

PITTSFORD CENTRAL SCHOOL DISTRICT
AUDIT OVERSIGHT COMMITTEE (AOC)

October 5, 2016

Room 410

3:30 p.m.

Those present: M. Pero, D. Kenney, P. Sullivan, I. Narotsky, R. Wager, T. Zuber, J. Cimmerer, L. Reister, L. Patterson.

Those absent: T. Aroesty

1. Mr. Aroesty was elected as the chair of the AOC this year.
2. There are no changes to the AOC Charter.
3. The minutes of June 1, 2016 were approved.
4. Mr. Ray Wager reviewed the External Audit for the Year ended June 30, 2016, and summarized the report as follows:
 - There was an increase in our equity of 4,947.78.
 - Most money in capital reserve is for our local share of the capital project.
 - Regarding the Reserve Analysis...we are in good shape.
 - Reviewed the Revenue Summary.
 - Regarding the Expenditure Summary...we have a good cushion as some funds were moved into the capital reserve and the end result was very positive. Also utilities, fuel, and retirement systems are down along with health benefits and State aid being better than anticipated. This is the case with most school districts.
 - We have a good Food Service fund balance but operating on an annual loss.
 - Reviewed Debt Service, Capital Project, and the Corporate Balance Sheet.
 - Noted, in particular, was the total actuarial accrued liability for retiree health benefits (OPEB). Numbers vary quite a bit from district to district.

Mr. Wager talked about the Management Letter as follows:

- Summer Enrichment Program losses – Mrs. Reister said this has been cleaned up due to expenditures, fund raising and program changes.
- Payroll – checked random employees – noted an on-call bus driver salary increase for which the District was advised to have a corrective action implemented.
- School lunch fund has an operating loss which is to be monitored.
- Prior year recommendation for the Transportation Department was implemented to satisfaction.

5. Jeff Cimmerer gave an update on the Comptroller's Audit. Mr. Kenney noted that we took all of the Comptroller's findings very seriously no matter how small. Dr. Cimmerer reviewed the following;

- Policies have been written on ensuring a sound IT environment: The Board has approved 3 policies with regard to this: Public Access to Records, Records Management and Security Data Breaches.
- Question asked about a password policy. Dr. Cimmerer noted that we will be processing this.
- Ensuring data confidentiality: Dr. Cimmerer noted in his report that an inventory of PPSI was completed before the Comptroller's report was issued, encryption software is under review, the hardening of systems continues and professional development will continue for all stakeholders. The District will continue to work on this to protect data.
- Self-assessment reflection: All 9 schools will be doing a self-evaluation and self-reflection for protecting data. Example: passwords kept on top of monitor or on slips of paper under a keyboard.

6. Potential areas for this year's area of focus: Recently, financial information regarding Booster Club records has come to the forefront. Mr. Kenney said that this might be a good area to assign Rotenberg instead of the Board itself asking for this information from the clubs. It is a good opportunity to learn more about the activities of Booster Clubs including staffing positions. This area of focus and process will be brought to the Board of Education for acceptance.

A discussion ensued on the transportation of students to certain athletic events. It was noted that the rule of thumb for school bus miles is 75-100 miles per day and speed limit factors in as school buses can only travel up to a certain speed. Who is transported by bus vs. who would need other transportation was discussed noting that understanding individual situations is important. It was decided that some of this concern could be discussed at another meeting. Another discussion took place on the question of where the booster clubs are run through. Darrin noted that the intent is to take to EFP Rotenberg the thought of a booster club audit.

7. Claims Auditor Report - Laurie Patterson – It was noted that most all findings and actions have flattened out except for a handful of confirming PO's and postdating of Travel and Conference requests. Mrs. Patterson noted that reimbursement of funds can be jeopardized when T & C requests are postdated.

8. It was noted that Cindy Heagerty's role as Deputy Auditor has been a very positive one.

9. Deputy Purchasing Agent position – Mrs. Reister explained the thinking about the addition of a position that would allow access to purchase orders in Karen Houston's absence and assistance in other financial capacities. This person would need to be officially appointed by the Board. The position duties and rights will be outlined for the Board. The Business Office has an idea of who might be a good candidate for this position, but wanted to run this segregation of duties by the AOC first. Mrs. Reister said that more information will be brought forward when completed.

10. Cooperative External Auditor RFP - Mr. Kenney passed out an information document with various bidder quotes. He explained the benefits of the highest bidder which is our current auditor. Mr. Kenney said he will check on the references for others and do some more research if the committee wishes. Board members did say they would like him to do this. He asked that any other particulars be emailed to him. It was noted that there are no concerns with Mr. Wager

and that the level of service is excellent. At the end of this conversation, all agreed to continue with Mr. Wager's service.

11. On-line Payment Portal: A discussion took place on the on-line payment portal and its implementation process. It was noted that the District is beginning to put the web store together.

12. Extra Classroom Advisor Training has been put in place and occurring in-house due to the expertise of our Assistant Director of Finance, Holly Evans. This year is done except for some make-up training.

Meeting adjourned at 5:35 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Veronica M. Walker". The signature is written in a cursive style with a large, stylized initial "V".

Veronica M. Walker
School District Clerk