

Audit Committee Minutes

November 20, 2017

Paul Galletta, Chairperson - Presiding

**Approved 2/20/2018**

PRESENT: Mr. Galletta, Mr. Slosower, Mr. Odums, Mrs. Kelland  
ALSO PRESENT: Ms. Crandall, Ms. Pedro, and Jennifer George (RBT CPA LLP)  
ABSENT: Ms. Herlihy

There was no one from the public present.

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Mr. Galletta called the meeting to order at 6:00 p.m.	CALL TO ORDER
1.) Minutes approved by consensus of the committee.	APPROVAL OF MINUTES
2.) Entrance Interview with Internal Risk Auditor	INTERNAL RISK AUDITOR
<p>The Internal Risk Assessment is scheduled for December 13-15, 2017. Last year the use of copy paper and use of textbooks were reviewed. The committee discussed a review of the Internal Claims Auditor procedures and process alongside the State Comptroller's outlined responsibilities. In light of a future discussion and decision to possibly be made by the Board of Education, the Internal Claims Auditor responsibilities will not be a part of the risk assessment.</p> <p>The committee decided that special education will be reviewed, specifically, money spent for services aligned to IEP and consultants providing services aligned to IEP. Ms. George suggested a random sample of students from elementary, junior</p>	

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<p>high, and high school, to review IEP, and then review services to ensure students are getting what they need.</p>	
<p>Ms. Crandall will share the 2016-2017 Risk Report with Mr. Odums. Ms. George shared that they will prepare a draft report for the next meeting.</p>	
<p>Ms. Jennifer George was excused from the meeting at 6:18 p.m.</p>	
<p>3.) Review of 2016-2017 Draft External Audit Corrective Action Plan letter</p>	<p style="text-align: center;">CORRECTIVE ACTION PLAN FOR EXTERNAL AUDIT</p>
<p>The Board does not approve the Corrective Action Plan but rather accepts the Corrective Action Plan. The Corrective Action Plan addresses the finding of the excess 4% in the fund balance.</p> <p>Ms. Crandall discussed options the district may take in regards to the excess in fund balance, which includes:</p> <ul style="list-style-type: none"> <li>a. Increase the repair reserve – requires voter approval</li> <li>b. Fund a tax certiorari reserve – requires board resolution</li> <li>c. Create a capital reserve to fund the cost of a specific project - requires voter approval</li> </ul> <p>The Board of Education will review and acknowledge receipt of the Corrective Action Plan on November 27, 2017. There is no action required by the Board of Education. The district must submit the CAP within 90 days. Ms. Crandall will continue to have conversations with district administration on next steps for the excess in fund balance.</p>	

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4.) 2016-2017 Extra Classroom Agreed Upon Procedures	AGREED UPON PROCEDURES
<p>The committee discussed previously conducted Agreed Upon Procedures such as drama clubs, HS yearbooks, and student council. The district does not have any jurisdiction over the booster clubs (New York State provides oversight). New York State sales tax is very restrictive. Raffles are not allowed. Ticket sales which may be sale taxable depend on the nature of the show (warm food is sales taxable, i.e. popcorn).</p> <p>Ms. Crandall offered to obtain ideas, from Bonadio, of an area that may be of interest to the committee. The committee also discussed field trips and the accounting of the cash that is paid at each building. The use of SchoolDude/Trip Direct may be utilized to track fees for field trips. This is a possible item for review in the future. Feedback from the committee will be submitted to the District Clerk and a decision will be made as to the topic at the February meeting. This timeline allows for fieldwork by The Bonadio Group in the early spring and a draft report to the committee at the May 2018 meeting.</p>	
The committee reviewed the log for receipt of financials. The committee was pleased with the logs and would like the log updated and provided at each audit committee meeting.	REVIEW BOARD REPORT SPREADSHEET
Chairman Galletta requested the committee members to review the charter and suggest revisions, if needed. Since the Audit Committee Charter is mandated by the State and a part of policy 6690, the steps to make any changes in the charter would be to submit the charter for review to the Policy Committee prior to approval by the full board.	CHARTER REVIEW

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<p>Discussed consultant review of claims auditing process, effectiveness of claims auditor position and to provide recommendations. Estimate provided in the amount of \$2,500. Alternative includes a review by the internal risk assessment.</p> <p>The committee reviewed the error log submitted by the claims auditor during her review process from August 2016 through September 2017.</p> <p>The committee agreed that Chairperson Galletta will discuss the consultant agreement with the Board during Executive Session.</p>	<p>INDEPENDENT EVALUATION OF CLAIMS AUDITING PROCESS</p>
<p>The next meeting date is February 20, with a snow date of February 27, 2018.</p>	<p>NEXT MEETING DATE</p>
<p>The agenda for the February meeting will include: 1.) Expand scope of 2016-2017 Agreed Upon Procedures; 2.) Review Draft Internal Risk Assessment; 3.) Charter Review; 4.) Review Board Report Spreadsheet; 5.) Independent Evaluation of Claims Auditing Process</p>	<p>NEXT MEETING AGENDA</p>
<p><u>Adjournment</u></p>	<p>ADJOURNMENT</p>
<p>The committee adjourned the meeting at 7:11 p.m.</p>	

Respectfully Submitted,  
 Alberta Pedro  
 District Clerk