

**Audit Committee Meeting
Monday, November 15, 2021
Wappingers Junior HS Room 105**

PRESENT: Marie Johnson, John S. Morgan, Keith Odums, John Lumia (ex-officio)

NOT PRESENT: John Lumia

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

There were no community members present.

The meeting was called to order by Chairman Marie Johnson at 5:36 p.m. CALL TO ORDER

1.) Motion to accept both the June and September minutes made by Keith Odums second by John Morgan. Vote taken. Unanimous. APPROVAL OF MINUTES

2.) In December, the District will begin internal assessment work. The firm was awarded the work based on a bid proposal. The Committee will discuss the draft report in January. ENTRANCE INTERVIEW FOR INTERNAL RISK ASSESSMENT

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. For example, they look at financial accounting, cash management, disbursement, facilities, student transportation, and extra classroom activity funds. They meet with individuals at the district and conduct interviews to see if anything has changed from the previous year or as a result of the pandemic. They also look at areas of potential risk. A risk assessment level is provided in each area. They do not talk about numbers at all, that's for the external auditors. It is looking at internal processes and controls that go on behind the scenes to get to the numbers, to identify possible areas of fraud.

The Committee discussed the past areas of review. Last year, the area of focus was employee overtime rates. The Committee discussed possibly looking at the donation form process. The Committee also

discussed the process for logging the return of technology. The committee agreed that the donation process will be reviewed.

Office of the State Comptroller - The Audit Committee will not see the OSC audit report of the district before it is published. It will be given to the District and the Board of Education President first and then the District will have a stated amount of time to provide a response before it is released to the public. This report does not need or require a recommendation to the Board of Education like the annual external audit and internal risk assessment.

OSC AUDIT

2.) RFP on External Audit

The Bonadio Group will be conducting the external audit review for the 21-22 school year. The Committee discussed whether they wanted to put out a new proposal and go out for bids for the 22-23 school year. The current proposal is a three year renewable, but approved one year at a time at the reorg meeting. During the last bid process, The Bonadio Group was \$8,000 over (\$24,000 for the three year period) the lowest bidder. However, they were selected due to their past positive experience with the District, consistent fair pricing with no surprises and high level of professional output that is both timely and accurate.

The Committee discussed whether they wanted to go out for bid before the expiration of the 3 year bid. It is allowable to have the same firm after three years. Bonadio Group often has different lead auditors and a new team to come in and review the books. The benefit to going out to bid could be different rates or different firms. The Committee felt there were not a lot of firms who could handle a district as large as Wappingers. It was agreed by a consensus of the Committee to not bid for the 22-23 school year external audit firm.

RFP FOR
EXTERNAL
AUDIT
2022-2023

3.) Agreed Upon Procedures 2021-2022

Agreed Upon Procedures (AUP) is a review of records specific to a content area. There have been reviews done of the high school drama clubs (mostly cash transactions), yearbooks (mostly cash transactions), school stores (mostly cash transactions), travel and conference expenses, FOIL, building usage, for compliance with Pamphlet 2. The charge for this work is \$3,500. Pamphlet 2 is a document from the NYS in 2008. Advisors meet annually and sign off that they have received Pamphlet 2. Ms. Crandall will email Mr. Odums the link to Pamphlet 2.

AGREED
UPON
PROCEDURES

The Committee discussed previous reviews of transportation and special education services. There was no AUP conducted in the 2020-2021 school year. The current OSC Audit has reviewed many of the department areas discussed above.

Motion by Marie Johnson to send topic ideas to Chair and Ms. Crandall to compile for review at the January meeting, second by John Morgan. The committee members agreed to submit ideas via email.

4.) Review of Tracking Spreadsheet

TRACKING
SPREADSHEET

The Committee reviewed 2020-2021 and 2021-2022 tracking spreadsheets. The District Clerk will review the spreadsheet to include the External Audit and Corrective Action Plan which was reviewed by the Board in October. Everything is all up to date.

5.) Review of Next Audit Committee Meeting Date

MEETING DATE

The Audit Committee is scheduled to meet on the following dates:

- January 10, 2022
- June 6, 2022

Agenda items for the January committee meeting include a review of the draft internal risk assessment and any corrective action plan, discussion of the Agreed Upon Procedures (AUP) work, and update the Tracking Spreadsheet.

The June committee meeting agenda will include an entrance interview with Bonadio Group and a review of the draft AUP report.

The Audit Committee Charter is part of the Policy Manual. It is a New York State requirement. The charter is an exhibit to the policy.

Adjournment

ADJOURNMENT

Motion to adjourn made by Keith Odums, seconded by Dawn Raymond. Vote taken. Unanimous. The meeting adjourned at 6:22 p.m.

Respectfully Submitted,

Alberta Pedro
District Clerk