

Onteora Central School District
Audit Committee Minutes
May 13, 2019
9:30 A.M.

Committee Members Present: Robert Curran, Drew Boggess, Wendy Wolfenson

Committee Members Absent: Kevin Salem, Robert Burke Warren,

Guests Present: Victoria McLaren, Superintendent, Monica LaClair, Assistant Superintendent, Deb D'Aprile, Treasurer, Michael Rossi, West & Company

1. Call to order
 - a. Meeting was called to order at 9:40am
2. Attendance
 - a. Kevin Salem and Robert Burke Warren were absent
3. Approval of Minutes – March 4, 2019
 - a. Drew Boggess first, Robert Curran second
 - b. Wendy Wolfenson requested that the OPEB report be added as part of the minutes, Monica LaClair said that she would do that.
 - c. All in Favor

4. External Audit – West & Company

Mike Rossi reported that there is nothing new this year with respect to the external audit. The report will look the same as it did last year. He also asked if there was anything the audit committee would like the external auditors to look at more closely. Robert Curran commented that the District is doing a lot of Capital work and whether that affects how the audit proceeds. Mike Rossi replied that they review the H Fund as part of the audit and look at the cash disbursements to make sure they are proper expenditures. Robert Curran brought up a Comptrollers Audit regarding theft of a shed in another District and whether auditors would catch something like that. Mike Rossi said unless a Purchase Order showed a different ship to address it would be difficult for the auditors to detect such deception. More likely it would be the Business Office or the Claims auditor who would notice that the District was buying a shed but didn't notice a new one being delivered. It is more difficult in today's climate to commit fraud, though it is not impossible. It does almost always require two people in collusion to do it, and that, in and of itself, reduces the probability.

Mike Rossi noticed that TRS reserve resolution was on the agenda to be discussed. He is concerned that this reserve is the state's way of reducing over funded ERS reserves. Monica LaClair commented that the District did review its ERS reserve the prior year and reduced it from holding 7 years of average liabilities to 5 years of average liabilities. Wendy Wolfenson asked if the Reserve Plan could be shared with the Audit Committee, and Deb D'Aprile said she would be sure to send it out.

Mike Rossi then mentioned he will look to come to the Board of Education with the final report for the 18-19 school year at the September Board Meeting. Though the dates for meetings have not been finalized, Robert Curran suggested the committee set the date for review now and a date of Monday Sept. 9th was set aside for review of the financials by the Audit Committee.

5. TRS Reserve proposal

Monica LaClair reviewed the new legislation signed into law that allows a school district in NYS to set aside monies for a TRS reserve. She is requesting the Board of Education to pass the required resolution to allow Onteora to set up the reserve and is looking to fund the reserve up to the 2% of prior year TRS salaries, which is the most that is allowed to be added each year, up to a 10% maximum.

6. External Audit RFP and Timeline

Monica LaClair brought up that it is time for the Audit Committee to appoint an external auditor for the next 5 years, starting with the 19-20 school year. A draft Request for Proposal (RFP) was reviewed by all and a few minor changes were suggested. The RFP will be released in July with proposals due back in early September so that the committee can review and then decide if interviews would be necessary. The committee would then look to recommend to the Board of Education in late September, early October.

Meeting adjourned at 10:30am