

PITTSFORD CENTRAL SCHOOL DISTRICT
AUDIT OVERSIGHT COMMITTEE (AOC)

May 31, 2017 Room 410

3:30 p.m.

Those present: Mike Pero, Darrin Kenney, Pete Sullivan, Ted Aroesty, Jim Buffum, Leanne Reister, Ray Wager

1. The minutes of the January 25, 2017, Audit Oversight Committee were approved.
2. Mr. Ray Wager reviewed the outline of the preliminary External Audit Report, noting the scope of services performed which include: an expression of an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the District; reporting on the internal controls related to the financial statements and compliance with laws and regulations; internal control related to major programs and an opinion on compliance with laws and regulations; opinion on Schedule of Expenditures of Federal Awards; and an opinion on Extraclassroom Activities Fund. They look for fraud and interview approximately 10 employees throughout the District. General fund and balances are a priority. Mr. Wager said that we are as good as any school district and have a good reporting system. Fund Balances were reviewed, along with new legislation, Tax Abatement, Smart School Bond Act (SSBA), the School Lunch Program, GASB Statement #75, single audit changes and the Affordable Care Act. Mr. Wager noted that with regard to tax abatement, a brief description is needed for pilots and that accounting for SSBA must be in the Capital Fund. It was noted that money from some funds, such as technology can be pulled out of the general fund and not reserves, as a due to/from other funds.
3. Discussion took place on GASB #75 and the new reporting requirements for post-employment benefits. The District is required to book the liability.
4. Prior year recommendations for the Summer Enrichment Program deficit; rehired on-call bus driver salaries; and the School Lunch Fund operating loss were reviewed and the District responses noted.
5. Mr. Jim Buffum gave the Committee an update on the current Internal Control Risk Assessment...an annual state requirement. Mr. Buffum said that there is a proposal in Albany to scale back to an every other year requirement noting that it is a challenge to come up with meaningful assessments. He feels that assessments are important so areas do not fall off the radar, but every other year would be fine.

Mr. Buffum noted new systems, new risks, new people and information. He summarized where the District ended up this year noting the District is very stable in the purchasing and payroll areas. The assessment brought forward the timing of the teachers' contract implementation and Board approval. Mr. Buffum emphasized exercising caution in implementing contract agreements before negotiations end. The District noted that the Board approved all the major areas and final attorney approval was delayed only because of their own timing which was mentioned can happen across the board anywhere. All agreed that the contract should be final to

guide appropriate payment of employees. The Risk Assessment finding will be amended accordingly.

Mr. Buffum noted that there were no significant changes in other areas and the District checks and balances are in good shape.

A brief discussion ensued on having a payroll process in place regarding personnel forms that are issued by Human Resources. It was noted that Board minutes could provide this information. This was identified as a potential special focus area.

6. Mr. Kenney pointed out the handouts that were placed in the Committee packet.

7. A discussion took place about the EFPR Group at its level of performance.

8. The audit report from Mr. Wager will come out in September and he noted that he would come to Board to talk to them about his final report if needed.

9. Discussion took place on what audit reports would be taken to the Board for action as one is standard procedure and one waiting for a second draft.

10. Mrs. Narotsky's term is up and therefore a new member must be appointed to the AOC for the oncoming year. This will be discussed at the Reorganization meeting in July. There were no other Charter changes.

11. Mr. Kenney added the District's need for a Deputy/Assistant Purchasing Agent, one with the appropriate background. Board members gave a thumbs up to place this position on the Reorganization agenda for Board action. It was noted that Cindy Heagerty would be one who could provide this service. With the latest budget not passing and purchasing being held up for five weeks until the Revote, the District will need help and this position, if put in place, will be very helpful. This position was part of the audit recommendation to provide checks and balances.

12. 5:00 adjournment.

13. Next regular meeting is scheduled for October 4, 2017.

Respectfully submitted



Veronica M. Walker
School District Clerk