

North Shore Schools
Audit Committee Meeting
December 14, 2023
7:25 P.M.
Middle School Cafeteria

Present: Trustees Andrea Macari, Lisa Colacioppo, Lisa Cashman, Richard Galati, David Ludmar, Maria Mosca, and Marianne M. Russo
Committee Member Mr. Andrew Spieler. Mr. Roger Friedman was absent.
Superintendent Christopher Zublionis and Assistant Superintendents Carol Smyth and James Pappas.
Claims Auditor Denise Longobardi, and Internal Auditor Dimitris Bantileskas of Nawrocki Smith.

Ms. Longobardi explained that she reviews all of the claims, purchase orders and warrants for the District. She comes to the District 2-3 times a month to perform this review. Ms. Longobardi reviewed two reports with the Board. One was a summation of the 2022-2023 school year which indicated that for the entire year there were only 16 exceptions on 6,677 checks processed (most checks having 3-10 invoices per check, approximately over 20,000 invoices processed over the year). The check error exception rate was 0.18% of 1% which, Ms. Longobardi reported, is a very low exception rate and almost unheard of. The second report was a summation for the 2023-24 school year so far. She reported that there have been only 4 exceptions of 1,685 checks processed and the trend is going along the same as last year. Ms. Longobardi commended Mr. Pappas and his staff for all their hard work to ensure they stay in compliance with the general municipal law and all purchasing procedures and policies within the North Shore Schools. She remarked that the low exceptions numbers that the District continues to have are very impressive and something the District should be very proud of.

Dimitris Bantileskas of Nawrocki Smith, the District's internal auditors, explained that each year they present a Risk Assessment report and a report on an audit function for an area for focus within the risk assessment. This year that focus was on Internal Controls pertaining to the Special Education Services Cycle. They prepared a draft report for the Audit Committee which included the scope of engagement; work performed, assessment of special education services procedures, risk rating and opinion, and exhibits. The Assessment of Special Education Services Procedures were broken down into six categories with observations/recommendations under each. The first category— Organizational Structure - the auditors recommended the special education department consider developing a formal departmental procedural manual pertaining to the STAC application processing. This risk rating was scored as Low. The recommendation under the category of System to Track and Account for Children (STAC) Reimbursement Procedures was to maintain detailed salary and benefits documentation to support the information reported to NYSED for reimbursement related to in-district high-cost special education services. This risk rating was scored as Moderate. It was noted in the report that "subsequent to our review, the District took immediate corrective action and has implemented this recommendation". The other categories had no recommendations. The audit opinion on the review was rated Low and the audit comment was satisfactory.

The Board discussed the report. Questions raised were regarding reimbursement related to in-district high-cost special education services and why there were discrepancies. Why is a procedural manual

being recommended for the special education department? Was the sample year of 2021-2022 a typical year to test? Is the audit comment “satisfactory” the highest opinion the District can receive?

Mr. Bantileskas explained that the previous years’ salaries were used in the calculations as the contract was in negotiations. Once the contract was settled, an adjustment should have been made. Mr. Pappas explained that all forms were filed on time and the salaries used for the calculations were from the prior year as the contract was not settled prior to the deadline for filing. The adjustments have since been filed with the state. Mr. Bantileskas further explained that documented procedures are always a good asset, he is not trying to add more work, it is adding more tools. He added that many policy manuals are heavily regulated and procedure manuals help in the day-to-day guidance and operations. In addition, a procedure manual is helpful if there is staff turnover, or if staff is out for a prolonged period of time. Mr. Bantileskas explained that they selected the 2021-2022 year to test to see a full cycle in special education claims as it would take a whole year to see the reimbursement side. Regarding their opinion of “satisfactory” Mr. Bantileskas explained that in accounting terms, this is the highest opinion they can give. There are three opinions: unsatisfactory, needs improvement, or satisfactory. Satisfactory is the gold star.

It was noted that this audit of special education dovetails well into the Special Education Review the Board is undertaking. The report of the audit is about the “what” and not the “how”.

Mr. Bantileskas will be back in the District to do the annual risk assessment in February.

At 7:55 p.m. the meeting was adjourned.

By: Elizabeth Ciampi
District Clerk