



Audit Committee Minutes

March 8, 2016

Mr. Rubin, Chairperson - Presiding

PRESENT: Mrs. LaValle, Mr. Soma, Mrs. Kelland, Ms. Herlihy, and Mr. Sloschower,

ALSO PRESENT: Mrs. Crandall, Mrs. Pedro, and Ms. George (Vanacore et. al.)

There was no one from the public present.

Mr. Rubin called the meeting to order at 7:00 p.m.	CALL TO ORDER
1.) Pledge of Allegiance	PLEDGE
2.) Mr. Sloschower moved, seconded by Mr. Soma, to approve the minutes of the November 24, 2015 meeting.	APPROVAL OF MINUTES
Vote taken. Unanimous approval.	
3.) Review of Draft Risk Assessment	INTERNAL RISK ASSESSMENT DRAFT REPORT
Mrs. Crandall distributed the draft report. Mrs. Crandall already drafted the Corrective Action Plan which is not required but will be available at the next Audit Committee Meeting.	
Ms. George reviewed the format of the report with an overview and each assessed areas for inherent risk, controls, and probability. Page 4 gets into each area. Notice and observations is what the auditors saw. Ms. George, in the interest of time, reviewed only the areas that included a recommendation.	
Findings: Governance and Planning – noted there were required policies that were missing. Trustee Rubin noted that NYSBBA is currently reviewing our policy manual.	POLICY UPDATE: MISSING REQUIRED POLICIES
Trustee Kelland noted that vacations are not required in the Business Office. Ms. Crandall stated the contracts deter that behavior because it limits the number of vacation days you can accumulate.	



<p>Cash Receipts and Revenue – recommended that the Central Treasurers be bonded because they are handling cash and this is noted in the minutes of the re-organization meeting. Ms. Crandall will check with the attorney regarding this. She could not recollect if the attorneys had provided an opinion on this practice in the past.</p> <p>Extra-curricular activity cash being collected at the schools is not getting in the bank within three business days. Mr. Crandall noted that the advisors are <u>not</u> getting the cash to the Central Treasurers for deposit timely. The Central Treasurers upon receipt of the cash <u>are</u> getting these funds deposited with the bank. Kristen has prepared an email to the central treasurers stating that advisors need to get the cash to them as soon as possible, but not later than three days. Kristen believes that advisors do not understand the importance of this process with handling cash and that is a large part of the stipend they are being paid to be a club activities advisor.</p>	
<p>Cash Management – it is recommended that district get an online banking policy. This item will be address with the NYSSBA policy review. There is not a single wire transfer that can be done without a multi-step authentication process in place.</p>	<p>POLICY UPDATE: ONLINE BANKING POLICY</p>
<p>Payroll – within the personnel files there are inconsistencies in filing; recommendation of a checklist. Within the software, there are permissions (view/modify/edit) that are shared between HR and Payroll and these should be reviewed.</p> <p>The district has never provided salary notifications to employees because we have contracts and the contracts have salary in tables. This is something that NVision can provide and will be looked in to with the assistance of Human Resources.</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. The District does have a credit card with Mobil gasoline. There are two physical cards for this account that are both kept in Transportation in a locked and secure location. These cards must be signed out for use with a Supervisor and are reconciled based on date and trip and usage accordingly. 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>POLICY UPDATE: CREDIT LINE vs. CREDIT CARD</p>



<p>Student Services – The district had a new fuel management software installed in 2015. It is recommended that the district take advantage of the software’s full capabilities to track miles per gallon per vehicle. This is a work in progress.</p>	
<p>Food Service - The kitchen equipment is quite old. It is recommended that the district look at an equipment replacement plan. There is not any kitchen equipment in the new capital project proposal since it is based on the building condition survey. The Building Conditions Survey does not include kitchen infrastructure in its review. Mrs. Crandall will follow up with Ron Broas regarding the reason why kitchens are not included in the Building Conditions Survey. Ms. Herlihy believes that State does not include the square footage of the kitchen because it is a non-instructional area. Mr. Slosower mentioned the amount of food that is thrown away and wasted on a daily basis in school nationwide. Mrs. Crandall mentioned that it is a huge issue when it was required by USDA guidelines and children have to take it on their plates. Mrs. Herlihy noted the regulations across the nation are causing a waste of food and competitive foods must be limited. There are good intentions but there are holes in the plan by the regulating agencies.</p>	
<p>Extra-Classroom – Fundraisers are not always approved in writing as they should be. This will be addressed with the Central Treasurers and Building administration.</p>	
<p>IT – The general staff needs more training in security. It was recommended to send out more articles, security threat notifications, warnings of computer viruses, etc. to employees so that they would understand how to handle a real threat.</p>	
<p>Ms. George left the meeting at 7:42 p.m.</p>	
<p>4.) Review of Audit Committee Charter</p>	<p>AUDIT COMMITTEE CHARTER</p>
<p>Please email District Clerk Alberta Pedro with any idea or thoughts on the Audit Committee Charter. Alberta will then send it to all Audit Committee members for the next meeting’s agenda.</p> <p>The charter states there is a minimum of two meetings but the committee feels that four is more accommodating to accomplish the functions of the committee. In past there were years when the committee met for more than four instances when interviewing audit firms and once for three instances when there was a snow storm and a meeting had to be canceled.</p>	

<p>The committee discussed the scope of the audit committee. Ms. Crandall handed out a chart outlining the roles and responsibilities of the audit committee from NYS.</p>	
<p>Mr. Slosower asked if textbook/book purchases could be reviewed by auditors. Ms. Crandall confirmed that the audit committee could provide a recommendation to the Board of Education for a review of the internal risk assessment in the area of textbooks. One classroom sharing sets of books, students unable to take home books, and the amount of money being spent each year, including wasting of books which are ordered year after year and are not being used and discarded at the end of the year were concerns he had.</p>	<p>TEXTBOOK AUDIT</p>
<p>Motion by Eddy Slosower to make a proposal to submit to the Board for review an internal audit or review of the line items for the purchase of books in the budget. We need to look at the books being purchased, and the books that are being used and it doesn't make sense to purchase things that we are not using because what is happening is that we are having areas that are lacking in books and material.</p> <p>Motion was seconded by Mr. Soma.</p> <p>Discussion on the inventory of textbooks and equity of all students having equal access to books along with the need to be mindful to not lower the bar for students if the district is unable to supply books for all students.</p> <p>Vote taken. Unanimous approval.</p>	<p>RESOLUTION</p>
<p>5). Audit of Agreed Upon Procedures</p>	<p>UPDATE OF BONADIO AUDIT OF DRAMA CLUBS FOR RCK & VWJHS FOR 2014-2015</p>
<p>This area continues to be a work in progress. Many of the advisors are the same advisors from the previous review (2010-2011 year with a report issued in 2012-213) and while many areas showed improvement a few issues still remain. The biggest area of concern is ticket reconciliation. RCK Mask and Mime uses a software package that produces these reports so there is no reason this cannot be done. VW has a much smaller production yet this work still should be completed. Ms. Crandall will re-iterate this to club advisors, Building administration and Central Treasurers. The original review mentioned that no minutes. Minutes are still inadequate in 2015-2016. Sign-in sheets can serve as minutes as stated in the previous report. A sign in sheet is good practice as well. A</p>	



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meeting will be held with advisors and principals. The building administration is another responsible party. The email from the last review in 2013 will be provided again at the upcoming meeting. The Board approves the recommendation of building level administrators for appointments of advisors before any work is done with students. Advisors must acknowledge receipt of Pamphlet 2 prior to Board approval – that is the only requirement for Board of Education approval. There is no accountability in place as has been tried by previous audit committees. Extra-curricular advisorships are offered to the WCT first as per Union contract.	
Mrs. Crandall will prepare Corrective Action Plans regarding the draft Risk Assessment and Agreed upon Procedures and provide it for the Audit Committee’s review at the next meeting.	
Next meeting date is scheduled for Tuesday, May 10, 2016. Alberta will look into reserving the WJHS Board Room for the next Audit Committee Meeting. Tentative agenda items include – Entrance Interview for 2015-2016 external audit procedures The Bonadio Group, DRAFT 2015-2016 Internal Risk Assessment Corrective Action Plan, Update on Agreed Upon Procedures Corrective Action with Building Administration and Advisors	NEXT MEETING DATE
<u>Adjournment</u>	ADJOURNMENT
Mr. Slosower moved, seconded by Ms. Herlihy, to adjourn the meeting.	
Vote taken. Unanimous approval. Time is 8:25 p.m.	

Respectfully Submitted,

 Alberta Pedro
 District Clerk