

Audit Committee Meeting – August 27, 2012

R. McGrath opened, A. Spector second. Meeting commenced at 5:25PM
Present: S. Gergis, L. Kiraly, R. McGrath, J. Polansky, and A. Spector.

The following was discussed:

- 1) S. Gergis introduced as new Assistant Superintendent for Business and gave background. Proceeded to discuss first agenda item - different auditing firms and internal claims auditors, including independents. Lynn mentioned the possibility of using in-house internal claims auditor for the purposes of internal control monitoring, i.e. monitoring operations and reducing the amount of work other auditors conduct. Discussion of potential conflict because of BOE obligations of the claims auditor while monitoring operations throughout the district.
- 2) S. Gergis discussed the prior year MD&A, specifically the Significant Deficiency comment. Spoke with Collette at C&D and said because Gene has been on staff this year, the comment will come off due to experience. Indicated how other commented areas were addressed during the 2011-12 school year. Of note, we discussed the use of the NutriKids system for our Food Service program as a means of better tracking and accounting of monies flowing through the program. Mentioned revisiting certain areas as some audits were conducted many years ago.
- 3) S. Gergis spoke of the year-end audit timetable for 2011-12, specifically the third week of September. Also mentioned that the Assistant Business Manager, Eugene O'Hara, prepares the financial statement and submits to Cullen & Danowski. This action will satisfy the SAS-114 compliance issue as he worked through a full-year cycle and prepared the statements for the second year in a row. He anticipates no problems with the preparation of financial statements.
- 4) S. Gergis discussed potential areas for the 2012-13 audit, as documented by Sheehan and Co. and discussed in a prior meeting. Areas discussed include: Retiree Health Insurance Benefits, Privacy and Protection of District Information, Personnel Evaluations, Fuel Usage/Fuel Facility Security and Student Meal Charges. The committee discussed each area in depth, offering specifics as to each audit area. A. Spector and L. Kiraly discussed the potential need to re-audit the payroll and personnel functions as they typically higher risk areas. S. Gergis mentioned the area of extra-classroom as a target area due to the number of clubs and activities in the district and that students are charged with the accounting functions. The last discussion was IT security and protecting district information.
- 5) S. Gergis distributed an article emailed by R. McGrath regarding a 3% withholding on government payments that are delayed until 2013. S. Gergis will investigate via an outside accountant familiar of these regulations and report back. Indicated that I will email the group potential dates and times of the next meeting, and future 2012-13 meetings.
- 6) R. McGrath moved to adjourn; A. Spector seconded the motion at 6:12 PM.