

PITTSFORD CENTRAL SCHOOL DISTRICT  
AUDIT OVERSIGHT COMMITTEE (AOC)

January 31, 2018

Room 410

3:30 p.m.

Those present: M. Pero, D. Kenney, T. Aroesty, P. Sullivan, V. Baum, L. Reister, L. Patterson, P. Adams, J. Marasco.

1. Audit Oversight Committee minutes from October 4, 2017 were approved.
2. Mr. Kenney said that with regard to the Single Audit Report for the Year Ended June 30, 2017, all material aspects are stated correctly.
3. Extraclassroom Activities Audit Year Ended June 30, 2017: It was noted that this audit was taken seriously because it is about student money. Things have turned around significantly with the changes that have been made. This has been a good authentic learning experience for our students. It was noted that the District does a bi-annual training of all advisors and records are kept on Wincap. Question was asked if a junior is on the yearbook committee for continuity. It was noted that this is a good thought.
4. Risk assessment: Paul Adams said that this assessment was basically uneventful and gave some examples of areas that were audited. There were no specific deficiencies. Mr. Adams said they try to take an objective approach and use a rating system in the different areas. A risk level is assigned to areas based on several items. Zero is given for no risk and the rating goes on up to high. Purchasing disbursement, payroll and personnel came out moderate. However, this is not uncommon because of the high volume of dollars handled in this area and certainly not unique to Pittsford. A Board member asked if this is clarified in the assessment for general public knowledge, realizing that this is a way to measure inherent risk but not a scorecard of what was found. Mr. Adams said he could place a statement in the appendix for clarity. The only comment was transportation and their parts inventory. However, they are going through conversion and might need more time. A Board member asked if a statement could be placed in the document noting that we are doing a better job of the parts and equipment inventory.
5. Mr. Kenney announced that we have a change in Rotenberg representation.
6. Mrs. Laurie Patterson, internal claims auditor, noted that there was nothing significant to report for this past period and is due to the meticulous accounts payable staff.
7. Board member asked about our having safeguards regarding bank security. Mrs. Reister noted that we do have them and gave a brief explanation.

8. Cyber Security: Dr. Cimmerer and Ms. Julian talked about the fact that there is higher risks now than ever before. It was noted that the District is hiring certified professional hackers, with credentials, to look at Wincap, Infinite Campus, Exchange, file servers, camera systems, tablets and desktops. We have over 13,000 connected devices in the District. The cost for this is \$11,000 and will provide a bountiful amount of information. Board member asked if we have systems now that detect hacking. Ms. Julian responded that we will now know how they work because the professionals will be here to let us know. March and April is the timeline and BOCES is working shoulder to shoulder with us. We will be looking into Siemens and camera systems initially as they have been hacked before. Board member asked about other Districts being hacked. Ms. Julian said a Malware breach happened a while ago. It was noted that this hiring project is obviously confidential. Eventually, it will be good to let people know we are proactive and aware. It was noted that we were hit by Ransomware two times this past year. Board member asked about being compliant. Dr. Cimmerer said we need to be, especially with regard to FERPA. Question was also asked about our insurance in case of hacking. Mr. Kenney said that we are in good shape because we are proactive with our security measures. He also noted that in the future, this topic will probably have budget implications. Ms. Julian said that there are more and more detection packages and the professional development in this area will allow us to continue to be proactive. Dr. Cimmerer talked about a product that can detect that a Social Security # is in the system and notify us so that it can be taken out.

9. The Purchase Order Exception Report was noted.

10. Mr. Aroesty asked if the other Board members could get a copy of the handout on security. Mr. Pero said it is certainly ok to let others know that a security initiative is underway.

11. Board member asked if an update regarding online purchasing would be coming forward. Mrs. Reister responded that there has been an increase. Also noted was that we are going to open up ACH enrollment to everyone and that communications will be going out soon. Mrs. Reister said that we send out an email blast at the beginning of the year with regard to the on-line parent portal. It was noted that two of the best times to communicate this information would be in the summer mailing and at open houses.

12. Meeting was adjourned 4:32 pm. The next meeting is scheduled for May 30, 2018.

Respectfully submitted,

Veronica M. Walker  
School District Clerk