



Audit Committee Minutes

February 7, 2017

Approved April 25, 2017

Mr. Galletta, Chairperson - Presiding

PRESENT: Mr. Galletta, Mr. Munusamy, Mrs. Kelland, Ms. Herlihy, and Mr. Slosower

ALSO PRESENT: Mrs. Crandall, Mrs. Pedro, and Ms. George (RBT)

There was no one from the public present.

The District Clerk called the meeting to order at 6:01 p.m.	CALL TO ORDER
1.) Pledge of Allegiance	PLEDGE
2.) Mr. Slosower moved, second by Ms. Kelland to nominate Paul Galletta as Chair of the Audit Committee. Motion Carries. Unanimous.	APPOINTMENT OF CHAIR
3.) Mr. Slosower moved, second by Ms. Kelland, to approve the minutes of the November 22, 2016 meeting, as stated. Motion Carries. Unanimous.	APPROVAL OF MINUTES
4.) Review of DRAFT Agreed Upon Procedures Report <ul style="list-style-type: none"> Ms. Crandall reviewed the audit which was conducted for the 2015-2016 school year for the Yearbooks in December 2016. RCK did not have any issues with deposits but did as not reconcile their deposits for yearbook sales. John Jay Yearbook Club has two expense issues which are procedural in nature. The faculty advisor signature was missing on the approval for disbursement to Jostens. Additionally it was cited that there was no supporting documentation, such as board minutes, for the approval of the donation to pay for the stipend for the club advisor. JJ deposits need additional documentation and did not reconcile their sales either, similar to RCK. Both RCK and JJ Yearbook Clubs lacked minutes of the meeting. They were under the impression that the attendance sheets could serve as minutes, however this is not the case. The Business Office was under this impression as well and will share this out with the yearbook staff. <p>NEXT STEPS: Ms. Crandall will provide a Corrective Action Plan to the committee at the next scheduled meeting.</p>	AGREED UPON PROCEDURES DRAFT REPORT



5.) Review of Draft Risk Assessment	INTERNAL RISK ASSESSMENT DRAFT REPORT
<p>Mrs. Crandall distributed the draft report. Ms. George reviewed the areas of recommendation.</p> <p><u>Findings:</u> Governance and Planning – pg. 4 Ms. Crandall noted that vacations are not required in the Business Office and cannot be due to the collective bargaining unit language. Employees should be encouraged to take vacation. This may be viewed as a fraud concern. Ms. Crandall confirmed that there is no one in the Business Office who did not take vacation. A similar finding was presented for the Technology staff in a previous year report.</p>	
<p>Accounting and Reporting –pg. 5 The audit revealed that the Internal Claims auditor was not reporting on a monthly basis to the Board of Education.</p>	
<p>Revenue and Cash Management – pg. 7 It was noted that there is a delay with making timely deposits at the individual schools. Extra curricula activities are governed by Pamphlet 2. The money is being kept in safes in the secondary buildings.</p> <p>A recommendation was made for the district to develop an online banking policy.</p>	
<p>Payroll and Personnel – pg. 9 The permission list in NVision has certain permissions for the payroll clerks that should only be for Human Resources.</p> <p>There were similar findings in previous audits. Ms. Crandall indicated that the functions of HR and the payroll clerks meld together and the software program is unable to distinguish the permissions without losing an essential function for the position. Ms. Crandall runs monthly reports from NVision to check the activity in Payroll and also reviews the transaction history for any questionable activity..</p> <p>Credit Line – The district should not have a credit line over \$2,000. There is a Home Depot line of credit for \$15,000. Anyone making a purchase using the Home Depot account must show ID and sign. This is reconciled with Facilities and the Business Office before it can get paid. We have not had any issues with this practice. It is recommended that the policy be updated to distinguish between a credit card and a credit line which will be done with the NYSSBA policy review.</p>	



<p>Capital Assets – pg. 11</p> <p>The fixed asset listing needs to be updated.</p>	
<p>Student Services – pg. 12</p> <p>It was recommended that the district utilize the new Fuel Master software more to gain additional information on fuel usage and fuel purchases. As of January 30, all stations were reconciled through December 31, 2016. Ms. Crandall will provide a checklist with the Corrective Action Plan.</p>	
<p>Extra-Classroom – pg. 13</p> <p>It was reported by the Central Treasurers that they need formal training. It was also noted that fundraisers were not always approved in writing. Ms. Crandall has provided training to the Central Treasurers on several occasions. They have been the same treasurers for the past three years. The signature appears on the profit and loss form.</p>	
<p>Technology – pg. 15</p> <p>The audit noted that the district has many mobile devices. Applications are assigned to a device. When that device breaks, you cannot pull that application back to assign it to another device. The District would have to pay for the application again on the new device. The district is looking to purchase this option for the iPad devices.</p>	
<p>Review of Copy Paper Usage – pg. 16</p> <p>Copy paper usage is being tracked. Usage has decreased. The audit recommended a calendar of events be sent home to parents and be posted on the web with email alerts to parents as a way to trim the use of paper.</p> <p>Ms. Crandall will follow up with the school regarding electronic or paper copy preferences from parents. It was acknowledged that being able to differentiate which family receives a paper copy or an electronic message would be too time consuming to be done by the teacher or at the school level.</p>	
<p>Textbooks – pg. 16</p> <p>There is a tracking process for textbooks. At the end of the year, any lost/damaged book fees are collected by the schools. The schools submit the payments to the Business Office. Ms. Crandall indicated that usually they receive approximately 20-30 of these payments at the end of the year. The problem occurs that this information is not reported to the Curriculum office so that additional books may be ordered. Ms. Crandall will check if the schools withhold reports cards until all books are returned. She will also clarify if novels are treated as textbooks or disposables.</p>	



Audit Committee Minutes

NEXT STEPS: Mrs. Crandall will draft a Corrective Action Plan which is not required but will be available at the next Audit Committee Meeting.	
Ms. George was excused from the meeting at 6:50 p.m.	
6.) Discussion Internal Auditor RGT Contract	REQUEST FOR PROPOSAL
RBT has worked for the district for the past three years. It is a three year contract which is renewable each year. Ms. Crandall recommends that the Audit Committee consider going out for bid. The district currently pays \$10,000 for this work which includes one focus concentration area. Should the committee decide to go out for bid, the process would include posting the RFP in the magazines and local CPA firms, get back the proposals, interview and make a recommendation to the Board.	
Motion to send out the Internal Auditor Request for Proposal	
Motion by Mr. Slosower, second by Mr. Munusamy. Vote Taken. Unanimous approval.	
Next meeting date is scheduled for Tuesday, April 25, 2017. Alberta will look into reserving a room for the next Audit Committee Meeting at the same location as the Board meeting which is scheduled to immediately follow the Audit Committee Meeting. Tentative agenda items include – Corrective Action Plan for Agreed Upon Procedures and Internal Risk Assessment; Review Requests for Proposals; Entrance Interview with Bonadio Group	NEXT MEETING DATE
<u>Adjournment</u>	
Mr. Slosower moved, second by Mr. Munusamy, to adjourn to Executive Session to discuss personnel. Vote taken. Unanimous approval. The time is 7:07 p.m.	EXECUTIVE SESSION
Mr. Slosower moved, second by Mr. Munusamy, to adjourn the meeting.	ADJOURNMENT
Vote taken. Unanimous approval. Time is 7:26 p.m.	

Respectfully Submitted,

Alberta Pedro
District Clerk