

PITTSFORD CENTRAL SCHOOL DISTRICT

Audit Oversight Committee (AOC)

Wednesday, May 29, 2019

Room 410

4:30 pm

THOSE PRESENT: D. Kenney, L. Reister, T. Aroesty, V. Baum, P. Sullivan, J. Marasco, T. Zuber

1. The minutes from the February 6, 2019 meeting were approved.
2. Tom Zuber from Ray Wager's office was present to discuss the preliminary audit and engagement letter. Mr. Zuber briefly explained the audit process and highlighted key areas relating to the typical communications they would have as part of the audit process. He noted that the process begins as a risk-based approach, by understanding what has changed from last year to this year. Pittsford is used as an example of transparency when the firm visits other school districts.

Mr. Zuber provided a handout highlighting the following areas:

- The scope of services
- Management responsibilities
- Auditing approach
- Key controls
- Significant audit areas
- Compliance
- Responsibilities regarding fraud risk
- General fund – fund balances and reserves
- Other items such as:
 - Property Tax Report Card
 - Reserve Resolution Requirement
 - School Lunch Unpaid balance
 - SED guidance is confusing
 - Can continue to track & get reimbursed until student graduates if District chooses
 - Fiscal Stress for School Districts
 - Uniform Guidance
 - Cyber Security
 - Postemployment Benefits (OPEB) Retiree Health
 - How do we compare to other districts?
 - TRS Reserve
 - GASB Updates
 - Statement 84, Fiduciary Activities – Effective June 30, 2020
 - Statement 87, Leases – Effective June 30, 2021
 - Prior Year Recommendations from the Firm.
 - Prior year deficiency pending corrective action
 - Off-site Collections
 - Cyber Risk Management

3. Mr. Kenney touched on the fraud risk triangle and the culture of old habits being cyclical.
4. Mr. Marasco was present to discuss the updated internal control risk assessment audit, which is conducted annually. Mr. Marasco provided a handout noting the summary/observations and/or comments of the audit results. Departments of covered areas are shown below.

- Governance/Budgeting
- Cash Receipts & Revenues
- Transportation
- Food Service
- Extra-Classroom Activity Fund
- Facilities, Equipment & Inventory
- Purchasing, Claims, Accounts Payable, Cash Disbursements
- Payroll
- Human Resources
- Accounting, Reporting & Information Technology

Mr. Marasco noted that Pittsford is a well-managed district both financially and organizationally.

A discussion ensued around tracking expenses, profit & loss and sales tax.

Mr. Kenney noted that reviewing the purchasing process and matrix of approvers with administrators would be a good idea at the Nut's & Bolts meeting.

Mr. Marasco touched on the risk scoring matrix.

A discussion ensued around cyber-attacks/cyber risks & malpractice insurers.

5. Mr. Kenney talked about the Teachers Retirement System Reserve (TRS) new regulation. Where he would like to bring a resolution to the next BOE meeting authorizing to establish reserves (not necessarily fund, but to manage fluctuations) should it be needed in the future.

A discussion ensued.

6. AOC Membership – will need to find another member for the next set of meetings as Mr. Sullivan has fulfilled his term of 6 years. Mr. Kenney noted that 2 years of non-membership must lapse before someone can be considered a member again. A new member would be determined at the Re-Org. meeting in July.

7. Proposed/Suggested Meeting Dates for 2019-2020

Adjournment: 5:23 pm

Respectfully submitted,



Deborah L. Carpenter
School District Clerk