

Audit Committee Minutes

January 27, 2020

Wappingers Junior HS room 105

Marie Johnson, Chairperson - Presiding

DRAFT

PRESENT: Ms. Johnson, Mr. Odums (arrived at 5:49 p.m.), Mr. Rubin, Mr. Lumia, Christine Silva

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

There was no one from the public present.

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| Chairman Johnson called the meeting to order at 5:32 p.m. | CALL TO ORDER |
| 1.) Motion to approve the Audit Committee minutes from the November 18, 2019 meeting. Motion by Keith Odums, seconded by John Lumia Yes: M. Johnson, R.Rubin, K. Odums, J. Lumia, C. Silva Motion passed. Unanimous. | APPROVAL OF MINUTES |
| 2.) The Audit Committee reviewed the 2019-2020 Internal Risk Assessment conducted by RBT. They looked at the processes and procedures involved with getting to the end product (financial statements). They reviewed the controls that are in place to ensure that the end product is correct. They also looked at Food Service and Technology. The process was conducted through interviews, review of policies, and minutes. They do make some transactional selections. The following areas, as identified by SED, are reviewed: Governance and Planning, Accounting and Reporting, Revenue and Cash Management, Purchasing and Expenditures, Facilities, Equipment and Inventory Control, Student Services, Student Data. It is important to read all the notes and observations for each item. Recommendations start on pg. 10 - policy indicates that all checks have two signatures. There was one check done before the new president was appointed in July. The recommendation is that the Board approve a | 2019-2020 INTERNAL RISK ASSESSMENT |

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resolution allowing a sole signor. The Corrective Action Plan will indicate that the Superintendent has created a signature file for July 1 in the event this happens again. The bank does not require two signatures.

Pg. 14 - Extraclassroom

This year in-person interviews were conducted of all Central Treasurers. The audit noted a time delay between the Central Treasurers and the District Treasurer getting bank records. The recommendation is to give the District Treasurer online view-only access to the central treasurer's accounts. Central Treasurers pick their own banks. Some do not have online access to an account because they mainly use cash. Bank told the district it had to be an authorized signer in order to access an account, which is not a viable option. The District will continue to investigate other ways to improve the timeframe for the review of account statements.

Central Treasurers feel they should be more involved in the annual advisorship training.

Pg. 16 - Food Service

The Board adopted a *No Shaming* policy on schedule. The only idea to improve the collection effects is to include a link to the Application for Free/Reduced Price Meals on automated messages. For those families with significant balances, the principal sends out one message to parents (anyone over \$25) on a monthly basis. Students with a balance can not purchase ala carte items. Every student gets fed. K. Crandall will give Mr. Lumia a blank application for his review of the criteria.

A Corrective Action Plan will be prepared in mid-late February to the Board with recommendations to accept the report and Corrective Action Plan.

The Committee discussed the Overall Risk of Low and Medium. There is a dollar amount assigned to each area. There is also a recommended order of risk areas for review by the external auditors. There are no high risk areas.

RBT left the meeting at 6:11 p.m.

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3.) Assistant Superintendent Kristen Crandall provided the Audit Committee with a history of the prior reviews conducted by the **External Auditors:**

AGREED UPON PROCEDURES

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| 2014-15 | John Jay and WJHS Drama Clubs |
| 2015-16 | Masque & Mime and Proscenium |
| 2016-17 | Yearbooks - JJHS & RCKHS |
| 2017-18 | Field Trips |
| 2018-19 | FOIL and FERPA |

Assistant Superintendent Kristen Crandall provided the Audit Committee with a history of the prior reviews conducted by the **Internal Auditors:**

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| Food Service |
| Transportation |
| Copy Paper Usage |
| Student IEPs |
| Facility Usage and Invoicing |

The Audit Committee reviewed page 17 and discussed the different areas to consider for the Agreed Upon Procedures review. The Audit Committee agreed that the area of travel and conferences will be reviewed for the next Agreed Upon Procedures.

4.) The Audit Committee reviewed the proposals from the two lowest bidders: Questar III and RBT. Questar was the lowest bidder. BOCES aid may be applied to the admin portion of their bid. There is a significant difference in the cost of the hourly fees. In the last 10 years the district has never experienced an instance where we had to have them come back and incurred additional costs. RBT has been with the district for six years. Sometimes when you switch firms there is a learning curve initially. If the same firm is selected, the district requests a different

RFP -
INTERNAL
RISK
ASSESSMENT
FOR 2020-2021
TO 2022-2023

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| <p>auditor from the firm every three years. Quester has a smaller staff than RBT.</p> <p>Motion to select RBT as the district's Internal Risk Assessor for the three year period beginning July 2020.</p> <p>Motion by Rob Rubin, seconded by Marie Johnson.</p> <p>Yes: M. Johnson, R.Rubin, K. Odums, J. Lumia, C. Silva</p> <p>Motion passed. Unanimous.</p> | |
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| <p>5.) The committee reviewed the log for receipt of financials and reports.</p> <p>Everything is up to date.</p> | <p>REVIEW BOARD REPORT SPREADSHEET</p> |
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| <p>The next meeting date is scheduled for June 1 at 5:30 p.m. at Wappingers Junior HS, Room 105.</p> | <p>NEXT MEETING DATE</p> |
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| <p>The agenda for the June meeting will include: 1.) Entrance interview with external audit team 2.) review of draft AUP report with Bonadio Group 3.) Review Board Report Spreadsheet 4) possible meeting with the Internal Claims Auditor 5.) Corrective Action Plan</p> | <p>NEXT MEETING AGENDA</p> |
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| <p>6.) Adjournment</p> | <p>ADJOURNMENT</p> |
| <p>The Audit Committee adjourned the meeting at 6:32 p.m.</p> | |

Respectfully Submitted,
 Alberta Pedro
 District Clerk