



# Hicksville Union Free School District Purchasing

## Report of Examination

Period Covered:

July 1, 2014 – October 31, 2015

2016M-34



Thomas P. DiNapoli

# Table of Contents

	<b>Page</b>
<b>AUTHORITY LETTER</b>	1
<b>INTRODUCTION</b>	2
Background	2
Objective	2
Scope and Methodology	2
Comments of District Officials	2
<b>PURCHASING</b>	3
<b>APPENDIX A</b> Response From District Officials	5
<b>APPENDIX B</b> Audit Methodology and Standards	7
<b>APPENDIX C</b> How to Obtain Additional Copies of the Report	8
<b>APPENDIX D</b> Local Regional Office Listing	9

# State of New York Office of the State Comptroller

---

---

## Division of Local Government and School Accountability

April 2016

Dear School District Officials:

A top priority of the Office of the State Comptroller is to help school district officials manage their districts efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support district operations. The Comptroller oversees the fiscal affairs of districts statewide, as well as districts' compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving district operations and Board of Education governance. Audits also can identify strategies to reduce district costs and to strengthen controls intended to safeguard district assets.

Following is a report of our audit of the Hicksville Union Free School District, entitled Purchasing. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results are resources for district officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller  
Division of Local Government  
and School Accountability*

# Introduction

## Background

The Hicksville Union Free School District (District) is located in the Town of Oyster Bay, Nassau County. The District is governed by the Board of Education (Board) which is composed of seven elected members. The Board is responsible for the general management and control of the District's financial and educational affairs. The Superintendent of Schools (Superintendent) is the District's chief executive officer and is responsible, along with other administrative staff, for the District's day-to-day management under the Board's direction.

The District operates nine schools with approximately 5,250 students and 930 employees. The District's budgeted appropriations for the 2015-16 fiscal year are \$130.2 million, which are funded primarily with real property taxes and State aid.

## Objective

The objective of our audit was to examine the District's purchasing practices. Our audit addressed the following related question:

- Did District officials use competitive methods when procuring goods and services?

## Scope and Methodology

We examined the District's procurement practices for the period July 1, 2014 through October 31, 2015.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on such standards and the methodology used in performing this audit are included in Appendix B of this report. Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

## Comments of District Officials

The results of our audit have been discussed with District officials, and their comments, which appear in Appendix A, have been considered in preparing this report. District officials agreed with the findings in the report.

## Purchasing

General Municipal Law (GML) requires the Board to adopt written procurement policies and procedures that provide guidance for determining when items must be competitively bid and when quotes should be obtained for purchases not required to be competitively bid.<sup>1</sup> The Board is responsible for ensuring that District staff procure the desired quality and quantity of goods and services at the lowest cost, in compliance with Board policies and legal requirements. To accomplish this, it is important that District officials seek competition or use State and county contracts when available. The use of competition provides District residents with assurance that goods and services are procured in the most prudent and economical manner, that goods and services of desired quality are being acquired at the lowest possible prices, and that procurement is not influenced by favoritism, extravagance, fraud or corruption.

The Board adopted a purchasing policy in 1985 which was updated in 2007 and again in December 2013. In addition, the Board developed procedures which supplement this policy and provide guidance on procurement methods for purchases which do not require competitive bidding, including the identification of specific dollar thresholds for when quotes should be obtained. The Board reviews the purchasing policy and procedures annually and makes updates as necessary to ensure compliance with GML.

The District procured goods and services in accordance with its policy and the statutory requirements. We reviewed a sample of 50 purchases totaling \$965,768<sup>2</sup> that were subject to the District's procurement policy and found only minor issues which were discussed with District officials.

Five purchases totaling \$504,090 were subject to bidding requirements and all of these purchases were either properly bid or were allowable exemptions from bidding.<sup>3</sup> Forty purchases totaling \$161,381 required quotes and District staff obtained the necessary quotes for all 40 purchases as required by the District's purchasing policy and procedures. The remaining five purchases were for

<sup>1</sup> GML requires bidding when an item or commodity group exceeds established dollar limits. Dollar thresholds require school districts to advertise for bids for purchase contracts that equal or aggregate to more than \$20,000, and public works contracts that equal or aggregate to more than \$35,000. Purchases made through State and county contracts need not be competitively bid.

<sup>2</sup> See Appendix B for sampling methodology

<sup>3</sup> Allowable exceptions include purchases made through State contracts or cooperative bids.

professional services totaling \$300,297 and, with only minor issues noted, these purchases were made using competitive procedures in accordance with the District's purchasing policy. District employees were aware of and adhered to the competitive bidding requirements of GML and the procurement requirements of the District's purchasing policy.

We commend District officials for complying with the statutory requirements and for designing a purchasing process that enables competitive methods for the procurement of goods and services.

## **APPENDIX A**

### **RESPONSE FROM DISTRICT OFFICIALS**

The District officials' response to this audit can be found on the following page.



# Hicksville Public Schools

Administration Building  
200 Division Avenue  
Hicksville, NY 11801-4800

Phone: 516-733-2100

Fax: 516-733-6584

Carl Bonuso, Ed.D.  
*Superintendent of Schools*

March 23, 2016

John O'Brien  
*District Clerk*

Mr. Ira McCracken, Chief Examiner  
Office of the State Comptroller  
Division of Local Government and School Accountability  
Hauppauge Regional Office  
NYS Office Building, Room 3A10  
250 Veterans Memorial Highway  
Hauppauge, New York 11788-5533

Dear Mr. McCracken,

The Hicksville Union Free School District is in receipt of the Comptroller's draft 'Report of Examination on Purchasing for the Period Covered July 1, 2014 through October 31, 2015, 2016M-34.'

The Board of Education and Administration reviewed the report and concur with its findings.

On behalf of the Board and Administration, we would like to acknowledge the professionalism of our field auditors who thoroughly explained each step in the audit process, were courteous and cooperative throughout the process, and had the utmost respect for our time and workflow while in district.

Sincerely,

Dr. Carl Bonuso  
Superintendent of Schools

## Board of Education

Phil Heckler, President  
Steven Culhane

Kevin J. Carroll, Vice President  
James Mott

Patrick Stines

Brenda Judson, Secretary  
Michael Beneventano

## **APPENDIX B**

### **AUDIT METHODOLOGY AND STANDARDS**

To achieve our audit objective and obtain valid evidence, we performed the following procedures:

- We interviewed Board members and District officials to gain an understanding of the District's purchasing process.
- We reviewed the District's purchasing policies and procedures.
- The District made 6,154 purchases totaling \$54.9 million during our audit period. We judgmentally selected a sample of 50 purchases totaling \$965,768, based on vendor name and dollar amount. We reviewed five purchases totaling \$504,090 that required competitive bidding, 40 purchases totaling \$160,381 that required verbal or written quotes and five purchases totaling \$300,297 for professional services to determine whether competitive methods were used in compliance with GML and the District's policies and procedures.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## APPENDIX C

### HOW TO OBTAIN ADDITIONAL COPIES OF THE REPORT

To obtain copies of this report, write or visit our web page:

Office of the State Comptroller  
Public Information Office  
110 State Street, 15th Floor  
Albany, New York 12236  
(518) 474-4015  
<http://www.osc.state.ny.us/localgov/>

**APPENDIX D**  
**OFFICE OF THE STATE COMPTROLLER**  
**DIVISION OF LOCAL GOVERNMENT**  
**AND SCHOOL ACCOUNTABILITY**

Andrew A. SanFilippo, Executive Deputy Comptroller  
Gabriel F. Deyo, Deputy Comptroller  
Tracey Hitchen Boyd, Assistant Comptroller

**LOCAL REGIONAL OFFICE LISTING**

---

**BINGHAMTON REGIONAL OFFICE**

H. Todd Eames, Chief Examiner  
Office of the State Comptroller  
State Office Building, Suite 1702  
44 Hawley Street  
Binghamton, New York 13901-4417  
(607) 721-8306 Fax (607) 721-8313  
Email: [Muni-Binghamton@osc.state.ny.us](mailto:Muni-Binghamton@osc.state.ny.us)

Serving: Broome, Chenango, Cortland, Delaware,  
Otsego, Schoharie, Sullivan, Tioga, Tompkins Counties

**BUFFALO REGIONAL OFFICE**

Jeffrey D. Mazula, Chief Examiner  
Office of the State Comptroller  
295 Main Street, Suite 1032  
Buffalo, New York 14203-2510  
(716) 847-3647 Fax (716) 847-3643  
Email: [Muni-Bufferalo@osc.state.ny.us](mailto:Muni-Bufferalo@osc.state.ny.us)

Serving: Allegany, Cattaraugus, Chautauqua, Erie,  
Genesee, Niagara, Orleans, Wyoming Counties

**GLENS FALLS REGIONAL OFFICE**

Jeffrey P. Leonard, Chief Examiner  
Office of the State Comptroller  
One Broad Street Plaza  
Glens Falls, New York 12801-4396  
(518) 793-0057 Fax (518) 793-5797  
Email: [Muni-GlensFalls@osc.state.ny.us](mailto:Muni-GlensFalls@osc.state.ny.us)

Serving: Albany, Clinton, Essex, Franklin,  
Fulton, Hamilton, Montgomery, Rensselaer,  
Saratoga, Schenectady, Warren, Washington Counties

**HAUPPAUGE REGIONAL OFFICE**

Ira McCracken, Chief Examiner  
Office of the State Comptroller  
NYS Office Building, Room 3A10  
250 Veterans Memorial Highway  
Hauppauge, New York 11788-5533  
(631) 952-6534 Fax (631) 952-6530  
Email: [Muni-Hauppauge@osc.state.ny.us](mailto:Muni-Hauppauge@osc.state.ny.us)

Serving: Nassau and Suffolk Counties

**NEWBURGH REGIONAL OFFICE**

Tenneh Blamah, Chief Examiner  
Office of the State Comptroller  
33 Airport Center Drive, Suite 103  
New Windsor, New York 12553-4725  
(845) 567-0858 Fax (845) 567-0080  
Email: [Muni-Newburgh@osc.state.ny.us](mailto:Muni-Newburgh@osc.state.ny.us)

Serving: Columbia, Dutchess, Greene, Orange,  
Putnam, Rockland, Ulster, Westchester Counties

**ROCHESTER REGIONAL OFFICE**

Edward V. Grant, Jr., Chief Examiner  
Office of the State Comptroller  
The Powers Building  
16 West Main Street, Suite 522  
Rochester, New York 14614-1608  
(585) 454-2460 Fax (585) 454-3545  
Email: [Muni-Rochester@osc.state.ny.us](mailto:Muni-Rochester@osc.state.ny.us)

Serving: Cayuga, Chemung, Livingston, Monroe,  
Ontario, Schuyler, Seneca, Steuben, Wayne, Yates Counties

**SYRACUSE REGIONAL OFFICE**

Rebecca Wilcox, Chief Examiner  
Office of the State Comptroller  
State Office Building, Room 409  
333 E. Washington Street  
Syracuse, New York 13202-1428  
(315) 428-4192 Fax (315) 426-2119  
Email: [Muni-Syracuse@osc.state.ny.us](mailto:Muni-Syracuse@osc.state.ny.us)

Serving: Herkimer, Jefferson, Lewis, Madison,  
Oneida, Onondaga, Oswego, St. Lawrence Counties

**STATEWIDE AUDITS**

Ann C. Singer, Chief Examiner  
State Office Building, Suite 1702  
44 Hawley Street  
Binghamton, New York 13901-4417  
(607) 721-8306 Fax (607) 721-8313