

Audit Committee Minutes

February 20, 2018

Paul Galletta, Chairperson - Presiding

DRAFT

PRESENT: Mr. Galletta, Mr. Odums, Mrs. Kelland
ALSO PRESENT: Ms. Crandall, Ms. Pedro, and Jennifer George, Bill Cochran, and
Wyoma Svarczkopf (RBT CPA LLP)
ABSENT: Mr. Sloshower, Ms. Herlihy

There was no one from the public present.

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.) Review Draft Internal Risk Assessment	INTERNAL RISK AUDITOR
Jennifer George provided a draft 2017-2018 Internal Audit Risk Assessment report. She introduced Bill Cochran and Wyoma, who did the IEP services review. Interviews were conducted. They also reviewed bank records and board minutes. Most areas are very good. There are notes and observations as to how things function at the district office. The committee reviewed page 5 for excess fund balance; the corrective action plan addresses the use of these funds for phase two of the capital project. It was noted that the Treasurer's work must be done outside of the normal business hours because it is a stipend position. The committee reviewed page 10 and the overlap in payroll and human resources duties in the NVision system. It is important that there is review as an internal control. It is a high risk area which can not be adjusted any further in NVision. To correct some of the overlap, it would require a shift in job duties/responsibilities.	

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<p>Mrs. Kelland shared that a systems analysis review might be worthwhile; however it may result in redefining roles across different departments.</p> <p>The Auditors shared findings on page 14 with a recommendation that fundraising activities be in writing, i.e. handwritten fundraising forms. The student treasurer and advisor should ensure that there is a profit and loss statement. It is also important to have training to ensure that everyone is on the same page. Ms. Crandall addressed all of these findings in the Corrective Action Plan. The purpose of doing the profit and loss statements is to help the student learn. It was suggested that the next time the training was offered to have the advisor decline in writing.</p>	
<p>The district was commended for having a double entry security system in place. It was noted that the security cameras should be monitored 24 hours. However, the cameras have been a reliable source when an incident needs review. The auditor was impressed by the vending machines for custodial supplies.</p>	
<p>IEP services were reviewed. Selections were made from all the different schools. A random sample of 12 students was taken from the elementary, middle and high school levels. IEP services for each student were reviewed. They checked attendance records for each session, session notes for each session, and bills for services outside of the district. The majority of services provided to students were provided in-house. All counseling sessions from social workers included detailed notes but did not have a uniform tracking system. A variety of documentation was used including the IEP tracking system, email, handwritten notes, and sticky notes. It was recommended that this be uniform. There were no students, from the sample, receiving services that were not in the IEP. There was one student who received a service more than what was listed on the IEP (parent counseling). In this instance, the social worker did not differentiate between services related to the IEP and service received when the student was in crisis.</p>	
<p>RBT was excused from the meeting at 6:38 p.m.</p>	

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<p>The committee decided to present the final internal audit risk assessment and corrective action plan to the full board for acceptance at the March 12 board meeting.</p>	
<p>3.) Request for Proposal for External Auditor</p>	<p>AGREED UPON PROCEDURES (AUP)</p>
<p>External Auditor for 2017-2018 school year is the Bonadio Group. The RFP indicates that work done for AUP will be Welfare Trust. The WCT manages the Welfare Trust Funds which are then audited by an outside agency. The district has looked at several reviews over the past few years including extra classroom, welfare trust, yearbook, etc. Recommendations could be field trip allocations, district safety plan, etc. The RFP would need to be modified to include this language for the next three year period beginning 2018-2019 school year. AUP work costs \$4,500. This is looked at from a financial end, not controls. The committee discussed conducting a review of field trips, as well as a review of the district safety plan. It was noted that some reviews are better suited to be done as part of the internal risk assessment versus the agreed upon procedures review. For example, next year it would be ideal to have a transportation review done by the internal risk assessment followed by an AUP review in transportation.</p> <p>The committee noted that feedback from teachers and parent chaperones as to whether field trips are worthwhile could be beneficial. Ms. Crandall will follow up with Daren Lolkema.</p> <p>The committee agreed by consensus that the AUP will be on the field trip process.</p>	
<p>4.) Chairman Galletta pointed out the committee membership includes five (5) members (3 board members and 2 community members). The committee discussed a suggestion to modify the language in the charter to say “up to two community members.” Ms. Kelland provided feedback from her meeting with Beacon School District’s committees and</p>	<p>CHARTER REVIEW</p>

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expanding the Audit Committee charter to include a review of the financial reports on a monthly basis as a combination Audit/Finance Committee.	
5.) The committee reviewed the log for receipt of financials and reports.	REVIEW BOARD REPORT SPREADSHEET
6.) Kristen Crandall and Alberta Pedro were excused from the meeting. The Committee discussed the consultant review of the claims auditing process.	INDEPENDENT EVALUATION OF CLAIMS AUDITING PROCESS
The next meeting date is scheduled for April 24 at 6:15 p.m. at Wappingers Junior High School.	NEXT MEETING DATE
The agenda for the April meeting will include: 1.) Draft AUP statements; 2.) Entrance interview with Bonadio Group; 3.) Review RFP results; 4.) Charter review; 5.) Review Board Report Spreadsheet.	NEXT MEETING AGENDA
7.) Adjournment	ADJOURNMENT
The committee adjourned the meeting at 7:15 p.m.	

Respectfully Submitted,
 Alberta Pedro
 District Clerk