June 3, 2024

John S. Morgan, Chairperson - Presiding

PRESENT: Marie Johnson, Keith Odums (arrived at 5:50 p.m.),
John S. Morgan, Christine Silva, Tina Sackett

NOT PRESENT: John Lumia

ALSO PRESENT: Ms. Dainty and Joe Heroux/Bonadio Group (via phone)

There was no one from the public present.

Chairperson Morgan called the meeting to order at 5:32 p.m.	CALL TO ORDER
1.) Motion to approve the January minutes. Motion by Marie Johnson, second by Christine Silva Vote taken Yes: John Morgan, Marie Johnson, Christine Silva, Tina Sackett Not Present: Keith Odums Motion Carried	APPROVAL OF MINUTES
2.) Agreed Upon Procedures (AUP) Report Mr. Heroux explained that his team interviewed staff. He indicated that he believes the district has a very good system in place. Most of the enrollees are done online and that generates a cash receipt journal that gets posted to the general ledger through the financial accounting software. There are walk-ins that pay when you come in and are recorded with cash receipts and on the class list the total of cash is recorded. A sample of registrations and checked with the online payments and fees.	AUP - CONTINUING EDUCATION

The class list for February was picked and a sample was tested to see that they enrolled, and that it matched the cash receipt. Risk is moderate which allows testing a sample size of 40. There were no issues in the testing of the 40 in the sample. Mr. Heroux confirmed that he doesn't believe there is any issue with recording the walk-ins. Ms. Dainty indicated that she would confirm if policy includes language for the requirement to record cash with physical cash receipt.	
3.) Joseph Heroux of the Bonadio Group reviewed the scope of services for the external audit (see a copy of the powerpoint). He also reviewed the responsibilities of the audit team, the Board, and management. He clarified that they do not audit everything. If there is an area of concern, the external auditor will look into it. They will also send the board members a questionnaire about areas of fraud. The preliminary field work begins the week and the audit team will be onsite July 22-26 conducting the audit. There is a board meeting on Sept 30 for Board approval in order to make the October 15th deadline. Audit risks may be in the areas of revenue recognition, management judgments and accounting estimates, journal entries, capital projects, payroll, and fund balance reserves. The biggest one is fund balance reserves because the school district is over the 4% limit. Payroll is the biggest expenditure. They will look at a few journal entries to check for inaccuracies. There doesn't appear to be much audit risk. Regarding the liability for health insurance that was not adjusted down, so a reserve was set up due to a misadjustment. This will probably fall under the Payroll category. It is now adjusted monthly rather than annually so it is not missed in the transition to GASB 84. First time in three years, there are no new developments. Next year, there will be compensated absences which will be new. Prior year findings were that the school district's general fund fund balance exceeded the 4% allowable by the State. The District took steps to utilize funds to spend it down. We expect to be fairly close.	ENTRANCE INTERVIEW

Page 12 of the powerpoint includes contact information for Bonadio Group, if there are any questions by members of the Audit Committee. The Audit Committee members have the right to go directly to the audit team. Mr. Hereox left the meeting at 5:55 p.m.	
4.) Ms. Dainty indicated that there was a recommendation for budgetary transfers made during the risk assessment that is adhered to - Board approves transfers for each transfer over $20,000. A concern over the summer is that the audit fieldwork runs July 22 and 26. There are board meetings scheduled and we don't expect to have a need for a special meeting for a budget transfer; however, we cannot rule out this need to move money around. There may also be a special meeting scheduled for new hires at the end of July or early August, which can also include a budget transfer, if needed.	INTERNAL RISK ASSESSMENT - UPDATE ON BUDGET TRANSFERS
4.) Review of External Audit RFP - The Request for Proposals went out for the External Audit. Each vendor is scored based on a 100 point rubric. The school district awards the lowest responsible bidder based on cost, quality, and experience. The Bonadio Group has been with the District for the last five RFP cycles (15 years). The Comptroller's Five Point Plan is okay with having the same audit team as long as you are going out for RFP. The rubric the District uses includes anticipated costs for year 1, year 2, and year 3. This year, the District received two responses. The District contacted other school districts who have worked with the lower bidder and received positive feedback. Motion to recommend EFPR Group as the bid award for the Internal Risk Assessment for the 2024-25 school year made by Marie Johnson, second by Tina Sackett Vote taken Yes: John Morgan, Marie Johnson, Keith Odums, Christine Silva, Tina Sackett Motion Carried	RFP REVIEW / UPDATES

This will be a three-year renewable contract on the reorg agenda for Board approval.	
5.) The Committee reviewed the log for receipt of financials and reports. Reports are up to date. The Board will receive the March and April extra classroom reports next week. The Board will not receive the June, July, and August 2024 financial statements until October, after the audit is complete.	REVIEW BOARD REPORT SPREADSHEET
Motion to adjourn to Executive Session to meet with the Internal Claims Auditor. The time is 6:21 p.m. Ms. Dainty was excused. Motion to adjourn made by John Morgan, second by Marie Johnson. Yes: John Morgan, Marie Johnson, Keith Odums, Christine Silva, Tina Sackett Motion Carried.	EXECUTIVE SESSION
6.) Adjournment	ADJOURNMENT
The Audit Committee adjourned the meeting at 6:30 p.m.	

Respectfully Submitted,
Alberta Pedro
District Clerk