Minutes of Audit Committee Meeting – September 22, 2015

Audit Committee Members present: Jim Mungillo, Steven Tufts
Audit Committee Members absent: Frank DeMare, Shawna Murphy
District Employees: Christopher Dailey (Superintendent), Scott C. Rozanski (Business Administrator/Medicaid Compliance Officer), Sally Sanford (District and Central Treasurer), Nancy Mitchell (Claims Auditor)
Others Present: Kathryn Barrett, Freed Maxick CPA PC

Chairperson: Mr. Mungillo was elected Audit Committee Chairperson.

Minutes: The minutes of the May 12, 2015 were read and were tabled. Both March and May 2015 meeting minutes will also be presented at the December 2015 meeting.

Internal Claims Auditor: Nancy Mitchell reviewed the findings from May 9, 2015 through September 21, 2015. There are no significant findings to report and noted that there were 58 findings or 5.5% of the checks processed in this time period. The previous time period, there were only 13 findings or 2.2%. Increase was most likely due to year end processing where reimbursements are sometimes delayed in being turned in during the year. The Audit Committee recommended that claims be processed in a timely manner. All claims need to be turned in within 1 month of the end of each quarter. This way, errors in processing are less likely (mileage rate changes or claims when employee is not in attendance were highlighted). Mr. Rozanski will communicate with all staff. Mr. Rozanski also inquired if an annual summary report of the internal auditor claims findings can be generated for disbursement to staff.

External Auditor: Ms. Barrett reviewed the draft 2014-15 independent audit. There was only one recommendation regarding having a Disaster Recovery plan in place. The District has already contracted with Erie #1 BOCES last year and has already begun the process. The plan will be finalized in 2015-16. Fiscally, the District continues to be financially sound. Reserves were funded with year-end surplus as usual. An accounting change in recording appropriated fund balance was implemented which resulted in additional funds to be transferred than in the past. Mr. Rozanski acknowledged that Ms. Sanford's attention to detail has resulted in a significant improvement over the years to the District financial condition along with the reduction in auditor findings, including the extracurricular activity accounts.

RFP's – Banking: Mr. Rozanski indicated that has now changed banks as a result of the review of the RFP for banking services that was prepared in 2014-15. Initially, the review recommendation was to wait a year because of all the changes in the District and the impact on the staff in the Business Office (new financial software and CBO changes) but the cost of waiting and the limitations in collateral offered to the District were factors that expedited the process. The District is now banking with the Bank of Castile. School Tax payments can be made at any Bank of Castile location, in addition to the lockbox procedures for mailing in payments.

Business Office: The financial software system was upgraded from Finance Manage to nVision in May 2015. Some changes regarding payroll direct deposits and timing of deposits being credited at the credit union have changed. Direct Deposit stubs are now emailed and deposits are credited on the payroll date, not the day before. Changes have also occurred at the Central Business Office in the area of employee benefits. The District is monitoring this situation closely since this is our third year in the program for employee benefits and four people have been involved in processing on behalf of the District.

Adjournment: The audit committee discussed the possibility of going paperless (receiving a pdf file). The meeting was adjourned.

Next Meeting: The next meeting is tentatively set for December 1, 2015.

Respectfully Submitted,

Scott C. Rozanski,
Business Administrator/Board of Education Clerk