

THREE VILLAGE CENTRAL SCHOOL DISTRICT
STONY BROOK, NEW YORK

BOARD OF EDUCATION AGENDA MATERIALS

DATE OF BOARD MEETING: July 7, 2021

DATE SUBMITTED: July 1, 2021

OFFICE OF ORIGIN: Business Services

CATEGORY OF ITEM: Organizational Meeting

TITLE: APPOINTMENT OF DISTRICT CLAIMS AUDITOR 2021-2022

Staff Recommendation:

Upon recommendation of the Superintendent of Schools be it hereby resolved that the Board of Education appoint the firm Cerini & Associates, LLP to serve as *Claims Auditor* for the fiscal year ending June 30, 2022 at an annual rate of \$31,950, as put forward in their submitted proposal dated May 5, 2021.

Background-Rationale:

Cerini & Associates, LLP., have been providing these services to the district since 2015 in a satisfactory and professional manner.



CERINI
de **ASSOCIATES** LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 5, 2021

Mr. Jeffrey Carlson
Assistant Superintendent for Business Services
Three Village Central School District
100 Suffolk Avenue
Stony Brook, NY 11790

Dear Mr. Carlson:

We are very pleased to serve as claims auditor for the Three Village Central School District (hereinafter, "the District"). This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will function as the District's internal claims auditor, as outlined in Section 1724 of the Education Law, for the year ending **June 30, 2022**. Our responsibilities under Section 1724 will be to ensure that for all District Disbursements, the following internal controls are adequately tested and supported by actions of District personnel.

- Obtain the claim and note that it bears the description and price of the items specified on the purchase order, less any allowed discounts
- Review the claim and note that it is accompanied by a copy of the purchase order bearing the signature of the requisitioner, which indicates that the item has been received in a satisfactory condition and in the quantity indicated
- Review the claim and note that all extensions and totals have been checked for accuracy, no unauthorized taxes are paid, discounts are taken, and transportation charges, where applicable, are accurate
- Review the claim and note that it has the approval and signature of one of the purchasing agents as "officer giving rise to the claim"
- Determine that the purchase was approved prior to the date of the claim
- If the expenditure is for goods or services that require competitive bidding, ensure that such bidding took place and that the reason for the selection is justified where the bidder is not the lowest bidder
- Ensure that the obligation does not exceed the available appropriation and that it is coded to the correct budget code
- Review the claim and note that the charges are not duplicates of any item(s) already paid
- Review the claim and note that the proposed payment is for a valid and legal purpose
- Review the claim and note that the unit price billed (invoice) does not exceed the bid or contract authorization

Pursuant to the Regulations of the Commissioner of Education, 8 NYCRR §§ 170.12(c)(1)(i) & 170.12(d), we shall file an official undertaking with corporate surety as required by the School District.

Connected
goals
success

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or illegal acts that come to our attention.

We will provide the Board of Education a report describing our findings after each warrant is issued.

Our fees for these services will be billed at \$31,950 billable in monthly installments of \$2,662.50.

Invoices that are outstanding for more than 30 days may be assessed a 1.5% finance charge per month. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed even if we have not completed your return. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

In addition, should any unpaid balances be referred to outside counsel for collection, you will be responsible for any costs associated with the collection of any outstanding balance due us for work performed.

The District reserves the right to terminate this agreement for any reason whatsoever upon thirty (30) days prior written notice. In the event of such termination, we will undertake no additional services for the District, and the District will remain liable for payment of all amounts due for the period through the effective date of such termination.

You may request that we perform additional services that are not contemplated by this engagement letter and therefore are not included in the above fee estimate. If this occurs, we will communicate with you the scope of the additional services and the estimated fees. We will also issue a separate engagement letter covering the additional services.

In the interest of facilitating our services to the district, we may communicate by facsimile transmission or send electronic mail over the internet. Such communications may include information that is confidential to the district. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept that we have no control over the unauthorized interception of these communications once they have been sent and consent to our use of these electronic devices during this engagement.

Furthermore, we may collect nonpublic personal information about you, your employees, and your clients that is provided to us by you or obtained by us with your authorization. For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Additionally, all information obtained in connection with the services provided for in this Letter of Engagement is deemed confidential information. We, our employees, and agents shall not use, publish, discuss, disclose or communicate the contents of such information, directly or indirectly, with third parties, except as required under the terms of engagement or as otherwise required by law. Permitted disclosures include, for instance, providing

information to our employees and, in limited situation, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situation, we stress the confidential nature of information being shared. We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic information, we maintain physical, electronic, and procedural safeguards that comply with our professional standards.

We will act at all times as an independent contract hereunder, and nothing contained herein will be construed to create a partnership or joint venture or a relationship of principal and agent or employer and employee between us and the School District.

We shall provide Worker's Compensation, automobile, comprehensive general liability and professional liability (Errors and Omission) insurance. As necessary or requested, we shall provide the School District with proof of the required insurance coverage. We shall deliver insurance policies and certificates to the School District, which will provide at least a 30-day notice of cancellation or amendment. We shall maintain professional liability insurance in an amount no less than \$1,000,000, worker's compensation in amounts required by law, and general liability insurance (including owned, non-owned, and hired motor vehicles) in a single limit amount of no less than \$1,000,000.

If the foregoing is in accordance with your understanding, please sign the letter in the space provided and return it to us. We shall be pleased to discuss this letter with you at any time.

Sincerely,

Cerini & Associates LLP

Bohemia, New York

Acknowledged:

Three Village Central School District

Signature and Title

Date

