

Audit Committee Minutes

January 25, 2021

Remote via Zoom w/Live Stream

Marie Johnson, Chairperson - Presiding

DRAFT

PRESENT: Ms. Johnson, Mr. Odums, Mr. Lumia, Christine Silva

ALSO PRESENT: Ms. Crandall, Ms. Pedro, and Wyoma Swackopff and Jennifer George,
RBT CPA LLP

ABSENT: Mr. Rubin

Chairman Johnson called the meeting to order at 5:35 p.m.	CALL TO ORDER
1.) Motion to approve the Audit Committee minutes from the November 16, 2020 meeting. Motion by John Lumia, seconded by Keith Odums Yes: M. Johnson, K. Odums, J. Lumia Vote Not Recorded: C. Silva Motion passed.	APPROVAL OF MINUTES
2.) The Audit Committee reviewed the Draft 2020-2021 Internal Risk Assessment conducted by RBT. They looked at the processes and procedures involved with getting to the end product (Risk Assessment Report). They reviewed the controls that are in place to ensure that the end product is correct. The process was conducted through virtual interviews, review of policies, and minutes. Much of the review was conducted remotely by the submission of documents. The auditor did spend one day on-site. In addition, several procedures are being done differently in light of the COVID pandemic, with some taking longer than normal to complete. Assistant Superintendent Crandall indicated that the Findings and Corrective Action Plan will be shared with the Audit Committee by the end of the week. Below are the findings, as explained by the Auditor:	2020-2021 INTERNAL RISK ASSESSMENT

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Governance and Control Environment - It was noted that the district was conducting all board and committee meetings virtually, as permitted by the Governor's Order. In addition, the Superintendent retired on December 31. There were no recommendations noted.

Strategic Planning, Budget Development/Administration - There were no changes from the previous year. Budget transfers in excess of \$20,000 require board approval and the District is in compliance. There were no recommendations noted.

Accounting and Reporting - No changes. The district is budgeting carefully due to the impact of expenses related to COVID. There were no recommendations noted.

Financial Accounting and Reporting - No changes. The board continues to receive Financial Statements from the Treasurer and reports from the Internal Claims Auditor. There were no recommendations noted.

Auditing - A finding was not in this topic area. At the time of the risk assessment fieldwork, the extraclassroom audit was still on-going with the external audit team and the District. This year, unlike prior years, the extraclassroom audited financial report was not filed on time with NYS by October 15, 2020. When the pandemic shut down the district in March, teachers, who serve as advisors, did not have access to the building and therefore were not able to tie out the balances and file their reports. Per Ms. Crandall, this is not an excuse and the extraclassroom reporting has been completed and filed with NYS. This is addressed in the Corrective Action Plan as well. The Federal Awards audit field work is still ongoing with the external audit team and the District and is on track to be filed by the deadline of March 31.

State Aide and Grants - No change. It was noted that the district transitioned to virtual learning. There were no recommendations noted.

Revenue and Cash Management - There was one change. The couriers used to make bank deposits during the day; however, during the pandemic, the couriers made nightly deposits to cut back on delay and minimize exposure. There were no recommendations noted.

Cash Management - No changes. There were no recommendations noted.

Petty Cash - No changes. There were no recommendations noted.

Purchasing and Expenditures - An executive order permitted the district to purchase cleaning products without going through the bid process. The Business Office created separate codes in the budget to track these purchases. There were no recommendations noted.

Accounts Payable and Cash Disbursements - No issues noted. There were no recommendations noted.

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Payroll and Personnel - There was a finding in this area. Normally, there are three clerks who process payroll. Recently, the duties have been divided between two clerks, as one clerk is on maternity leave. There has been no disruption to payroll or its processes as the result of the temporarily absent staff member.. The audit did reveal one employee salary rate discrepancy. An individual contract employee had a salary of \$1,020 more than they should have, which resulted in an overpayment in the amount of \$470 through mid December 2020. This was corrected by the Business Office and Human Resources and is addressed in the Corrective Action Plan.

Travel and Conferences - There were no findings. There were no recommendations noted.

Facilities, Equipment and Inventory Controls - No findings. The district has installed MERV 8 and 10 filters in the HVAC system in the schools. The district is facing increased budgetary costs due to overtime for cleaning related to the pandemic. There were no recommendations noted.

Facilities Construction - on track to be completed as scheduled. There were no recommendations noted.

Inventory Controls - The district implemented a new inventory system to track bus parts using a barcode system. There were no recommendations noted.

Student Transportation - Right now the transportation department supervision is split between the Director of Facilities and the Assistant Superintendent of Finance. This year the district's DOT rating is up. A new radio system with GPS monitoring is being installed on the buses. There is a bus driver shortage. The district contracted with a vendor for some runs and is offering to provide training through an in-house training program at no cost to the district. There were no recommendations noted.

Food Service - No findings. The district is moving away from cash transactions. Any change is deposited into the student's account. 25-27% of students are eligible for free/reduced meals. The School Lunch Fund had a deficit of \$274,932 as of June 30, 2020. Ms. Crandall will provide the board with an update on meal service. The district is still required to feed students who are remote learners, as well as do all the cleaning and disinfecting per CDC guidelines. Food Service is self-funded. It will be difficult to rebuild the program. The goal is to continually add money each year. The Energy Performance Plan and new kitchen equipment do help to reduce the cost of repairs on aging equipment. The department continues to look to save money on the cost of uniforms and keeps meals simple to feed as many kids as possible.

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<p><u>Extraclassroom</u> - Not much change noted. Not many clubs were doing transactions at the time of the audit. There were no recommendations noted.</p> <p><u>Student Data/Attendance</u> - The software vendor will be introducing two new options in order to track student attendance (remote/in-person). They will also include an option called “inconsistent attendance”. The elementary schools now report attendance at the end of the school day. There were no recommendations noted.</p> <p><u>Payroll/Overtime Calculations</u> - The auditors looked at all the active employees and compared that to a list from Human Resources. Everyone was on payroll who should be. No one was getting paid who shouldn't. Then a sample was taken from the employees who are paid overtime and contracts were reviewed to ensure they were being paid the correct rate. Everyone was paid correctly. There were no recommendations noted.</p>	
<p>3.) The Audit Committee reviewed page 18 and discussed the different areas to consider review next year. The five areas recommended by RBT, in order of priority were the following:</p> <ol style="list-style-type: none"> 1. Extraclassroom 2. Payroll and Personnel 3. Student Transportation 4. Food Service 5. Attendance (this would include the procedures for recording attendance and the vendor software to ensure process is being followed on a uniform basis). <p>RBT left the meeting at 6:08 p.m.</p>	<p>REVIEW AREAS</p>
<p>4.) The committee reviewed the log for receipt of financials and reports. The Board will receive the October, November, and December extra classroom reports soon. The Audit Committee will receive a draft Corrective Action Plan (CAP) by the end of the week, with board acknowledgement of receipt of the Internal Risk Assessment Report and CAP anticipated on Feb. 8. The Audit and CAP need to be filed with the State within 90 days.</p>	<p>REVIEW TRACKING SPREADSHEET</p>

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5.) The results of the Request for Proposal for the external audit firms will be shared with the Audit Committee. If needed, an additional committee meeting to conduct interviews may need to be scheduled. The next meeting date is scheduled for June 7, 2021.	NEXT MEETING DATE
The agenda for the June meeting will include: 1.) Approve Minutes 2.) Entrance interview with external audit team 3.) RFP Process Review 4.) Review Tracking Spreadsheet 5.) possible meeting with the Internal Claims Auditor	NEXT MEETING AGENDA
6.) Adjournment	ADJOURNMENT
The Audit Committee adjourned the meeting at 6:12 p.m.	

Respectfully Submitted,
Alberta Pedro
District Clerk