

PITTSFORD CENTRAL SCHOOL DISTRICT

Audit Oversight Committee (AOC)

Wednesday, May 31, 2023

Barker Rd. Middle School – Mtg. Room 410

3:30 pm

THOSE PRESENT: M. Pero, M. Vespi L. Reister, J. Casey, Kathy Barrett, T. Zuber, R. Sanchez-Kazacos, G. Winter

THOSE ABSENT: R. Scott

1. The minutes from the December 7, 2022, meeting was reviewed and approved.
2. Mike V. introduced Mr. Tom Zuber from Mengel Metzger Barr & Co. LLP. Mr. Zuber explained the annual audit process and highlighted key areas (shown below). He noted that the process begins as a risk-based approach; by discussing the process of the audit and what is reviewed and federal funds that are higher risk. The stimulus funds must be reviewed every year. The state is reviewing more information and monitoring more closely.

Mr. Zuber reviewed the handout highlighting the following areas:

- The scope of services – Pittsford placed in the middle category.
- Management responsibilities
- Audit Approach – Risk-based approach
 - Changes in personnel – are they following checks and balances and implementing.
- Key Controls
 - Information communication & technology, financial reporting, etc...
- Significant Audit Areas
 - Cash, payroll revenue receivables etc...
- Compliance
 - State laws & regulations
 - New federal dollars – Child Nutrition, CRRSA Act, ARP Act – the stimulus funds from the county will be monitored
- Responsibilities Regarding Fraud Risk
 - Interview looking for risk of fraud, conversations, and interviews
 - Characteristics – rationalizing, opportunity, pressures
 - Checks and balances reduce fraud risk
 - Whistle blowers most common way to identify fraud – this is the reason for interviewing personnel and asking the questions.
- General Fund – Fund Balances and Reserves
 - Year-end fund balances - How to utilize surplus for long range plans for District, positive results for the district. Communication and plans are important. Using the dollars for long term planning.
 - Challenges – inflation, staff shortages etc.

Mike V. discussed forecast on the reserves and fund balance to spend some and save some. Mr. Zuber shared the focus will be on compensated absences in the future years.

3. Risk Assessment 2023 – Kathy Barrett 2023
Food service school lunch reconciliation– area to address, review with onboarding the new Director of F.S. Kathy described Win Cap feature to audit claims, Leeanne stated it has already been implemented. School lunch – voided transactions were not reviewed low risk and remediated. The district has made many improvements from the previous risk assessment. The total risk scores low (Page 7) evaluate and identify where next internal audit will occur. Mike Pero asked about the turnover in payroll. Audit in the fall for payroll in 2024, school lunch receipts in 2025 and Budgeting/governance in 2026.

4. Internal Audit Report Internal Controls – Kathy Barrett
Areas to be addressed not following the district purchasing policy, submitting the adequate number of quotes. Low risk areas being addressed.
Purchasing and cash disbursements processes
Observations of the relative risk and to rectify are low. All detailed in report with corrective actions
5. Claims Auditor report-
G. Winter discussed July- Dec there were 92 warrants no fraud identified.
Ginny shared a concern with the grey area for submitting purchased classrooms. LEEANNE shares how can we tie to educational program it is allowable.

Mike made note to Call out dates for corrective action to be done.

6. Discussion of Finance Software Conversion
Mike V. shared they have discussed and reviewed switching Win Cap to Envision (Finance manager) due to security risks of Win Cap. The programming base of Win Cap is from the 90's and software is old. Payroll is considering the change. It would be a big undertaking to do the conversion. It is agreed the capability is not there right now. They will use more security and two factor authentication to reduce security risks. The department is not looking at a conversion for at least 3 years. We are now considering two or three modules through Win Cap to reduce paperwork. Process and procedure impact that need to slow down.
7. Uniform Grant Guidance
LEEANNE discussed Grant IDEA monitoring review from State for compliance – one item not resolved NYS ASBO; submit resolution to the Board to finalize compliance piece. ASBO is looking to expand to more Grants.

T. Zuber / K. Barrett left 4:20 pm

8. AOC membership – terms and members 2023-24 dates/agenda items
All 3 board members can be members again on committee and agree to appointment. The membership will be confirmed in July at BOE reorganization meeting. The Chairperson will be voted on in September, R. Sanchez-Kazacos agrees to nomination to Chair.

Adjournment: 4:35 pm

Respectfully submitted,

Kerry Hoffman
Assistant to Director of Special Education