

PITTSFORD CENTRAL SCHOOL DISTRICT
AUDIT OVERSIGHT COMMITTEE

October 7, 2015

Room 410

3:30 p.m.

Those present: D. Kenney, L. Patterson, T. Aroesty, I. Narotsky, T. Zuber, R. Wager,
P. Sullivan, L. Reister

1. Mr. Kenney noted that work on the Field Trip Policy is in process.
2. The minutes from the June 3, 2015, meeting were approved.
3. Mr. Ray Wager reviewed the External Audit for Year Ended June 30, 2015. Mr. Wager spent some time talking about fund balances, noting that we are doing what the state wants us to do with reserves, i.e. drawing money out of them and explained the state's thinking about them. It was noted that GASB would like government reporting to be comparable to corporations. Also discussed were the GASB requirements such as booking Post Retirement Benefits. He also reviewed the revenue summary and expenditure summary. The bottom line for Pittsford is that we are in great financial shape, with no significant issues noted.

Deficiency items were given to enhance internal controls in the areas of transportation and the summer enrichment program. Other recommendations were given for the school lunch fund, and the Affordable Care Act. These areas were not necessarily considered to be deficient.

Mr. Kenney noted that Driver Ed is now breaking even and summer enrichments is working on it.

4. The AOC Charter was briefly reviewed and no concern was noted. One area of membership was discussed. However, after the meeting, it was cleared up and noted to be ok.
5. Mrs. Irene Narotsky was approved to be the AOC Chairperson for the 2015/2016 school year.
6. Risk Assessment (Internal Audit) for the Year Ended June 30, 2015. Mrs. Reister reviewed the responses at the end of the Report and asked for any thoughts from the AOC. Mr. Kenny noted that the District is working on an online approval process and that a Human Resource process has been created for closing out an employee's exit. Mr. Leone will present the process at the next AOC meeting.
7. Board members on the AOC recommended that both the External Audit and Internal Audit be taken to the Board of Education for action. Mr. Kenney complimented Mrs. Reister and Mrs. Heagerty for a job well done with quick year end and closeout and audits this year.
8. Policy #5410 – Purchasing Policy – Mr. Kenney noted language that would be added to this policy with regard to “Piggybacking” Exception to Competitive Bidding.

9. Select Areas for Internal Audit Testing – Mr. Kenney reviewed the potential areas of focus for the 2015/2016 school year for the Internal Auditor to examine and report back. These areas include: payroll adjustments, procedures upon cessation of employment, Network and Software security, Professional Service Contracts & Consultants process, Use of Facilities process and invoicing, and cash receipts procedures (musicals, athletics, extraclassroom activities). Board members were asked to email any thoughts they may have regarding this year’s potential focus. Mr. Kenney noted that there is a possibility that the AOC will need to meet again to discuss the field trip policy.

10. Claims Auditor Report: Mrs. Patterson, District Claims Auditor, talked about food service reviews she has done with Park Road and Thornell Road, and payroll distribution with transportation and maintenance. Mrs. Patterson said she participated in an audit training session with Ray Wager. Mr. Kenney noted concern with unsecure change funds (petty cash) in Athletics and that there was a need to address custodial responsibilities. Mrs. Patterson said that other findings were not unusual, that there is improvement in all areas with the exception of two departments.

A Purchase Order Post Dating Travel & Conference Log and Purchase Order Post Dating Invoice(s) Log was handed out for the Committee’s information. It was noted that the error rate is very low.

11. Discussion regarding need for Deputy Claims Auditor: Mrs. Reister said that Mrs. Patterson does a wonderful job as the District’s Claims Auditor, however, in her absence, there are duties that may need to be performed in order to conduct business in a timely way. The person would need to be someone outside of the business office domain. Board members (Mr. Sullivan and Mr. Aroesty) agreed to move forward with this. (Mrs. Narotsky had to leave before the meeting ended).

12. 4:50 adjournment

Respectfully submitted,



Veronica M. Walker
School District Clerk