

PITTSFORD CENTRAL SCHOOL DISTRICT  
AUDIT OVERSIGHT COMMITTEE

June 1, 2016

Room 410

3:30 p.m.

Those present: I. Narotsky, P. Sullivan, T. Aroesty, D. Kenney, L. Reister, J. Buffum, T. Zuber

Those absent: M. Pero

1. Minutes of the January 27, 2016, meeting were approved.
2. Mr. Jim Buffum, EFP Rotenberg, highlighted the Risk Assessment, noting that he has served its function over the last several years. He said they are trying to modify approach and talk to different people to keep things relevant. An area that changed slightly was cash receipts because of transition time with retirements. Mr. Buffum felt it would be better within the next year. On page 4 there were a couple of items, one related to transportation parts inventory; suggestion was to alter duties - the plan has been addressed by District and noted that "the measures were adequate and would not leave any control weaknesses"; another with regard to payroll/personnel and extra duties being submitted on claim forms; suggestion is that employees be encouraged to submit hours in a timely manner and not wait to record accumulated hours which has been addressed by the District; and the last item having to do with respect to BOE members who use their personal email accounts for official business instead of a District account. Mr. Sullivan encouraged the use of a District email account, noting this will go on Board's agenda for Monday evening.
3. Mr. Kenney noted a global IT policy that was included in the AOC packet.
4. Mr. Tom Zuber, Ray Wager, CPA Partner, talked about audit planning, noting it has been in place since the 5-point plan. The benefit is to have communications with AOC about the audit process. Mr. Zuber noted the types of programs that are looked at: such as key controls, changes in personnel and making sure controls are being maintained by checks and balance. He talked about the risk of fraud and prevention and its three characteristics. Audit approach is a risk based approach. Compliance area is looked at such as internal with regard to Federal compliances. Questionnaires have been developed for Districts. An area that continues to be discussed relates to reserves and fund balances (he said our District does an excellent job on these items). Mr. Zuber noted that school districts have the most restrictive environment with regard to reserves, etc. Audits also look at the Affordable Care Act and if requirements have been met. Audits can relate to retiree health obligation...ours is \$165 million. In 2018 we will have to include this as a full liability. The tax cap has created a challenge for this deficit on the books and it should continue to be monitored. Other areas are: tax abatement programs (limited control for school districts) and Smart School Bond Act money. There is nothing significant to report on and it was noted that our fiscal management, long-range plan and reserve planning is excellent and is communicated very well to our community.

5. The Engagement letter for services next year was reviewed and noted that there is not much of an increase over last year. AOC recommended that we contract with Ray Wager for 2016-2017 and place on the Reorganization agenda.

6. Mrs. Reister updated the AOC on the Online Parent Payment Portal. The Hartland Payment Systems was selected for the portal. With this portal, we will have better cash control, less processing time, and convenience for parents, staff and students (less money going through many hands). Mrs. Reister said the District will move forward once satisfied with terms and conditions and will then go forward with a "Web Store". It is a cost neutral program. Mr. Kenney noted that booster clubs will not have access to this portal. This will be used for credit and debit only (like education e-bay). The portal could be used for productions and have a deadline date. It is more now for SAT's, Driver Ed and Summer Enrichment. This program will expand/evolve as time goes on. Mr. Kenney thanked Mrs. Reister for her work on this.

7. Mr. Kenney touched on the new position of Deputy Claims Auditor and its responsibilities. If ok, it will go on the Reorganization meeting in July. Board members gave their approval.

8. It was noted that payroll audits have been completed

9. A discussion ensued on the 2016/2017 AOC composition:  
Mr. Sullivan is willing to serve another term as his term is up on June 30, 2016.  
Mrs. Narotsky has one more year in her current term.  
Mr. Aroesty has two more years remaining in his current term.

10. Mr. Kenney shared some housekeeping items with respect to the Comptrollers Audit:

- In response to the Audit (30 days from issuance of draft audit) we have 90 days from then for corrective action. Darrin noted that we have been given an extension for our response. We may need to plan another AOC meeting or send the response. It will be recommended to the Board for its approval. Mr. Aroesty expressed that he felt that the AOC should be part of the discussion in the Comptrollers meetings, that the District should have the ability to say who will be part of the scope of the audit. Board members agreed. Mr. Kenney said he would call the auditors back and ask that the AOC be part of the next discussions. Mr. Aroesty stressed that he does not want to endanger our relationship with State but would prefer involvement. Mr. Aroesty also shared that he felt the report contained reckless verbiage but was very happy with the extension period given to us.

11. The meeting was adjourned at 4:47 p.m.

Respectfully submitted,



Veronica M. Walker  
School District Clerk