

PITTSFORD CENTRAL SCHOOL DISTRICT

Audit Oversight Committee (AOC)

Wednesday, February 6, 2019

Room 410

3:30 pm

THOSE PRESENT: M. Pero, D. Kenney, L. Reister, T. Aroesty, V. Baum, P. Sullivan (arrived 3:54), L. Patterson, J. Marasco, S. Wood

1. The minutes from the September 19, 2018 meeting were approved.
2. Mr. Kenney noted that the Single Audit (aka - Federal Compliance Audit) for the Year Ended June 30, 2018, the auditors issued an unqualified clean opinion.
3. Extraclassroom Audit - Mr. Kenney noted that there was a marked improvement over previous years and that they have the buildings write the responses to the comments. He noted that this is an area of inherent risk due to the number of people involved with it. Mrs. Reister noted that in this year's audit, MHS did not have any findings & commended Bridget Stone for her efforts.
4. Jim Marasco, EFPR Group presented the Risk Assessment Focused Review for year ending June 30, 2018. Mr. Marasco noted that the draft report was from Payroll & Human Resource controls & much of it surrounds compensation revisions. The different sections covered were:

- Internal controls including policies & procedures, association agreements, supporting documentation between HR & the Business Office, compensation and payroll certifications.
- Findings & recommendations were noted in the areas of: payroll certification, extra duty assignment, payroll file security, association agreement dissemination, employee setup software permissions, salary calculations, compensation for extracurricular, compensation revisions, personnel action notice & extra duty assignment forms, personnel action notice explanations and association agreement approvals.

Mr. Pero noted that the next step is to come up with a joint response relative to the findings.

Mr. Kenney noted that per the comptroller, the AOC is required to have a special focus area, but due to what some special focus areas usually contain, it is not one of the requirements to be published on the website or submitted to the state.

Mr. Pero said that the areas that were noted in the report need to change so they are not repeated.

Mr. Kenney also stated that the overarching theme from the report is that for anyone on payroll, there needs to be supporting documentation that has been approved by the BOE.

5. Mrs. Reister recapped the gate(s) receipts from the audit in Oct. 2018. The focus was on cash collections at athletic contests. She noted that systems are strong & they provided a few recommendations to increase the security of cash being collected & efficiencies during the games as well as communications with ticket takers & supervisors.
6. Laurie Patterson reviewed the claims audit report. She noted that it has been a quiet 6 months with nothing exciting to report. She said that the business office has now implemented the new PO exception report. School inventory will be set up to do in June; payroll & direct deposit verifications will be in March.

7. Mr. Kenney spoke on the special focus area of certifying payroll & reviewed the process he uses to certify payroll. Per the comptroller, everything on the payroll needs to be supported by some form of documentation that has been approved by the BOE or contained in a collective bargaining agreement, which is also approved by the BOE. He summarized & reviewed the steps he takes to complete this process.
8. Mrs. Reister handed out copies of the Comprehensive Annual Financial Report, which includes financial reports, single audit, extraclass audit as well as additional materials such as letter of transmittal discussing our district, organizational charts, management discussion analysis and a statistical section, which holds 10 years of data. All of this information was combined into one report & submitted to a national organization for review. The hope is that it will become certified as part of a certificate of excellence program, which could take as long as 8-10 months. Copies will be sent to the BOE & COT members. It was noted that the RCSD is the only school in the Rochester area that currently has this distinguished certification.
9. Mr. Kenney briefly noted that he recently attended a webinar on comptrollers fiscal stress. Highlights included looking at scores & designations, as well as noting that out of the districts labeled in fiscal stress, 74% of those districts are located in the downstate & Albany areas, which are known to be high wealth districts.
10. The next AOC meeting was moved to June 4th @ 4:30 pm

Next meeting is June 4, 2019

Adjournment: 4:23 pm

Respectfully submitted,



Deborah L. Carpenter
School District Clerk