

PITTSFORD CENTRAL SCHOOL DISTRICT

Audit Oversight Committee (AOC)

Wednesday, January 22, 2020

Room 410

3:30 pm

THOSE PRESENT: M. Pero, D. Kenney, L. Reister, T. Aroesty, V. Baum, C. Heagerty, T. Hungerford-Vinton

1. The minutes from the September 18, 2019 meeting were approved.
2. Mr. Kenney noted that he and Mrs. Reister initiated a Request for Proposal (RFP) for Internal Audit Services and said that after all respondents were interviewed, Tim Hungerford from Hungerford-Vinton came out the leader. Mr. Kenney introduced Mr. Hungerford, who is present today to explain the services offered and how his firm's approach is different from the average firm.
3. Mr. Hungerford started his firm 20 years ago focusing on internal audit. He added that when schools started adding internal audits about 10 years ago; CPA firms were typically used. He noted that over the last several years, most school districts have been realizing that CPAs bring a CPA mentality to audits and are not highly focused on the internal audit. Mr. Hungerford said that he's a 25 year board member of the Institute of Internal Auditors. He has worked in several school districts audits across the state since 2010-2011. He noted that instead of doing risk assessment reviews every year, his firm conducts a large full scale review which is then updated yearly, as well as evaluating what New York State looks at.

Mr. Pero thanked Mr. Hungerford and said that the district takes this seriously and is always seeking continuous improvement.

Mr. Hungerford left at this time - 4:45 pm.

4. Dr. Cimmerer updated the group on the 2-D Law that deals with data privacy, which was passed in 2014 in NYS. He noted that the company Greycastle came in as a 3rd party to interview leaders in the district, where they reviewed 400 different data points to understand where we are relative to 2-D Law & privacy today. Talking points were provided after those interviews, which include the top 10 things they found in our district where there is room for improvement. Dr. Cimmerer will come back to address this in a detailed report along with mitigation strategies if necessary. The good news is, we are the first school district to ever score a 6 out of 10, where most districts & businesses score 3 out of 10 right out of the block. It was noted that scoring an 8 would be considered sterling achievement.

A discussion ensued around the National Institute of Science & Technology (NIST) (data dictionary), a possible new bill being introduced making it illegal to buy back high-jacked data and data encryption & files received from outside the district.

Dr. Cimmerer touched on programs the district currently utilizes, like InfoSec and Varonis.

5. Mr. Kenney noted that the Single Audit for the year ended June 30, 2019, issued an unqualified (clean) opinion from the auditors. It was noted that a new component called "Monitoring Review" will be added to this audit in the future.
6. Extraclassroom Audit - Mr. Kenney noted that this is an area that has inherent risk, but not significant risk due to the small amount of money associated with it. He noted that there was continued improvement and significantly lower amount of comments over previous years.

7. Cindy Heagerty reviewed the claims audit report noting that she kept the report in the same format with the exception of one area. The area she changed keeps track of the number of warrants, the dollar amount & the number of transactions for each month, noting that this new format provides more information & shows where the work is & what is going on during each month. No areas of significant concern or fraud were identified. She also noted that a new process of pre-numbered coversheets with consecutive purchasing card check numbers will be utilized and the credit card warrants will be closed each week.

Mrs. Reister noted that over the past few years there has been increased use of the purchasing card by way of making payments to vendors. She noted that the benefit of this, is that the bank gives a higher tier percentage premium back to the district at the end of the year. Another benefit to using this system is that it allows reconciliation to go much smoother.

Mrs. Heagerty also mentioned that she focused on budget codes, paying particular attention as to whether they were correct or not on claim forms. Other items that she mentioned were: the Wegmans memo, purchasing policy, travel & conference, meal reimbursement – per diem rates and confirming purchase orders related to emergencies.

Mr. Pero noted that it may be a good idea to have a refresher on per diem rates. Mrs. Reister mentioned that traveling today is far different than what it was 10 years ago & a refresher would be a good idea.

8. Mr. Kenney shared that he is unsure as to why the comptroller is issuing 3-4 reports for each district compared to previously only sending one. He reviewed comptroller reports from 2 area districts.
9. Mr. Kenney noted that he and Mrs. Reister would be taking a look at other districts policies around travel & conference, to not only update our policies for current times, but to also see if they can be streamlined.

Next meeting is May 27, 2020

Adjournment: 4:21 pm

Respectfully submitted,



Deborah L. Carpenter
School District Clerk