

***Plainedge Union Free School District
Report on Facilities Maintenance and Capital Projects
For the Period July 1, 2023 through February 28, 2025***



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We have completed our internal audit services of the Plainedge Union Free School District's (the "District") facilities maintenance and capital projects processes for the period July 1, 2023 through February 28, 2025.

The objectives of the engagement were to evaluate the efficiency, effectiveness, and compliance of the District's internal controls related to the District's facilities maintenance and capital projects processes with relevant policies, procedures, and regulatory requirements, where applicable.

Our procedures were not designed to express an opinion on internal controls related to facilities maintenance and capital projects, and as such, we do not express such an opinion. Our audit of the facilities maintenance and capital projects identified areas of strength as well as opportunities for improvement. By implementing the recommended improvements, the District can further enhance the efficiency and effectiveness of its facilities maintenance and capital projects processes. 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,

April 16, 2025

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PROCEDURES PERFORMED, OBSERVATIONS, AND RECOMMENDATIONS

AREA: CAPITAL PROJECT EXPENDITURES

Overview: The New York State Education Department (NYSED) Capital Project Expenditure Requirements ensure that school districts properly plan, fund, and execute capital projects in compliance with state regulations. Capital project expenditures refer to spending related to long-term investments in school district facilities, such as construction, renovation, expansion, or major repairs. These are typically funded through the budget, bonds, capital reserves, or state building aid.

Procedure Performed: We selected a sample of twenty-five (25) cash disbursements from the District's capital projects fund expenditure detail report during the period of July 1, 2023 to February 28, 2025 to verify the following:

- The invoice was approved for payment by the architect, appropriate District personnel, and the District's internal claims auditor.
- The original contract amount, and rates for labor and materials agreed to the bid submitted by the contractor.
- Prevailing wage compliance is ensured through certified payroll submissions.
- The District had a Board approved contract on file for the contract which specified that the work must be performed in accordance with the architect's specifications, the timeline to complete the work, the insurance requirements with which the contractor must comply, and any performance bonds required by the District.
- The District obtained a current certificate of insurance from the contractor which lists the District as an additional insured.
- The expenditure was charged to the correct project.
- The total change orders per the American Institute of Architects (AIA) invoice agrees to the total change orders per the District provided change order listing.

Observation: No exceptions were noted.

Recommendations: No recommendations were noted.

AREA: CHANGE ORDER COMPLIANCE

Overview: Change orders are requested by the contractor. They are submitted to the architect for approval. The architect verifies that the change order is valid, necessary and not currently in scope. It then must be added to a Board of Education agenda and the Board must approve all change orders and it then goes through the Business office to adjust the budget.

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Procedure Performed: We selected a sample of eleven (11) change orders during the period of July 1, 2023 through February 28, 2025 to verify the following:

- The change order was approved by the Board prior to the commencement of work.
- The change order form was approved by the architect and Board president.
- The total approved change orders for the contractor did not exceed \$35,000, in accordance with General Municipal Law §103 governing competitive bidding requirements.
- The District did not issue multiple smaller change orders to the same contractor to circumvent the approval process for larger change orders.

Observation: No exceptions were noted.

Recommendations: No recommendations were noted.

AREA: CONTRACT ADMINISTRATION

Overview: The architect agreement must be in writing and comply with NYSED and State Education Law. The contract must be submitted to NYSED Facilities Planning for review and approval before work begins. It should follow AIA Standard Agreements (e.g., AIA B101 or B103) or a district-specific agreement that meets NYSED requirements.

Procedure Performed: We obtained the District's contract with the District's architect, and verified the following:

- The contract was signed by both the architect and the Board president.
- The contract was current.
- The contract specified the following:
 - The architect is responsible for supervision of the project as required by Subdivision 3 of Section 7209 of the Education Law. All plans, specifications, and reports prepared by a licensed professional engineer or registered architect must be stamped with their official seal. The seal must be affixed to documents that are filed with public officials or used for regulatory approvals. This regulation ensures that only qualified, licensed professionals take responsibility for the design and oversight of construction projects.
 - The architect's designs must be in accordance with applicable provisions of New York State Uniform Fire Prevention and Building Code and the Energy Conservation Construction Code.
 - Inspections of the construction will be performed as required by 19NYCRR444 to ensure work in accordance with the construction contract drawings and to ensure compliance with applicable provisions of the Uniform Code.

Observation: No exceptions were noted.

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Recommendations: No recommendations were noted.

AREA: FINAL BUILDING PROJECT REPORTS

Overview: The NYSED Final Cost Report is a critical part of the capital project closeout process for school districts. It ensures compliance with state regulations and secures final building aid payments. The final cost report must be submitted within six months after the project reaches substantial completion. Extensions may be granted upon request, but delays can impact building aid reimbursement. The SA-139 Form (Final Cost Report Summary Page) provides a summary of total project costs and what is eligible for building aid.

Procedure Performed: We obtained the District's *State Aid Building Project Status Report* (SA777) report to verify the *Final Building Project Reports* had been filed timely.

Observation: No exceptions were noted.

Recommendations: No recommendations were noted.

AREA: PREVENTATIVE MAINTENANCE

Overview: School districts must have a documented Preventative Maintenance Plan (PMP) as part of their Building Condition Survey (BCS). The PMP should outline routine inspections, service, and repairs to keep facilities in good condition. NYSED requires a BCS every five years to assess facility conditions. The BCS must include a preventative maintenance schedule for major building systems. A District's Five-Year Capital Facilities Plan must align with the findings of the BCS. Key areas covered under preventative maintenance are as follows:

- HVAC Systems – Regular filter changes, duct cleaning, and mechanical checks.
- Roofing – Inspections for leaks, drainage issues, and structural integrity.
- Electrical Systems – Testing of emergency lighting, wiring, and panels.
- Plumbing – Leak detection, fixture maintenance, and water quality testing.
- Safety Systems – Fire alarms, sprinklers, and security systems.
- Doors & Windows – Hardware checks and weatherproofing.

Schools seeking Building Aid for capital projects must demonstrate ongoing maintenance to remain eligible. Maintenance records and logs should be kept up to date to support aid claims.

Relevant Board Policies Examined:

- Policy #7000, *Facilities Development Goals*

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Procedures Performed:

- We reviewed published Board policies to ensure the District's preventative maintenance process is documented, conforms with District policies, as well as applicable regulatory requirements, and accurately reflects the current operations of the District.
- We interviewed key District personnel to obtain an understanding of the preventative maintenance processes.
- We reviewed the District's Five-Year Capital Facilities Plan for evidence of proper filing and verification that the plan was current.
- We reviewed the preventive maintenance web interface, *School Dude*, to ensure the system can:
 - Provide routine maintenance tasks, such as lubrication, cleaning, adjustments, and calibration, according to predefined schedules and specifications.
 - Conduct regular inspections of buildings, facilities, and equipment to identify potential maintenance needs, deficiencies, or safety concerns.
 - Maintain an up-to-date inventory of the District's assets, including buildings, facilities, grounds, vehicles, and equipment.
 - Maintain detailed records of maintenance activities, inspections, work orders, and service histories for each asset.

Observation: No exceptions were noted.

Recommendations: No recommendations were noted.

AREA: WORK ORDERS

Overview: At the time of testing, the District's work order process was as follows:

- Staff and teachers submit repair requests via the computerized maintenance management system (CMMS), *School Dude*.
- The Director of Facilities approves the work order repair requests via the CMMS and assigns it to the facilities staff.
- The Head Custodian evaluates repair feasibility in-house; if needed, the Senior Maintainer escalates it to the Facilities Director.
- External vendor approvals are documented via Purchase Orders.
- The Facilities Director prioritizes requests and ensures timely completion.
- Work orders are tracked in *School Dude* with status updates provided to requesters.

Relevant Board Policies Examined:

- Policy #7000, *Facilities Development Goals*

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Procedures Performed:

- Reviewed published Board policies to ensure the District's work order system is documented, conform with District policies, as well as applicable regulatory requirements, and accurately reflects the current operations of the District.
- Interviewed key District personnel to obtain an understanding of the work order system and processes.
- Reviewed the work order web interface to ensure the system can:
 - Generate work orders automatically or manually based on submitted maintenance requests, detailing the nature of the issue, location, priority level, and other relevant information required for task assignment and completion.
 - Assign work orders to appropriate maintenance staff, technicians, or contractors based on their skills, availability, and workload using predefined criteria, routing rules, or scheduling algorithms.
 - Track the status, progress, and completion of work orders in real-time through the work order system, providing visibility into pending tasks, assigned technicians, estimated completion times, and any delays or escalations.
 - Document maintenance activities, labor hours, materials used, costs incurred, and other relevant information associated with work orders to maintain accurate records and generate reports for performance analysis, trend identification, and decision-making.

Observation #1: We noted that the District does not have formal procedures in place to document status updates or provide reasons for delays on work orders that remain outstanding for extended periods. During our review of the work order system, we identified eight (8) medium-priority work orders that had been open for over 90 days without documented justification and should have been closed in the system as they had already been completed. We note that the District has since closed the aforementioned outstanding work orders in the CMMS, *School Dude*.

Recommendation #1: We recommend that the District establish an internal policy outlining expected completion timelines for work orders based on their assigned priority level. This policy should promote accountability by requiring regular status updates and justifications for delays. Additionally, we suggest implementing a transparent tracking system that is accessible not only to facilities department personnel but also to other stakeholders, including those submitting work order requests. This will enhance communication, improve oversight, and ensure timely resolution of work orders.

AREA: SAFETY INSPECTIONS AND COMPLIANCE

Overview: NYSED has specific guidelines and procedures related to the issuance of a Certificate of Occupancy (CO) for school buildings. These guidelines are designed to ensure that all school facilities are safe, accessible, and compliant with state regulations. Typically, a CO results from the annual fire safety inspection required by Section 807a of Education Law. If a school district is occupying or using a building which has never received a Certificate of Occupancy (CO), the district is in violation of Section 155.4. Safety inspections are scheduled by the Facilities

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Director and conducted with the Senior Maintainer, architect, and NYS Insurance Reciprocal. Safety hazard resolutions are documented via written correspondence, photos, and site visits. The Facilities Director enforces daily inspections for cracks, leaks, and damages.

Relevant Board Policies Examined:

- Policy #7000, *Facilities Development Goals*

Procedures Performed:

- Reviewed published Board policies to ensure the District's safety inspections and compliance process to ensure the process is documented, conform with District policies, as well as applicable regulatory requirements, and accurately reflects the current operations of the District.
- Interviewed key District personnel to obtain an understanding of the safety work order system processes.
- Obtained copies of Certificates of Occupancy for all District owned buildings to ensure certificates were retained and are not expired.
- Reviewed fire safety inspection reports to ensure the inspections were performed during the fiscal year and verified all buildings passed inspection.

Observation: No exceptions were noted.

Recommendations: No recommendations were noted.

AREA: REPAIRS AND MAINTENANCE

Overview: The District defines capital assets as non-consumable assets with a normal service life of more than two years following the date of acquisition and exceeds \$2,000 for furniture and equipment, \$50,000 for buildings and improvements, and \$25,000 for land improvements. These thresholds are applied to individual capital assets and groups of capital assets.

Relevant Board Policies Examined:

- Policy #6300, Capital Assets Accounting

Procedures Performed:

- Reviewed published Board policies to ensure the District's capital asset procedures are documented, conform with District policies, as well as applicable regulatory requirements, and accurately reflect the current operations of the District.
- Interviewed key District personnel to obtain an understanding of how the District differentiates capital expenditures from repairs and maintenance.
- Sampled twenty-five (25) expenditures during the year coded to a “.400” code above \$2,000 to:
 - Determine if repair and maintenance costs above \$2,000 are capitalizable,

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- Verify capitalizable expenditures are recorded in the District's capital asset or inventory records.
- Ensure building improvement expenditures are not incorrectly recorded as repairs and maintenance.

Observation: No exceptions were noted.

Recommendations: No recommendations were noted.

AREA: TRAINING AND SKILLS DEVELOPMENT

Overview: Training needs are assessed by the Facilities Director, Senior. Maintainer, and Head Custodians. Mandatory training (e.g., asbestos, Global Compliance Network (GCN)) is documented. The District participates in SBGA (Statewide Basic Grant Assistance) custodial workshops. The SBGA Workshop is typically related to NYSED School Facilities Planning and State Aid for capital projects. These workshops are designed to help school districts, architects, and financial advisors navigate the State Aid funding process and understand the requirements for capital projects.

Procedures Performed:

- Interviewed key District personnel to obtain an understanding of the training and skills development process for building and grounds personnel.
- Reviewed required GCN training courses were completed by all applicable employees.

Observation: No exceptions were noted.

Recommendations: No recommendations were noted.

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.