



Audit Committee Minutes

May 10, 2016

DRAFT- NOT YET APPROVED MINUTES

Mr. Rubin, Chairperson - Presiding

PRESENT: Mrs. LaValle, Mrs. Kelland (ex-officio), Ms. Herlihy (arrived at 7:12 p.m.), Mr. Sloshower

ALSO PRESENT: Mrs. Crandall, Mrs. Pedro, Alan Walther and Joe Heroux from the Bonadio Group.

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.) Ms. LaValle moved, seconded by Mr. Sloshower, to approve the minutes of the March 8, 2016 meeting, as stated.	APPROVAL OF MINUTES
Vote taken. Unanimous approval.	
3.) Entrance Interview for 2015-2016 External Audit Procedures – (see the powerpoint: The Bonadio Group) The planning work is scheduled for May 19 and 20, 2016. The audit will be scheduled in July 25-29, 2016. There will be an audit discussion in September. Alison left the Bonadio Group to work for NYSSBA. This year there are no new significant accounting procedure changes. The new standard applies to disclosure of fair market value of investments. It is important to do a risk-based audit and to look at the volume of money, internal controls, significance and balances.	ENTRANCE INTERVIEW FOR EXTERNAL AUDIT PROCEDURES
Highlights from the powerpoint include: <ul style="list-style-type: none"> • The Bonadio Group will prepare an internal control report; • The Auditor’s responsibility is to form an opinion based on GAAP (Generally Accepted Account Principles) for financial statements <ul style="list-style-type: none"> ○ Government-wide ○ Fund level • Materiality is the scope of the audit procedure <ul style="list-style-type: none"> ○ Tolerable misstatements are the amount of error or unrecorded adjustments that can be in financial statements 	



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<p>where the opinion will not change</p> <ul style="list-style-type: none"> o Test Scope is a proportion of material, a dollar amount test for transactions on a bell curve and whether or not a process is working o Adjustment Scope is done to keep tabs on adjustments and is reported in an addendum 	
<p>The Audit Committee was asked to submit considerations to the Bonadio Group of risk audit areas. Chairperson Rubin requested that the committee forward those items to the Chairperson directly and to the committee as a whole.</p>	
<p>Prior findings included unrestricted fund balance of over 4%. A reserve fund was established by the Board and we need voter approve to fund it.</p> <p>A single audit pertains only to federal grant money or food service.</p> <p>Financial Statements are due to the State by Oct. 15.</p>	
<p>4.) The Draft Internal Risk Assessment and Corrective Action Plan will be submitted to the Board of Education at the next Board meeting.</p> <p>There are no changes to the Corrective Action Plan since the previous committee meeting.</p>	<p>INTERNAL RISK ASSESSMENT DRAFT REPORT</p>
<p>Trustee LaValle requested a copy of the NYSSBA list of required policies, as referenced on page 4 of the Internal Risk Assessment Report.</p>	
<p>5.) Update on Agreed Upon Procedures Corrective Action Plan with Building Administration and Advisors</p> <p>See the follow-up memo dated 5/5/16. The advisors continue to be deficient. A formal memo was sent to the advisors with a copy to the claims auditor. Kristen Crandall provided the advisors with a road map/sample of a reconciliation.</p> <p>There continues to be ticket reconciliation issues where money is combined from concession sales. Progress is being made in that they had a list of tickets sold at the door where there were no records in the previous review.</p>	<p>CORRECTIVE ACTION PLAN FOR AGREED UPON PROCEDURES</p>
<p>The minutes/rehearsal sheets serve as a record and are being kept in a binder in the Business Office for the audit in October.</p>	
<p>There are not enough advisors for the clubs which causes a problem with admonishing the practices. Although there is a stipend, the amount is</p>	



small considering the amount of time devoted to the activity. The club advisors are covered under the WCT contract. Those positions are offered to WCT members before being offered to the public.	
What is the risk? The number of tickets sold versus the amount of money received. The Board is fiducially responsible to the taxpayers. We need to show that all money is accounted for, as per NYS Pamphlet 2 regulations. The bulk of ticket sales is done through an on-line system and this should match the total dollars collected when adding in the tickets sold at the door. The purpose of extra classroom fund is educational and there must be evidence to support budget statements.	
Is there an inventory system for the custodial supplies? There is a mechanism in place similar to FuelMaster. The Head Custodians are supervised by Ron Broas. There is a perpetual update system with test counts done by auditors at the end of the year. Items ordered for Facilities and Operations must be ordered through the bid process. 90% of Facilities and Operations are by bid.	AUDIT OF CUSTODIAL SUPPLIES
After the re-organization meeting in July and the new members of the Audit Committee are appointed, the District Clerk will set a meeting date in July. At that time, a chair will be selected and a request for two members of the public will be asked to submit a letter of interest to the Chair.	NEXT MEETING DATE
Adjournment	ADJOURNMENT
Ms. LaValle moved, seconded by Mr. Slosower, to adjourn the meeting.	
Vote taken. Unanimous approval. Time is 7:58 p.m.	

Respectfully Submitted,

Alberta Pedro
District Clerk