

**Audit Committee Meeting
Monday, November 18, 2024
Wappingers JHS - Room 105**

PRESENT: John S. Morgan, Chair; Virgil Capollari; Keith Odums (arrived 5:47 p.m.);
Michael McFarland (ex-officio); Christine Silva (community member)

Invited Guests: Jennifer George, RBT
Ms. Dainty, Assistant Superintendent of Finance and Business Development
Ms. Pedro, District Clerk

1.) Welcome Community Member

WELCOME

The meeting was called to order by Chair Morgan at 5:30 p.m.

Community Member Michael Justice was invited to attend the committee meeting. He was sent an email notification, as well as the materials for the meeting. There was no response from Mr. Justice.

2.) Mr. McFarland moved to approve the minutes dated September 16, 2024, seconded by Virgil Capollari. Vote Taken.
Yes: John Morgan, Mike McFarland, Virgil Capollari, Christine Silva.
Not Present at Vote: Keith Odums
Motion passed.

MINUTES

3.) Entrance Interview for the Internal Risk Assessment

ENTRANCE INTERVIEW

Jennifer George and her team from RBT will be on-site to begin the field risk assessment work the first week in December. The District has an internal risk assessment contract with the firm RBT and they send different auditors each year to conduct the review, so it's a different set of eyes. Ms. George explained that all districts are required to have a risk assessment performed. There are specific areas that are looked at for risk, as recommended by the Office of the State Comptroller. They meet with individuals at the District and conduct interviews. They will make recommendations based on a review of the operational practices in order to mitigate risk to the District.

The District provided a history of past reviews as follows:

- 2018-19 - travel
- 2019-20 - unpaid school lunch
- 2020-21 - payroll overtime
- 2021-22 - food service
- 2022-23 - cash receipts
- 2023-24 - RFP process

Ms. Dainty suggested that she would like to see a review of health insurance benefits. The District's largest expenditure is salaries, and health insurance is part of that cost, at an estimated \$43M. The focus of the review would be the collection of retiree health insurance, payment to the consortium, and a reconciliation review.

The Audit Committee members agreed with a review of Health Insurance for the 2024-25 internal risk assessment. A draft report is expected in January.

Jennifer George, RBT, left at 5:48 p.m.

4.) Discuss possible Agreed Upon Procedures

AGREED UPON PROCEDURES

The RFP from the external audit firm, EFPR Group, includes an AUP. Agreed Upon Procedures is a review of records specific to an area. Some areas that were reviewed in previous years include: drama clubs, yearbooks, field trips, FOIL/FERPA, athletic uniforms, building usage, and continuing education.

Last year's review of athletic uniforms revealed there was a need for a process for the inventory and tracking of athletic uniforms. The committee discussed a similar review on sports equipment. The Committee agreed to conduct an AUP of Sports Equipment.

5.) Review State of Reserve Funds

RESERVE FUNDS

The Committee reviewed the status of the four reserve funds the district holds: Repair; Property Loss and Liability; ERS; and TRS for the periods of June 30, 2024 to present. Policy 6690 was updated recently to include a semi-annual review of the reserve funds by the Audit Committee and an annual review of reserve funds by the Board of Education. The district plans to present the Reserve Funds to the Board at the same time when the property tax report card is presented. For reference the Board has received reserve fund balances in the past when they receive the monthly financial statements.

The guidelines for the establishment and use of reserve funds are created by either General Municipal Law or State Education Law. They are often complex and differ in the way they are created, used, and dissolved. The chart provides the committee with explanations for the reserve funds in the district.

The Repair Reserve and the Property Loss and Liability Reserves have been in the district since prior to 1999 and no funds have been added or taken out in a long time. ERS and TRS were created in June 2023. The district does not foresee exceeding the 2% that would require a withdrawal from these funds. In the event the district is short on funds, these funds would be available.

6.) Review of Tracking Spreadsheet

TRACKING SPREADSHEET

The Committee reviewed 2023-2024 and 2024-2025 tracking spreadsheets. The extra curricular reports are currently being worked on. All other items are on track as scheduled.

7.) Next Meeting Date Reminder

MEETING DATES

The Audit Committee is scheduled to meet on January 13, 2025 at 5:30 p.m. at Wappingers Junior HS room 105.

8.) Adjournment

ADJOURNMENT

Motion to adjourn made by Mike McFarland, seconded by Virgil Capollari. Vote taken.

Yes: John Morgan, Mike McFarland, Virgil Capollari, Keith Odums, Christine Silva.

Motion passed.

The meeting adjourned at 6:14 p.m.

Respectfully Submitted,

Alberta Pedro
District Clerk