Plainedge Union Free School District
Report On Purchasing and Related Expenditures
For the Period July 1, 2025 through February 28, 2026

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Plainedge Union Free School District
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We have been engaged by the Board of Education (the "Board") to provide internal audit services to Plainedge Union Free School District (the "District") with respect to the internal control processes related to purchasing and related expenditures for the period July 1, 2025, through February 28, 2026.

The objectives of this audit were to evaluate the efficiency, effectiveness, and compliance of the District's internal control processes over purchasing and related expenditures with relevant policies, procedures, and regulatory requirements, where applicable. Our procedures were not designed to express an opinion on the internal controls related to purchasing and related expenditures, and as such, we do not express such an opinion.

Our review of the District's internal controls over purchasing and related expenditures identified areas of strength as well as opportunities for improvement. By implementing the recommended improvements, the District can further strengthen its internal control processes related to purchasing and related expenditures. The results of our procedures are presented on the following pages.

This report is intended solely for the information and use of the Board, the Audit Committee, and management of the District and is not intended to be and should not be used by anyone other than those specified parties.

We would like to acknowledge the courtesy and assistance extended to us by personnel of the District. We are available to discuss this report with the Board or others within the District at your convenience.

Our observations and recommendations are directed at the improvement of the system of internal controls and should not be considered a criticism of, or reflection on, any employee of the District.

Very truly yours,

R.S. Abrams & Co., LLP

April 27, 2026

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OVERVIEW, PROCEDURES PERFORMED, OBSERVATIONS, AND RECOMMENDATIONS

AREA: COMPETITIVE BID PROCESS AND EVALUATION

Overview: The District follows General Municipal Law and requires that purchase contracts for material, equipment and supplies involving an estimated annual expenditure exceeding $20,000 and public work contracts involving an expenditure of more than $35,000 will be awarded only after responsible bids have been received in response to a public advertisement soliciting formal bids. Request for proposals ("RFPs") and bids are posted on the District website and public procurement portals for the public to respond to. RFPs and bids are posted for two to three weeks depending on the type of RFP/bid to give bidders an appropriate period of time to respond. The Purchasing Agent is authorized to open and record bids. The District awards RFPs and bids based on the "Best Value" principle in accordance with the requirements of General Municipal Law, section 103 and State Finance Law, section 163.

District policy also requires that verbal (documented telephone quotes) and/or formal written quotes be obtained and submitted with the requisition to the purchasing department for purchase contracts between $1,000 and 20,000 and public work contracts between $2,000 to $35,000.

Relevant Board Policies Examined:

- Policy #6700, *Purchasing*
- Policy #6700-R, *Purchasing Regulation*

Procedures Performed:

- Reviewed published Board policies to ensure the District's bidding process is documented, conforms with District policies, as well as applicable regulatory requirements, and accurately reflects the current operations of the District.
- Inquired with key District personnel to obtain an understanding of the bidding and evaluation process.
- Selected ten (10) vendors to verify:
    - Adherence to statutory thresholds, bid advertising requirements, competitive bidding thresholds, and documentation standards.
    - Bid notices are adequately publicized through appropriate channels, such as District website, and/or procurement portals.
    - Completeness and accuracy of bid documents, ensuring alignment with procurement requirements and objectives.
    - Review documentation of bid evaluation criteria.
- Selected twenty-five (25) disbursements to verify:
    - The completeness and accuracy of authorization documentation, including compliance with District purchasing policy and New Stork State General Municipal Law for bids, quotes or RFPs.

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Testing Results:

Test	Sample Size	Results	Exceptions
Bidding policies reviewed	N/A	No issues noted	None
Bidding process inquiry	N/A	Consistent with policy	None
Vendors subject to bidding reviewed	10	10 of 10 (100%) compliant	0 of 10 (0%)
Bid advertising / documentation verified	10	10 of 10 (100%) adequate	0 of 10 (0%)
Bid evaluation criteria documentation	10	10 of 10 (100%) maintained	0 of 10 (0%)
Disbursements tested for bids / quotes compliance	25	25 of 25 (100%) compliant	0 of 25 (0%)

Observations: No exceptions noted.

Recommendations: None noted.

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AREA: PURCHASE REQUISITIONING

Overview: The District's purchase requisitioning procedures utilize *WinCap*, the District's accounting information system ("AIS"). Purchase requisitions are initiated by a respective building/department, then forwarded to an appropriate supervisor to review and approve. Once approved by supervisor at the building level it is then forwarded to the Purchasing Agent for final approval and conversion into a purchase order. Any supporting documentation, such as competitive bids and quotes, are provided to the business office for the Purchasing Agent to review and approve. Once approved, the purchase requisition is subsequently converted into a purchase order within the AIS.

Relevant Board Policies Examined:

- Policy #6700, *Purchasing*
- Policy #6700-R, *Purchasing Regulation*

Procedures Performed:

- Reviewed published Board policies to ensure the District's purchase requisitioning is documented, conforms with District policies, and accurately reflects the current operations of the District.

- Inquired with key District personnel to obtain an understanding of the purchase requisitioning process.
- Reviewed staff assignments and AIS user permissions to ensure appropriate segregation of duties among personnel involved in the purchasing process.
- Selected twenty-five (25) disbursements to verify:
  - The completeness and accuracy of authorization documentation, including required signatures (e.g., principal or department head), dates, shipping address, and supporting documentation such as a receiving copy of the purchase order signed by the requisitioner.

Testing Results:

Test	Sample Size	Results	Exceptions
Requisition policies reviewed	N/A	No issues noted	None
Purchase requisitioning process inquiry	N/A	No issues noted	None
Segregation of duties / AIS access reviewed	N/A	No issues noted	None
Disbursements tested for authorization documentation	25	25 of 25 (100%) complete and accurate (signatures (e.g., principal or department head), dates, shipping address, supporting documentation, such as a receiving copy of the purchase order signed by the requisitioner.)	0 of 25 (0%)

Observations: No exceptions noted.

Recommendations: None noted.

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AREA: AUTHORIZATION AND APPROVAL PROCESS

Overview: Once the Purchasing Agent reviews and approves the purchase requisition, it is converted to a purchase order. Only the Purchasing Agent or Deputy Purchasing Agent have the system permissions to convert purchase requisitions into purchase orders. The approval process and the layers of approval are documented on the purchase order forms.

Relevant Board Policies Examined:

- Policy #6700, *Purchasing*
- Policy #6700-R, *Purchasing Regulation*
- Policy #9120.1, *Conflict of Interest*

Procedures Performed:

- Reviewed published Board policies to ensure the District's authorization and approval process is documented, conforms with District policies, and accurately reflects the current operations of the District.
- Reviewed the AIS permissions to ensure only Board authorized individuals can convert purchase requisitions into purchase orders.
- Selected twenty-five (25) disbursements to verify:
    - The completeness and accuracy of authorization documentation, including required signatures, dates, shipping address, receiving reports, supporting documentation, and evidence of electronic approval by the Purchasing Agent or Deputy Purchasing Agent.

Testing Results:

Test	Sample Size	Results	Exceptions
Authorization policies reviewed	N/A	No issues noted	None (0%)
AIS permissions reviewed	N/A	No issues noted	None (0%)
Disbursements are supported by authorization documentation such as Purchasing Agent or Deputy Purchasing Agent converting requisition into a purchase order	25	25 of 25 (100%) compliant	0 of 25 (0%)

Observations: No exceptions noted.

Recommendations: None noted.

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AREA: VENDOR PAYMENTS AND CASH DISBURSEMENTS

Overview: Once the business office receives the invoice and the receiving report from the requisitioning department, the invoices are entered into the AIS and a vendor check will be printed in the next check cycle. Before the checks can be mailed to vendors, all vouchers are presented to the District's independent claims auditor for review and approval. The claims auditor is not involved in any other processes of the District and is responsible for ensuring sufficient documentation and approvals exist for all outgoing vouchers.

Relevant Board Policies Examined:

- Policy #6700, *Purchasing*
- Policy #6700-R, *Purchasing Regulation*
- Policy #6650, *Claims Auditor*

Procedures Performed:

- Reviewed published Board policies to ensure the District's vendor payments and cash disbursement process, including check disbursements is documented, conforms with District policies, and accurately reflects the current operations of the District.
- Reviewed the monthly independent claims auditor reports to ensure monthly claims reports are presented to the Board of Education.
- Sampled twenty-five (25) check disbursements to verify that disbursements are properly supported by documentation such as invoices, receipts, or authorization forms, and the claims auditor's review is clearly documented.

Testing Results:

Test	Sample Size	Results	Exceptions
Policies over disbursements reviewed	N/A	No issues noted	None (0%)
Claims auditor report presented to Board monthly	N/A	No issues noted	None (0%)
Check disbursements are supported by appropriate documentation	25	25/25 (100%) supported	0/25 (0%)
Claims auditor approval verified	25	25/25 (100%) approved	0/25 (0%)

Observations: No exceptions noted.

Recommendations: None noted.

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AREA: TRAVEL AND CONFERENCES/EXPENSE REIMBURSEMENT

Overview: The District allows employees to be reimbursed for reasonable, actual, and necessary out-of-pocket expenses incurred while traveling for school district related activities that have been preapproved by the Superintendent of Schools. Reimbursement will be made for expenses covering fees and/or registration, hotel and travel accommodations, and other reasonable out-of-pocket expenses. Mileage will be reimbursed using the rate issued by the Internal Revenue Service for related travel. To obtain an expense reimbursement, the staff member must complete and sign an expense voucher, attach all itemized receipts or other expense documentation, together with a copy of the approved conference attendance request form and evaluation report (if required), which is then submitted to an appropriate administrator. The District policy authorizes the issuance of district-owned cellular telephones to specific administrative and operational positions. These devices are intended for business use, and employees are required to reimburse the District for any personal or non-business-related charges, including amounts that exceed the monthly service plan.

Relevant Board Policies Examined:

- Policy #6830, *Expense Reimbursement for Travel*
- Policy #6830-R, *Expense Reimbursement for Travel*
- Policy #2521, *School Board Conferences*

Procedures Performed:

- Reviewed published Board policies to ensure the District's travel and conferences/expense reimbursement process is documented, conforms with District policies, and accurately reflects the current operations of the District.
- We selected ten (10) transactions related to travel and conference expenditures and employee reimbursements for mileage and cell phones to verify:
  - The District obtained proper approvals prior to reimbursement of travel and conference expenditures,
  - Retained itemized receipts,
  - Utilized proper reimbursement rates,
  - Verified sales tax was not reimbursed, and
  - Retained proof of attendance for training, if applicable.

Testing Results:

Test	Sample Size	Results	Exceptions
Approval prior to reimbursement	10	10/10 (100%) compliant	0/10 (0%)
Itemized receipts verified	10	10/10 (100%) present	0/10 (0%)
Reimbursement rates verified	10	10/10 (100%) correct rates used	0/10 (0%)
Sales tax not reimbursed	10	10/10 (100%) no issues noted	0/10 (0%)
Proof of attendance verified	10	10/10 (100%) documentation present	0/10 (0%)

Observations: No exceptions noted.

Recommendations: None noted.

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AREA: USE OF DISTRICT AUTHORIZED CREDIT CARDS

Overview: The District permits the use of district-authorized credit cards by certain school officials and Board members to pay for actual and necessary expenses incurred in the performance of work-related duties for the District. The list of approved users is reported to the Board at the annual Reorganizational meeting. Users of the credit cards must submit detailed documentation, including itemized receipts for commodities, services, travel, and/or other actual and necessary expenses incurred.

Relevant Board Policies Examined:

- Policy #8334, *School District Issued Credit Cards*
- Policy #8334-R, *School District Issued Credit Cards*

Procedures Performed:

- Reviewed published Board policies to ensure the District's credit card use process is documented, conforms with District policies, and accurately reflects the current operations of the District.
- We selected three (3) credit card disbursements to verify:

- The District retained itemized receipts,
- Expenditure was necessary in the performance of work-related duties for the District,
- Purchase order was approved prior to use of the credit card for the purchase, and
- Claims auditor approval is evidenced on the voucher package.

Testing Results:

Test	Sample Size	Results	Exceptions
Credit card receipts reviewed	3	3/3 (100%) itemized receipts present	0/3 (0%)
Business purpose verified	3	3/3 (100%) appropriate	0/3 (0%)
Purchase order pre-approved	3	3/3 (100%) approved	0/3 (0%)
Claims auditor approval verified	3	3/3 (100%) approved	0/3 (0%)

Observations: No exceptions noted.

Recommendations: None noted.

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AREA: VENDOR MAINTENANCE:

Overview: The District's AIS maintains vendor information such as address, employee identification number, and/or IRS 1099 form status. When a new vendor is entered into the AIS, the District is required to obtain a completed IRS Form W-9 for each new vendor. District employees are required to complete a disclosure form annually to ensure no conflicts of interest exist between employees and vendors used by the District. The purchasing department is responsible for handling vendor files such as adding, marking as inactive, and modifying vendors within the AIS.

As part of the new vendor information form that is completed when onboarding new vendors, the District obtains vendor name, address, contact information, tax identification number, and verification that the vendor does not have an affiliation with any employee of the District as per the conflict of interest policy.

Relevant Board Policies Examined:

- Policy #9120.1, *Conflict of Interest*

Procedures Performed:

- Reviewed the District's policies and procedures related to conflict of interest.
- Reviewed the master vendor file and filtered data to verify the following:
    - Sorted data by vendor name and vendor identification number, purchasing and legal address to ensure multiple vendors are not assigned to one purchasing or legal address or one vendor identification number.
- We selected twenty-five (25) active vendors from the master vendor file and obtained vendor payment history to ensure that the vendor is appropriately deemed as active within the system. Additionally, we ensured that appropriate vendor information is maintained, including IRS Form W-9 and IRS form 1099 issued, if applicable.

Testing Results:

Procedure	Sample Size	Results	Exceptions
Active vendor classification	25	25 of 25 (100%) properly classified	0 of 25 (0%)
Vendor documentation (incl. W-9)	25	25 of 25 (100%) documentation on file	0 of 25 (0%)
Payment activity supports active status	25	25 of 25 (100%) supported	0 of 25 (0%)
1099s appropriately issued, if applicable	25	25 of 25 (100%) documentation on file	0 of 25 (0%)

Observations: No exceptions noted.

Recommendations: None noted.

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CORRECTIVE ACTION PLAN

The District is required to prepare a corrective action plan in response to any observations contained in the internal audit reports. As per Commissioner's Regulations §170.12, a corrective action plan, which has been approved by the Board, should be submitted to the State Education Department within 90 days of the receipt of a final internal audit report.

The approved corrective action plan and a copy of the respective internal audit report should be submitted using the NYSED Business Portal.

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