



Audit Committee Minutes

April 25, 2017

DRAFT

Mr. Galletta, Chairperson - Presiding

PRESENT: Mr. Galletta, Mr. Munusamy, Mrs. Kelland (arrived at 6:34 p.m.), Ms. Herlihy, and Mr. Sloshower

ALSO PRESENT: Mrs. Crandall, Mrs. Pedro, and Mr. Joseph Heroux (Bonadio Group)

There was no one from the public present.

The Chairman called the meeting to order at 6:32 p.m.	CALL TO ORDER
1.) Pledge of Allegiance	PLEDGE
2.) Entrance Interview with Bonadio Group – External Auditor Mr. Heroux, Bonadio Group, discussed the services that will be provided to assist the Audit Committee and the Board of Education in meeting its governance and compliance responsibilities. Mr. Heroux discussed the scope of services, auditor’s responsibility, materiality, audit committee considerations, new developments, timetable and the client service team. The preliminary audit work will begin the week of May 22 and the final fieldwork is scheduled for the week of July 31. This will be a risk based audit to include a financial statement audit, grant audit, preparation of financial statements and a financial statement audit of extra classroom funds. GASB-77 is a new disclosure requirement which requires the disclosure of tax abatements, i.e. PILOT agreements. The committee discussed the impact of standard 10-year PILOT agreements and the impact on property tax revenue. There are specific guidelines that must be met for a business to qualify for a PILOT agreement with the County including the number of jobs created and the number of jobs in place at the end of the agreement. Next year, there will be a new GASB-45 for the disclosure of pensions.	ENTRANCE INTERVIEW
3.) Mr. Sloshower moved, second by Ms. Kelland, to approve the minutes of the November 22, 2016 meeting, as amended. Motion Carries. Unanimous.	APPROVAL OF MINUTES
4.) Review of Corrective Action Plain for Agreed Upon Procedures	CORRECTIVE



<p>Yearbook</p> <ul style="list-style-type: none"> Although not required, Ms. Crandall presented a draft Corrective Action Plan for the Agreed Upon Procedures – Yearbook 2015-2016. A new attendance sheet was created with a space to include minutes. The new attendance/minutes sheet is being used by both high schools and will address the finding that no minutes were provided. Reconciliation will be worked on with the Central Treasurers in the coming weeks once the end of the yearbook sales (cash purchases) are complete. The Audit Committee agreed by consensus to recommend the draft Corrective Action Plan for the Agreed Upon Procedures – Yearbook be presented to the Board. This does not require approval by the Board. 	<p>ACTION PLAN FOR AGREED UPON PROCEDURES YEARBOOK 15-16</p>
<p>5.) Corrective Action Plain for Internal Risk Assessment</p> <ul style="list-style-type: none"> The Internal Risk Assessment reviewed two areas as part of this review: Copy Paper Usage and Textbooks. Although not required, Ms. Crandall presented a draft Corrective Action Plan for the Internal Risk Assessment. There were some areas that can not be fixed, for example the requirement for employees of the Business Office to take vacations. In other areas, the district has provided a response to address the risk cited. The Audit Committee agreed by consensus to recommend the draft Corrective Action Plan for the Internal Risk Assessment be presented to the Board. This does not require approval by the Board. 	<p>CORRECTIVE ACTION PLAN FOR INTERNAL RISK ASSESSMENT</p>
<p>6.) Review of Internal Auditor Request for Proposal</p> <ul style="list-style-type: none"> There were six responses to the district’s request for proposals for the Internal Auditor. The two lowest bidders were Cooper Arias and RBT. Cooper Aries submitted a bid of \$8,500 for the internal audit and any additional work by the audit committee would be at the rate of \$190/hr for a partner, \$120/hr for a manager and \$75-95/hr for other staff. It is estimated that the total cost would be \$2,840-3240 in addition to the \$8,500. RBT is 100% all-inclusive at the cost of \$10,000. The committee does not need to select the lowest bidder. It is customary to review the proposals of the lowest three bidders and make a selection from them based on the needs of the committee and the Board of Education. A total of \$10,000 has been budgeted for internal audits. The committee discussed the merits and services offered by 	<p>REQUEST FOR PROPOSAL</p>



Audit Committee Minutes

<p>both companies. The Audit Committee agreed by concensus to recommend RBT, as the Internal Auditor, to the Board of Education.</p> <ul style="list-style-type: none"> Mr. Galletta will prepare a note to the Board of Education in the weekly memo review regarding the Audit Committee's recommendation. 	
7.) Evaluation Form for Internal Claims Auditor	EVALUATION FORM
Chairman Paul Galletta and the Audit Committee discussed the need to create an evaluation form for the position of Internal Claims Auditor. The Internal Claims Auditor reports directly to the Board of Education. Ms. Crandall, Ms. Pedro, and Dr. Bonk will look for templates to share with the committee within the next ten days. The intention is to review the samples and present a draft to the full board for approval. The evaluation form will be implemented in July 2017.	
Next meeting date is scheduled for Wednesday, May 24 at 6:30 p.m. The agenda will include a review of sample evaluation forms for the position of Internal Claims Auditor.	NEXT MEETING DATE
<u>Adjournment</u>	
Mr. Slosower moved, second by Mrs. Kelland, to adjourn the meeting. Vote taken. Unanimous approval. The time is 7:20 p.m.	ADJOURNMENT

Respectfully Submitted,

Alberta Pedro
District Clerk