PITTSFORD CENTRAL SCHOOL DISTRICT
Audit Oversight Committee (AOC)
Wednesday, May 28, 2025
Barker Rd. Middle School – Mtg. Room 410
3:30 pm

PRESENT: M. Pero, R. Smith, T. Hasseler, R. Scott, R. Sanchez-Kazacos, T. Zuber (Mengel, Metzger, Barr), J. Cimmerer, M. Kwiatkowski, G. Winters

ABSENT: J. Casey

At 3:30 p.m. the meeting began.

1. The meeting minutes from December 19, 2024, were reviewed and approved.

2.   Mr. Zuber distributed his handout and highlighted the following areas:
    - Mengel, Metzger, Barr (MMB) generates the District's external audit and financial statements.
    - MMB looks at risk and the risk involved in the District's financial processes and procedures.
    - There is more work where there is more risk.
    - MMB reviews the District's compliance to NYS and Federal rules and regulations and looks at transactions to confirm if compliant.
    - Address the risk of fraud and react to any concerns they observe.
    - Tom stated that the District has a good reserve plan and the district is transparent as the information is posted on the district website.
    - New GASB guidelines requires districts to report compensated absences differently, but this will not impact financial statements. Effective June 30, 2025.
    - New GASB guidelines state that districts must disclose significant events with within the district's boundaries. An example of a significant event is large employer layoffs or closing operations. Effective June 30, 2025.
    - Effective June 30, 2026, Financial Reporting will change.

Tom departed at 3:50 p.m.

3. M. Kwiatkowski began the discussion on the Security Gap Assessment
    - Jason Taylor from Sedara joined the meeting via video.
    - Jason discussed the 3 types of continuity plans.
        - Incident Response Plan – such as malware
        - Disaster Recovery Plan – such as a severe service outage
        - Business Continuity Plan – how organization responds to severe service outage
    - On March 28, members of the business office participated in a tabletop exercise to review the business continuity plan if the district's payroll system is off-line at BOCES 1.
        - The business office staff demonstrated great knowledge of their processes and how to recover manually.
        - The business continuity plan needs some updates.
        - BOCES 1 has work to do clarifying their emergency back-up plans.
    - Jason discussed Security Gap Assessment
        - PCSD's cyber security posture was assessed against the Ed Law 2-d-required National Institute of Standards & Technology Cybersecurity Framework (NIST CSF). This is a continuous plan to assess risks.
        - Previous assessment done in 2023. In 2023, 35 gaps were identified. Twenty-six has been remediated over the last 2 years.
        - District Strengths – IT team well-staffed, IT team has a robust toolset, strong governance culture, comprehensive vulnerability management program, strong contingency plans.

- o Assessment in 2025 identified 22 gaps. Five are critical, but none of the gaps require additional funding.
- o District Weaknesses
  - Transitioning the COI/DPO role.
  - Initial user account passwords not required to be reset. A plan is in place to correct.
  - MFA not on all systems. Can be fixed.
  - Network segmentation is not in place.
  - Third party/vendor access controls.

Jeff and Mike departed at 4:05 p.m.

4. Claims Auditor Report
   - Ginny stated from July 2024 to December 2024, there were 101 warrants in the amount of $52,930,082.40.
   - Ginny discussed a few issues she has had with invoices and employee reimbursements. Issues were resolved to stay within the guidelines of NYS.
   - Ginny stated the employees of the Business Office are always responsive when she has any questions.

Ginny departed at 4:10 p.m.

5. Account Payable Procedures impacting claims audit process
   - Rachel reviewed the Accounts Payable Standard Operating Procedures for Claims Auditor to verify.
     - o Voucher packet changes:
       -If the invoice exceeds the PO by 10% or $500, whichever is LESS, the voucher can still be processed. The budget department will fix any budget deficit.
       -For all transactions requiring additional work or potential issues they will be moved off the current schedule to a "discrepancy" schedule for research.
     - o For BOCES changes:
       -The Budget Director will approve the bill, except for specific departments: Technology purchases (IT Department-Director or Admin. Asst.), Special Education and other departments as needed.

6. Updates on Automation of Attendance Records and Timesheets
   - Employees are submitting attendance through WinCapWeb for supervisor approval, eliminating paper attendance records and data entry of attendance.
   - Payroll can import substitute information from Subfinder software. Currently this is the workflow for 7 of the nine schools. This process also eliminates data entry.

7. Discussion on Automation of Accounts Payable records
   - Accounts Payable is using a cloud-based product called Docuware for matching purchase orders to invoices.
   - Invoices are scanned and matched to the purchase order. This information is reviewed by personnel in the originating department.
   - After department approvals, the documents are reviewed and approved by the district claims auditor for payment.
   - All departments should be using Docuware by the start of the 2025-26 school year.

8. Reserves
   - Rachel discussed District Reserve funds
   - The following capital reserves will be funded in 2025-26:
     - o 2021 Building Reserve
     - o Instructional Technology Reserve (2014 & 2024)

- o Transportation Vehicle Reserve
- The Reserve for Tax Certiorari will not be reduced.
- The Teacher Retirement System Reserve is at the maximum of $5 million.
- Final recommendations will be presented to the BOE at the June 17 meeting.

9. AOC membership – Terms and Members/2025-26 meeting dates/agenda items
   - Rene has served her last term. Robin and Jeff will remain on the committee.
   - No issues regarding 2025-2026 meeting dates.

Adjournment: 4:20 p.m.

Respectfully submitted,
Nancy Neamtu
Assistant to Assistant Superintendent for Business