



**BATAVIA CITY SCHOOLS**

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*Scott C. Rozanski, Business Administrator*

April 30, 2009

Minutes of Audit Committee Meeting (04/20/09)

Audit Committee Members attending: Wayne Guenther, Jim Mungillo, Gary Stich

District Employees attending: Margaret Puzio (Superintendent), Scott Rozanski (Business Administrator) and Barbara Kapperman (District Treasurer)

Also attending: Tom Lauffer, Raymond F. Wager CPA PC

**Internal Auditor Report:** Mr. Tom Lauffer discussed the process for this years' internal audit and risk assessment. Mr. Lauffer indicated the current trend that the NYS Comptrollers audits are reviewing is long term financial planning focusing on buildings, reserves and purchases. Mr. Lauffer reminded the committee that we are in our third and final year of our contract with Raymond F. Wager CPA PC for the internal audit. Mr. Lauffer will work with the Business Office to schedule the risk assessment testing with the goal to have this completed during May and return for June 1 audit committee meeting. Mr. Lauffer expressed concern about audit fatigue. District employees were excused from the meeting for approximately 10 minutes.

**New York State Comptroller Audit:** In March, the State Comptroller's Office auditors met with Mrs. Margaret Puzio and Mr. Scott Rozanski. The risk assessment was almost complete at that time and they indicated that the following areas were going to be subject to additional testing: Reserves, payroll/human resources, NYS ERS standard hours, purchasing process and leave records. There were also a couple of verbal comments regarding IT internal controls.

**TSA/403B:** New IRS regulations that were to go into effect on January 1, 2009 have been delayed for 1 year. The District will work on finalizing the plan document during May. All employees were provided a newsletter regarding Omni's automated enhancements to their system.

**GASB 45** – During the budget ambassador process in January a question was raised as to whether the district needed to get an actuary for GASB 45. Mr. Rozanski again inquired from Kathie Barrett (external auditor from Freed Maxick) and was told that she reversed her statement and felt the district should have one done. Mr. Rozanski is proceeding to gather the information to send to an actuary with the hope of having it completed by the end of the audit. There is a risk that if GASB 45 is not completed that this could result in a qualification of the audit. Mr. Stich requested that we contact Kathie and express our concern regarding the matter since we were told we did not have to have it completed in October 2008. Mrs. Puzio and Mr. Rozanski will contact Kathie and report back to the audit committee. The Business Office is short staff and will make every attempt to comply but the late start may make it extremely difficult.

**Minutes:** The minutes from January 5, 2009 were read and approved.

**Other:** Mr. Rozanski obtained a proposal from Francis Marchese for internal audit services for the 2009-10 fiscal year and the Board of Education has approved the contract for \$7,000. The district has also heard the external auditors regarding the fees for next year. Freed Maxick will hold the line on the fees to the amount being charged for this year. The SAS 70 report is not included in our external audit.

**Next Meeting:** The next meeting will is tentatively set for June 1, 2009 and Mr. Lauffer and Ms. Barrett will be on the agenda.

Respectfully Submitted,

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