



**Patchogue-Medford School District**

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**Updated Risk Assessment  
For the 2020-2021 School Year**

March 2021

The Board of Education  
Patchogue-Medford Union Free School District  
241 South Ocean Avenue  
Patchogue, NY 11772



Board of Education:

We have been retained to function as the internal auditor for the Patchogue-Medford Union Free School District (hereinafter, “the District”). Our responsibility is to assess internal control systems within the District, and to make recommendations to improve upon possible control weaknesses or deficiencies. In doing so, we hope to provide assurance to the District’s Board, management, and residents, that the fiscal operations of the District are being handled appropriately and effectively.

The first step of the internal audit process is to develop a detailed risk assessment of the operations, systems, and controls in place within the District. We performed such an assessment in the 2019-2020 school year, and issued our report dated December 2019 to the Board of Education, outlining our findings and those areas we believed additional testing should be focused on by the District. The purpose of this report is to update that risk assessment for the 2020–2021 fiscal year. This assessment is performed on an annual basis.

As part of our update, we confirmed that our understanding of the internal controls over various business functions and processes remained consistent with our initial understanding as documented during our detailed risk assessment performed in the 2019-2020 school year.

**Review of Staffing:**

To perform this review, we assess any changes in key positions, those within the Business Office, as well as Assistant Superintendents and key directors throughout the District. For the 2020-2021 school year, we noted the following changes in staffing:

- The District removed the Treasurer position and assigned the Treasurer duties to Senior Account Clerk Virginia Newell effective September 1, 2020.

This change does not affect our assessment of risk in the District. If any additional staff changes occur during the school year, we will review the impact of such changes on the various departments of note and adjust our testing accordingly.

**Review of Board Policies:**

The District proactively reviews and assesses current policies and considers revising existing policies or implementing new policies to strengthen the internal control environment of the District, and to ensure compliance with any new regulations. As part of our internal audit function, we review policies that may have a potential impact on operations and/or financial management. We did not note any new board policies or amendments to any existing board policies with fiscal implications. We will continue to review new policies and/or changes to policies during the fiscal year to assess the potential impact on our risk assessment.

**Review of Changes in Information Technology (IT) Environment:**

In light of recent breaches in other districts and modified delivery of instruction due to the pandemic which necessitated changes in the District's IT operation and environment, we discussed cybersecurity protocols, inventory processes, and staff and student training. We noted that the District continues to be proactive in installing firewall upgrades and addressing repairs as needed to ensure access security controls are up-to-date, and computer operations have minimal interruptions. Recently, the District revised the network password protocols to further restrict access to the District's network, and the District updated the building card access software to provide greater control over access to the buildings. If any changes occur within the information technology environment, we will review those items and adjust our testing accordingly.

**Review of External Audit Management Letter:**

We have reviewed the management letter for the fiscal year ended June 30, 2020 from R. S. Abrams & Company, LLP, the District's external auditors to determine if any additional key items arose during the District's external audit that were not previously considered in our risk assessment. The external auditors did not identify any areas in which the District's internal controls could be improved. The District should be commended for its continued efforts to implement strong controls. Should we determine that our risk assessment needs to be revised based on future reviews, we will notify the Board of any changes in our audit plan.

**Review of Claims Auditor Reports:**

We have reviewed the claims audit reports prepared by the District's claims auditor. Based on our review of the claims auditor's findings, we have not identified any areas of risk that were not identified during our initial risk assessment. Should we determine that our risk assessment needs to be revised based on future reviews, we will notify the Board of any changes in our audit plan.

**Conclusion and Current Year Testing by Internal Audit:**

The potential risks outlined in our risk assessment report dated December 2019 continue to be areas of potential risk that the District should be aware of. Since our initial risk assessment, we have tested the areas with the highest level of risk in the District, and we have presented the results of our testing thus far to the Audit Committee. As such, the Audit Committee recommended assessing the internal controls over the management, tracking, and record-keeping of IT inventory. In addition to our audit testing, we will follow-up on prior recommendations made to the Board. We continue to commend management for its proactive approach to internal controls within the District. Should additional areas arise during our testing that we feel should be reviewed, we will discuss the matter with the Audit Committee and Board.

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We would like to thank the staff at the District for their cooperation and professionalism during our review.

We understand the fiduciary duty of the Board of Education, as well as the role of the internal auditor in ensuring that the proper control systems are in place and functioning consistently with the Board's

policies and procedures. Should you have any questions regarding anything included in our report, please do not hesitate to contact us at (631) 582-1600.

Sincerely,

*Cerini & Associates LLP*

Cerini & Associates, LLP

Internal Auditors