

To the Board of Education and
Mr. Sean Leister, Deputy Superintendent
Port Jefferson Union Free School District
550 Scraggy Hill Road
Port Jefferson, New York 11777

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the fiduciary fund of Port Jefferson Union Free School District as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Port Jefferson Union Free School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Port Jefferson Union Free School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Port Jefferson Union Free School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

However, during our audit we became aware of other matters that we believe represent opportunities for strengthening internal controls and operating efficiency. The recommendations that accompany this letter summarize our comments and suggestion concerning these matters. We have also included the status of prior year findings and recommendations.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

PAYROLL

Claims Auditor

During our current year audit, we noted that payroll change reports were reviewed but not signed by the Claims Auditor. We recommend having the Claims Auditor sign the payroll change report to substantiate the review of the payroll change reports. This will improve the internal controls for payroll.

PURCHASING AND EXPENDITURES

During our current year audit, we noted the District does not have a policy of canceling invoices at the time the invoices are paid. Thus, the invoices are susceptible to unintentional duplicate payment. A simple control against this is to mark invoices with a “Paid” stamp. The stamp should provide for notation of check number, date and initials of the individual who reviewed the invoice detail and approved for payment. We recommend that all invoices be stamped paid to avoid a potential duplicate payment of an invoice.

EXTRA CLASSROOM ACCOUNTS

During our current year audit of the District’s extra classroom activity accounts, we noted the following:

- One out of twelve cash disbursements was lacking support.
- One out of twelve cash disbursements was not properly canceled after the payment had been made.
- Three out of twelve cash receipts tested were lacking support.
- Two out of twelve cash receipts were missing student signature.
- One out of twelve cash receipts had a time lag of one month.
- Class of 2020 was not closed out as of June 30,2021.

We recommend District review the cash disbursement procedures and implement controls to ensure sufficient support is maintained for all disbursements and implement controls to ensure all invoices are marked paid or canceled after payment. We also recommend the District deposit cash receipts timely, implement controls to ensure sufficient support is maintained for all receipts and require student signatures. This would improve the internal controls for extra classroom disbursements and cash receipts.

STATUS OF PRIOR YEAR RECOMMENDATIONS

CASH

FINDING: During our prior year audit, we noted 18 outstanding checks greater than one year old totaling \$2,278.13 on the extra classroom bank reconciliations. We recommended the District review outstanding checks by the end of the year and adjust the accounting records, accordingly.

STATUS: **Implemented.**

BUDGET TRANSFERS

FINDING: During our prior year audit, we noted in four of the five budget transfers tested the budget transfer was recorded in the accounting records prior to the Superintendent or Board approval. We recommended that budget transfers only be recorded in the accounting records after proper Superintendent or Board approval is obtained.

STATUS: **Implemented.**

PURCHASING AND EXPENDITURES

FINDING: During our prior year audit, we noted the District does not have a policy of canceling invoices at the time the invoices are paid. Thus, the invoices are susceptible to unintentional duplicate payment. A simple control against this is to mark invoices with a "Paid" stamp. The stamp should provide for notation of check number, date and initials of the individual who reviewed the invoice detail and approved for payment. We recommended that all invoices be stamped paid to avoid a potential duplicate payment of an invoice.

STATUS: **Not Implemented.**

PAYROLL

Claims Auditor

FINDING: During our prior year audit, we noted that payroll change reports were reviewed but not signed by the Claims Auditor. We recommended having the Claims Auditor sign the payroll change report to verify their review.

STATUS: **Not Implemented.**

District Treasurer:

FINDING: During our prior year audit, we noted that the District Treasurer marks the payroll report with checkmarks, as opposed to signing the report. We recommended having the District Treasurer sign the payroll report prior to the checks being distributed.

STATUS: Implemented.

EXTRA CLASSROOM ACCOUNTS

FINDING: During our prior year audit of the District's extra classroom cash receipts, there was a time lag of at least two weeks for five out of the twelve cash receipts tested and two cash receipts lacked a student signature out of the twelve tested. We recommended the District deposit cash receipts timely and require student signatures. This would improve the internal controls for extra classroom cash receipts.

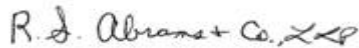
STATUS: Not Implemented.

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We would like to acknowledge the courtesy and assistance extended to us by personnel of the District and also compliment the business office on their excellent financial operations during our audit. Should you have any questions concerning the matters referred to in this letter, we shall be pleased to discuss them with you, at your convenience.

This communication is intended solely for the information and use of the Board of Education, the audit committee, management, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



R.S. Abrams & Co., LLP
Islandia, New York
October 1, 2021