

Onteora Central School District
Audit Committee
Minutes

January 22, 2018

Meeting called to order at 9:33 am

Attendance: Present were Robert Curran, Drew Boggess, Kevin Salem, Wendy Wolfenson , Victoria McLaren, Superintendent, Monica LaClair, Assistant Superintendent for Business, Debra D'Aprile, District Treasurer, and Robert Burke Warren who arrived a few minutes late

18-19 Budget Issues: Monica LaClair reviewed with the committee the 18-19 Budget presentation that she gave to the Board of Education at the last Board meeting. She explained some of the big issues facing the district in the upcoming budget cycle. TRS (Teacher Retirement System) and ERS (Employee Retirement System) rates are expected to go up for the first time in three years. This could have a potential large impact on the district finances as a 1% increase in the TRS rate is approx. a \$200,000 increase in TRS expenses. This is a contribution that schools are required to make by the state to fund retirement benefits for employees. In addition, health insurance rates are expected to rise and uncertainty as to the effect the Affordable Care Act may have on districts. On a positive note, the Consumer Price Index (CPI) came in at 2%, which means this is the first year in many years that schools can raise its tax levy and still stay within the tax cap.

ESSA Requirements: Monica LaClair also went over the new federal mandate that is requiring schools to separate instructional expenses by buildings starting with the 18-19 school year. This was put into place in order to verify equity among buildings within a district. It will require adding account codes and splitting teachers who work in multiple buildings into multiple codes for tracking purposes. Since this is required starting with the 18-19 school year, it will need to be started with the creation of the 18-19 budget which the district is in the process of doing now.

Reserves: Monica LaClair then reviewed the new requirement for school districts to supply the State Comptroller with its reserve balances as of March 1. The same date that the tax cap is due. Conversation ensued as to why they think this information is being asked for. They could potentially use the information to limit State Aid to districts that have high reserves.

New Business – Robert Curran brought up the issue of Internal Audit topics. It was his understanding that back in March, the committee was looking to do an internal audit revolved around Data Security. Is that still what the committee was interested in? The consensus was yes. Conversation continued about what type of data, student records, access to data by students and/or staff. What kind of information are students asked to enter when they log into a program. Wendy Wolfenson mentioned there was also discussion of doing a stipend audit. Kevin Salem mentioned that stipends are contractual obligations and reviewed at many levels by the district to verify their appropriateness and they are not paid without a signed agreement. It was agreed that data was still the most appropriate topic to look at at this time. Superintendent McLaren explained that the Auditor will need to determine the scope of the audit once a topic is decided on. Kevin Salem asked if there was a flow chart of how data was collected, how it gets into the portal and how it is analyzed. Robert Curran questioned who has access to student data, what is its purpose and who controls it. It was requested that John Reimer attend the next meeting as well. He may have answers to many of these questions. Other questions then ensued regarding various programs that students use, Rosetta Stone, Sumdog, etc. Robert Curran would like to look at best practices on where student data is and who can create it. Kevin Salem is interested in whether our students, when they are in these programs, are exposed to marketing or hacking. Monic LaClair mentioned that the last Comptrollers audit was on Technology and she would email a copy of the report to the members of the committee and the Internal auditor.

The next meeting is scheduled for Thursday February 22, 2018 at 9:30 with the Internal Auditor.

A first to the motion to adjourn was made by Wendy Wolfenson, it was seconded by Drew Boggess and approved by all members. Meeting adjourned at 10:30.