T:\Office\50,000's\51550\Financial\2020\RA Update Report 20.doc

1650 ROUTE 112, PORT JEFFERSON STATION, NEW YORK 11776-3860

PHONE: 631-473-3400 FAX: 631-473-4863 WWW.CDLLP.NET

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

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

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

Cullen & Danowski, LLP
May 28, 2020

Attachment: Risk Assessment Update Report & Corrective Action Plan for the 2019-20 School Year - July 8, 2020 (6367 : Acceptance of Risk

FARMINGDALE UNION FREE SCHOOL DISTRICT

Introduction

May 28, 2020

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

Internal controls are the checks and balances over the various processes or functions that comprise the operations of a district. As previously mentioned, we have identified the following key processes to be considered in the risk assessment update (Note: each one of the key processes is comprised of sub-functions.)

- Governance and planning
- Accounting and reporting
- Revenue and cash management
- Payroll and related benefits
- Purchasing and related expenditures
- Facilities and equipment
- Student services
- Student related data
- Information technology

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

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

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

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

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

FARMINGDALE UNION FREE SCHOOL DISTRICT
Introduction (Continued)
May 28, 2020

We have organized this report into the following four sections:

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

The second section includes the current observations and recommendations based on new findings identified during this risk assessment update. These are categorized based upon the areas of our audit program similar to the prior risk assessment report and these findings have been considered in the assessment of the level of control risk.

The third section contains the current status of the observations and recommendations that are still open for areas of potential improvement in the District's internal controls or operations included in the following reports:

<i>Report Type</i>	<i>Issue Date</i>	<i>Area(s)</i>
Risk Assessment	July 23, 2019	District-wide
Agreed-Upon Procedures	February 11, 2019	Purchasing, NVision Access, and Budget Administration

These results have been considered in the assessment of the level of control risk.

The fourth section contains the observations and recommendations included in the prior risk assessment and/or agreed-upon procedures reports that are now considered closed. The fact that these items have been implemented or resolved was considered in the assessment of the level of control risk.

Some of the recommendations may require a reassignment of duties and/or an addition to Business Office personnel. However, any enhancement of controls should be done after a careful cost-benefit analysis.

Corrective Action Plan

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

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

Attachment: Risk Assessment Update Report & Corrective Action Plan for the 2019-20 School Year - July 8, 2020 (6367 : Acceptance of Risk

FARMINGDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Table
 May 28, 2020

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

Business Process Area	Date of Detailed Testing*	Date of Limited Testing**	Control Risk		Proposed Detailed Testing
			Prior Year	Current Year	
Governance and Planning					
Governance Environment			L	L	
Control Environment			L	L	
Strategic Planning			M	M	
Budget Development			M	M	
Budget Administration	02/11/19		L	L	
Accounting and Reporting					
Assessing Financial Condition			L	L	
Financial Accounting and Reporting	02/11/19		L	L	
Auditing			L	L	
Financial Oversight			M	M	
Fund Balance Management			M	M	
Revenue and Cash Management					
Real Property Tax			L	L	
State Aid			M	M	
Medicaid			M	M	
Out of District Tuition			M	M	
Use of Facilities			L	L	
Donations			M	M	
Collection & Posting of Receipts	12/06/11	07/22/16	L	L	
Cash Management			M	M	
Investment Management			M	M	
Petty Cash			L	L	
Bank Reconciliations	12/06/11	07/22/16	L	L	
Grants and Special Education		08/11/17	***		
General Processing/Monitoring	03/26/13		L	L	
Grant Application			M	M	
Allowable Costs	03/26/13		L	L	
Cash Management			M	M	
Reporting and Monitoring	03/26/13		L	L	
Compliance	03/26/13		L	L	
Payroll, HR and Related Benefits		08/11/17			
Payments to Employees	05/28/20		L	L	
Allocation of Expenditures	05/28/20		L	L	
General Employee Administration	07/19/18		L	L	
Employee Benefit Administration	10/28/08	08/11/17	L	L	✓
Employee Attendance	04/26/10	08/11/17	L	L	
Hiring/Termination of Employees			M	M	

* Indicates the issuance date of an agreed-upon procedures report (AUP) for that area.
 ** Limited testing of controls performed in this area. Date shown is the date of the AUP report.
 *** Review of STAC processing.

Attachment: Risk Assessment Update Report & Corrective Action Plan for the 2019-20 School Year - July 8, 2020 (6367 : Acceptance of Risk

**FARMINGDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Table (Continued)
May 28, 2020**

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

Business Process Area	Date of Detailed Testing*	Date of Detailed Testing **	Control Risk		Proposed Detailed Testing
			Prior Year	Current Year	
Purchasing and Related Expenditures					
PO System	02/11/19		L	L	
Payments Outside PO System	02/11/19		L	L	
Purchasing Process	02/11/19		L	L	
Allocation of Expenditures	02/11/19		L	L	
Payment Processing	02/11/19		L	L	
Travel and Conferences	02/11/19		L	L	
Credit Cards/House Accounts	02/11/19	08/11/17	L	L	
Facilities					
Facilities Maintenance			M	M	✓
Construction Planning			M	M	✓
Construction Monitoring			M	M	✓
Construction Completion			M	M	✓
Fixed Assets					
Acquisition and Disposal	07/12/14		L	L	
Inventory	07/12/14		L	L	
School Environment					
Safety and Security			M	M	
Student Transportation	05/28/20		M	L	
Food Service					
Federal and State Reimbursement			M	M	
Sales Cycle and System		07/22/16	M	L	
Inventory and Purchases			M	M	
Eligibility Verification			M	M	
Extracurricular Activity Fund					
General	05/29/09		M	M	
Cash and Cash Receipts	05/29/09	07/22/16	M	M	
Expenditures and Purchasing	05/29/09	07/22/16	L	L	
Inventories	05/29/09		M	M	
Student Related Data					
Tracking Student Attendance	04/26/11		M	M	
Student Performance Data			M	M	
Information System					
Governance			M	M	
Network Security			M	M	
Financial Application Security	02/11/19		L	L	
Other Application Security			M	M	
Disaster Recovery			M	M	

* Indicates the issuance date of an agreed-upon procedures report (AUP) for that area.

** Limited testing of controls performed in this area. Date shown is the date of the AUP report.

Attachment: Risk Assessment Update Report & Corrective Action Plan for the 2019-20 School Year - July 8, 2020 (6367 : Acceptance of Risk

FARMINGDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report
May 28, 2020

CURRENT OBSERVATIONS AND RECOMMENDATIONS

None noted.

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (OPEN ITEMS)

Recommendations from the Agreed-Upon Procedures report dated August 11, 2017

We made the following recommendations for consideration by the District:

The District was in the process of changing its fuel storage system as part of the capital projects started. However, the following recommendations for improved controls over fuel usage should be considered:

1. **Reconciliation of Usage** -The daily reconciliation process should improve by getting daily usage reports from the Gasboy system (eliminate manual calculations), and by properly recording and reconciling to physical inventory amounts based on stick readings or other electronic inventory methods.
2. **Identify the user of the Fuel System** - The capability of the Gasboy system to record the person doing the fueling, as well as using the system to calculate miles per gallon, should be implemented.
3. **Monitoring the use of Gas Cans** - The District should determine if there is an effective method to record and monitor the fuel supplied to gas cans. We acknowledge that this could be complex and might not be worth the effort.

Update 2018 and May 2019

Each of the three issues noted above would be addressed by the District when implementing the new gas disbursement system as part of the on-going capital projects. The systems under consideration would address each of the issues noted above. All disbursements of fuel would identify both the vehicle or gas can and the person using the fuel pump. The system accounting and reporting would allow efficient monitoring of the activity.

Update April 2020

The installation of the new gas tanks and disbursement system has been completed. There are adequate controls over the physical aspects of controlling fuel inventory. It is our understanding that procedures related to reconciling inventory and usage records are being developed.

Attachment: Risk Assessment Update Report & Corrective Action Plan for the 2019-20 School Year - July 8, 2020 (6367 : Acceptance of Risk

FARMINGDALE UNION FREE SCHOOL DISTRICT
Risk Assessment Update Report (Continued)
May 28, 2020

STATUS OF PRIOR OBSERVATIONS AND RECOMMENDATIONS (CLOSED ITEMS)

From the Agreed-Upon Procedure report dated February 11, 2019 related to purchasing, nVision access and budget administration:

Recommendations:

We recommended that the District consider the following recommendations to address the findings noted above. Any change in procedure is the responsibility of the District.

Purchasing Policy - The District should review the purchasing policy and regulations to determine if it is in compliance with the requirements of the Uniform Guidance for Grant Administration as issued by the Federal Government.

Update 2020 (This issue is now closed)

The District has updated the purchasing policy to address the issues noted in the Uniform Guidance.

Voucher Package - Consideration should be given to the documentation in a voucher package when the PO is not complete. Currently, a copy of the PO is only included when the PO is complete. It might be effective to provide on-line access through nVision to the claims auditor who could then check the PO on-line when the review is performed.

Update 2020 (This issue is now closed)

The District has determined that the most efficient and effective way to address our concern is to grant the claims auditor access to each PO through the nVision system.

Budget Transfer Policy - Due to the NYSED revised reporting requirements, we recommend that the District modify the Budget Transfer policy. Consideration should be given to clarifying the language regarding which Budget Transfers require prior Board of Education approval.

Update 2020 (This issue is now closed)

The District has updated the Budget Transfer policy.



Farmingdale School District

MICHAEL MOTISI
Assistant to the Superintendent for Business
 (516) 434-5120

PAUL DEFENDINI
Superintendent of Schools

July 9, 2020

Office of the State Comptroller
 110 State Street
 Albany, NY 12236

Attention: The Honorable Thomas P. DiNapoli
 New York State Comptroller

Dear Mr. DiNapoli:

Below please find the district's response to findings and recommendations of the 2019/20 Risk Assessment Audit which was performed by the district's internal auditors, Cullen & Danowski.

Recommendation #1

It was recommended that the District improve controls over the fuel usage and reconciliation processes.

Response

The district is in full agreement with this recommendation, and is in the process of implementing procedures for reconciling inventory and usage records. This recommendation will be fully implemented by the district's Director of Districtwide Operations during the 2020/21 school year.

If you have any questions, please do not hesitate to contact my office.

Very truly yours,

Michael Motisi
 Assistant to the Superintendent for Business

MM/rf

cc: J. Conway - Director, NYSED Audit Services
 D. Hoffmann - Partner, Cullen & Danowski
 P. Defendini - Superintendent, Farmingdale UFSD
 B. Ernst - School Business Administrator, Farmingdale UFSD

Board of Education
50 Van Cott Ave
Farmingdale, NY 11735

Meeting: 07/08/20 08:00 PM
Department: Assistant to the Superintendent for Business
Category: Discussion and Action
Prepared By: Ro Fullam
Initiator: Michael Motisi

Sponsors:
DOC ID: 6425

SCHEDULED

DISCUSSION AND ACTION (ID # 6425)

Approval of a Request for an Exemption to the Mandated School Zone Assignment #1

RESOLVED, that the Farmingdale Union Free School District Board of Education approve an exemption to the mandated school zone assignment #1 by reason of a demonstrated personal and/or family hardship in accordance with Board Policy 5110.

5110-R SCHOOL ATTENDANCE AREAS REGULATION

Assignment of Students to Buildings

The Board of Education has established geographic elementary school attendance zones as shown on official maps of the district. These school attendance zones are designated by letter or number as listed below. Each student shall attend that school assigned as the receiving school for the zone in which he/she resides. The official district map shall be kept on file in the Transportation Office where it may be examined by district residents.

Attendance Zones:

Students grades K-5 residing in Zones:

1. L, M, N, P, Q, R, S, and 3 shall attend the Albany Avenue School.
2. A, B, C, D, E, F, G, H (north of the Southern State Parkway), and J shall attend the Saltzman East Memorial School.
3. T, 1, 2, 5, 6, 7 (north of Fulton Street), 8, and 9, shall attend the Northside School.
4. 4, 7 (south of Fulton Street), U, V, W, X, Y, Z, K, and H (south of the Southern State Parkway), shall attend the Woodward Parkway School.

Exceptions

An exception to the above policy concerns the assignment of students designated as English Language Learners (ELL's), and students with disabilities, as determined within the discretion of the District, Committee on Special Education and/or 504 Committee. In addition, the sibling(s) of such students may attend school outside his/her attendance zone, in the same school building as his/her sibling with transportation, through the completion of all grades regularly offered at that school building, even if his/her sibling has already graduated at the election of the parent or guardian.

The Board also recognizes that exceptions may be made in the following limited circumstances, as determined solely within the discretion of the District:

1. In those cases where a shift in schools would be required by reason of a demonstrated personal and/or family hardship, the Board offers this avenue of appeal. In each instance of alleged hardship, the parent shall seek relief, via written application, submitted through the Superintendent to the Board. The application shall list specific reason for the hardship claim. Exception to the mandated zone assignment in this instance shall be only by approval of the Board.
2. In those cases where a shift of schools is warranted for physical, mental or emotional reasons, the Superintendent, or his/her designee, may effect, upon proof of need, said transfer with notification to the Board. Said proof of need

- shall be in the form of a certificate from a psychiatrist or psychologist, or physician with input from and review by corresponding district personnel.
3. When a family moves from one attendance zone to another zone within the district, the child shall be permitted, upon request to the Superintendent or his/her designee, to finish the school year. In such a case, transportation may be provided on the basis of availability. When existing transportation is not available, transportation shall become the responsibility of the parent.

The objective of such a waiver is to permit students to complete the school year at "their" school; however, all conditions under the waiver shall cease at the conclusion of the school year.

1. In those cases where a shift in schools is necessary due to homelessness as determined within the discretion of the District.

The Board shall not consider transfer requests which are based solely upon the preferential, selective judgment of the parent.

Ref:

Education Law §§ 1709; 2045; 3606

Cross-Ref:

5151, Homeless Children

Adoption date: July 5, 1995; Revised: February 1, 2017; Revised: January 15, 2020

Farmingdale Union Free School District

5110 SCHOOL ATTENDANCE AREAS

The assignment of students to buildings is a matter completely within the discretion of the Board of Education. Therefore, in order to provide for proper housing, planning and administration of staff and students, the Board has established geographic elementary school attendance zones. Each student shall attend that school assigned as the receiving school for the zone in which he/she resides. The Board shall not consider transfer requests which are based solely upon the preferential, selective judgment of the parent. This policy will not apply to designated homeless students who opt for attendance in Farmingdale.

Adoption date: July 5, 1995

Farmingdale Union Free School District

Attachment: Request for Exemption to Mandated School Zone Assignment #1 - July 8, 2020 (6425 : Approval of a Request for an Exemption to

Board of Education
50 Van Cott Ave
Farmingdale, NY 11735

Meeting: 07/08/20 08:00 PM
Department: Assistant to the Superintendent for Business
Category: Discussion and Action
Prepared By: Ro Fullam
Initiator: Michael Motisi

Sponsors:
DOC ID: 6426

SCHEDULED

DISCUSSION AND ACTION (ID # 6426)

Approval of a Request for an Exemption to the Mandated School Zone Assignment #2

RESOLVED, that the Farmingdale Union Free School District Board of Education approve an exemption to the mandated school zone assignment #2 by reason of a demonstrated personal and/or family hardship in accordance with Board Policy 5110.

5110-R SCHOOL ATTENDANCE AREAS REGULATION

Assignment of Students to Buildings

The Board of Education has established geographic elementary school attendance zones as shown on official maps of the district. These school attendance zones are designated by letter or number as listed below. Each student shall attend that school assigned as the receiving school for the zone in which he/she resides. The official district map shall be kept on file in the Transportation Office where it may be examined by district residents.

Attendance Zones:

Students grades K-5 residing in Zones:

1. L, M, N, P, Q, R, S, and 3 shall attend the Albany Avenue School.
2. A, B, C, D, E, F, G, H (north of the Southern State Parkway), and J shall attend the Saltzman East Memorial School.
3. T, 1, 2, 5, 6, 7 (north of Fulton Street), 8, and 9, shall attend the Northside School.
4. 4, 7 (south of Fulton Street), U, V, W, X, Y, Z, K, and H (south of the Southern State Parkway), shall attend the Woodward Parkway School.

Exceptions

An exception to the above policy concerns the assignment of students designated as English Language Learners (ELL's), and students with disabilities, as determined within the discretion of the District, Committee on Special Education and/or 504 Committee. In addition, the sibling(s) of such students may attend school outside his/her attendance zone, in the same school building as his/her sibling with transportation, through the completion of all grades regularly offered at that school building, even if his/her sibling has already graduated at the election of the parent or guardian.

The Board also recognizes that exceptions may be made in the following limited circumstances, as determined solely within the discretion of the District:

1. In those cases where a shift in schools would be required by reason of a demonstrated personal and/or family hardship, the Board offers this avenue of appeal. In each instance of alleged hardship, the parent shall seek relief, via written application, submitted through the Superintendent to the Board. The application shall list specific reason for the hardship claim. Exception to the mandated zone assignment in this instance shall be only by approval of the Board.
2. In those cases where a shift of schools is warranted for physical, mental or emotional reasons, the Superintendent, or his/her designee, may effect, upon proof of need, said transfer with notification to the Board. Said proof of need

- shall be in the form of a certificate from a psychiatrist or psychologist, or physician with input from and review by corresponding district personnel.
3. When a family moves from one attendance zone to another zone within the district, the child shall be permitted, upon request to the Superintendent or his/her designee, to finish the school year. In such a case, transportation may be provided on the basis of availability. When existing transportation is not available, transportation shall become the responsibility of the parent.

The objective of such a waiver is to permit students to complete the school year at "their" school; however, all conditions under the waiver shall cease at the conclusion of the school year.

1. In those cases where a shift in schools is necessary due to homelessness as determined within the discretion of the District.

The Board shall not consider transfer requests which are based solely upon the preferential, selective judgment of the parent.

Ref:

Education Law §§ 1709; 2045; 3606

Cross-Ref:

5151, Homeless Children

Adoption date: July 5, 1995; Revised: February 1, 2017; Revised: January 15, 2020

Farmingdale Union Free School District

5110 SCHOOL ATTENDANCE AREAS

The assignment of students to buildings is a matter completely within the discretion of the Board of Education. Therefore, in order to provide for proper housing, planning and administration of staff and students, the Board has established geographic elementary school attendance zones. Each student shall attend that school assigned as the receiving school for the zone in which he/she resides. The Board shall not consider transfer requests which are based solely upon the preferential, selective judgment of the parent. This policy will not apply to designated homeless students who opt for attendance in Farmingdale.

Adoption date: July 5, 1995

Farmingdale Union Free School District