

Rochester Board of Education
Audit Committee Meeting
April 3, 2008

Minutes

Attendance: Commissioners Williams and Powell; Commissioner White arrived at approximately 12:45PM; Board Staff Ms. Henry-Wheeler, Auditor General; Ms. Dunsmoor and Ms. Washington.

Commissioner Williams convened the meeting at 12:01PM.

- I. Review and Approval of Agenda:** The agenda for the meeting was approved.
- II. Approval of Minutes from Last Audit Committee Meeting:** The Minutes from the February 21, 2008 Audit Committee Meeting were approved.
- III. Review Request for Proposal (RFP) for the Comprehensive Annual Financial Report (CAFR)**

Auditor: The Committee discussed the selection process for the firms that were being considered for the CAFR Auditor. Freed, Maxick and Battaglia; the Bonadio Group; Thompson, Cobb, Bazilio (minority firm) and Associates; and Testone, Marshall and Discenza responded to the RFP. Based on the significant cost difference between the two lowest (Freed, Maxick & Battaglia and The Bonadio Group) proposals and the two higher proposals, the two lowest firms were invited for an in-person meeting. Freed, Maxick and Battaglia were recommended by the Inter-Municipal team as the CAFR Auditor based on their qualifications and favorable pricing. Commissioner Powell expressed a concern that at least three firms were not invited for further review. Commissioner Williams commented that the third firm was considered, however, since travel costs would be incurred for the third firm to visit in person and since their proposal was significantly higher than the two local firms, the idea was abandoned. Commissioner Powell and Commissioner Williams agreed to forward the recommendation to the Full Board for the selection of Freed, Maxick and Battaglia as the CAFR Auditor for the District. Commissioner White raised concerns that every effort should be made to hire a minority contractor as the CAFR Auditor. He inquired if it is possible to gather additional information from the minority firm that will improve their chances of obtaining the proposal.

ACTION:

 - The Auditor General will obtain a legal opinion to determine if the Audit Committee must select the lowest bidder and if it is possible to gather additional information from the minority firm.
- IV. Office of Auditor General (OAG) Operations Update:** The Auditor General provided a summary of operations for submission to the Board. In addition, Ms. Henry-Wheeler provided a status on all projects in process by the OAG. A new Risk Assessment and Audit Plan will be communicated in July 2008. Ms. Henry-Wheeler also noted that the OSC Auditors are still on site.

V. Financial Expert Discussion: Commissioner Powell discussed the historical discussions regarding adding a financial expert to the Audit Committee. She communicated that one candidate has already submitted their resume and has been on file for more than one year. Commissioner Williams stated that he would like the selection process to be opened up to include other individuals. Ms. Dunsmoor communicated that the position can be advertised via a Press Release on the website and by word of mouth. Commissioner Williams stated that no costs should be incurred for advertisement for a non-salaried position. Discussion was held regarding the term of an independent board member and how to remove the person should it be deemed necessary. Commissioner Powell suggested that a selection process be worked out, the Charter language be reviewed on this issue and that the terms and expectations are clearly outlined. Commissioner Powell also suggested that the Financial Expert's term coincide with the Board's annual committee assignments. It was noted that three (3) of the seven (7) Board members (Commissioners Williams, Powell and President Evans) have Financial knowledge.

ACTION:

- Ms. Dunsmoor will utilize the Board President's weekly communication to offer submissions for the Audit Committee Financial Expert.

VI. Adjournment: Meeting adjourned at 1:33PM