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July 27, 2017

R.S. Abrams & Co. LLP
3033 Express Drive North, Suite 100
Islandia, NY 11749

Re: Internal Audit Report – and Dental Benefits and Retiree Insurance – District Response

To the Office of R.S. Abrams:

The Corrective Action Plan for the Medical and Dental Benefits and Retiree Insurance Report, for the period 7/01/2016 through 3/23/2017 have been addressed as written below-

1. **Policies and Procedures -**

- Condition - it was noted that the District's Plan Document for dental insurance has not been updated to reflect the current percentages of employee/employer contributions.

- Corrective Action Plan - the Plan Document will be updated to reflect the contribution levels, but also the switch of the third-party administrator made July 1, 2017.

Condition - it was noted that the District does not receive bank reconciliations from the third party administrator for the self-insured dental plan.

Corrective Action Plan - moving forward with the new TPA, the District will request bank reconciliations. The District, however, was always receiving reconciliations for every payment request, and all reconciliations were reviewed by the Benefits Clerk for accuracy of claim reimbursement requests.

2. **Health Insurance Coverage -**

- Condition - it was noted that the District did not have some of the dependent birth certificates on file in the District.

MISSION STATEMENT:

Southampton School District, in partnership with our diverse community, will educate students in a safe, supportive environment and equip them with the knowledge, values and skills to become responsible citizens in a dynamic global society.

- Corrective Action Plan - since the retirement of the Benefits Clerk, new staff have been working to gather all incomplete information, and catch up on filing and re-organizing all insurance information files.

3. **Medicare Part B Reimbursements** -

Condition - some Medicare reimbursement information was incomplete, not signed by the spouse.

Corrective Action Plan - since this audit, the new Benefits Clerk has been able to update all Medicare Part B records to reflect all recommendations.

4. **Dental Insurance Coverage** -

Condition - it was noted that the District did not have some of the dental enrollment information on file in the District.

Corrective Action Plan - since this audit, and the change to a new third-party administrator for the District, as of July 1, 2017, the new Benefits Clerk has been able to update all dental records.

Thank you for your recommendations. Please contact me with any questions you may have.

Sincerely,



Maria H. Smith

Assistant Superintendent
For Business

Enclosure

C: Southampton Board of Education
Dr. Nicholas Dyno – Interim Superintendent of Schools
Ms. Amy Pierson – District Clerk