

Audit Committee Meeting 4/18/2012

Present: Diane Kantaros, Paul Slayton

Invited Guest: Tom Burnell

Members of the community: Lisa Rosenthal, Steve Jenkins

Agenda: Webinar: Getting the most out of your audit committee.

Recommendations from NYSBA via this webinar include:

Audit committee members are not limited to board members. NYSBA strongly recommends keeping audit committees small (3-5 members) but functioning at a high level by include members familiar with financial statements. NYSBA strongly recommends advertising for community members through the district newsletter, district website, at board meetings, accountants from local business, etc. Board members are necessary on the committee to accurately state the boards goals in fund balances, and long term planning.

NYSBA addresses what role district management plays in an audit committee. NYSBA suggests school business officials are invited guest. They are necessary to answer questions and facilitate the process. Boards should avoid having management run the meetings and should reserve time at the end of all meetings to meet alone.

Charters were reviewed for their usefulness. Boards can amend their charters if they don't feel they are getting enough from their committee. A reminder was noted that audit committee is an advisory committee to make recommendations but the board is ultimately responsible.

The audit committee should be setting up the dates for the external and internal audits and states the audit committee is required to meet with the auditor before the audit for planning and again after. Corrective action plans should be prepared within 90 days. The audit committee should be following up for implementation of corrective actions.

A review of who to hire for audits was discussed. NYSBA recommends looking at experience of the auditor and how many hours you are receiving for the price. Committees should interview firms directly.

Audit committees shape what internal test the auditor will focus on and how many hours you want to test. To avoid micro-management you need qualified people on the committee.

From this webinar this committee was able to identify several areas for improvement, including:

1. Members: It is the recommendation of this committee that this Board of Education actively recruit community members to serve on this committee as per the recommendations of NYSBA.

2. It is recommended that this committee meet with the external auditor before the external audit to review what the process is and any concerns the board may have.
3. A need to follow up corrective action plans was identified. Mr Burnell will be providing the last corrective action plan for review at the next meeting.
4. It was noted the school does not actively hold an internal audit and does not have an internal auditor identified. Mr. Burnell will provide names recommended by BOCES for review. This committee needs to review what internal audits should take place.
5. This district has always insisted on adhering to the highest standards in its financial reporting. After over 15 years with the same outside auditor, and in order to avoid any suggestion that the long relationship between the district and the auditor could have an impact on the independence of its annual audits, the Board should consider seeking a new independent outside auditor to perform the annual audit. This should not be viewed as criticism of the current outside auditor, but simply a measure to increase the community's confidence in the results of the annual audits.
6. A plan was made to meet with the district claims auditor to establish a relationship and understand the claims audit process, possibly at the next meeting.
7. Minutes: It was discussed if a paid clerk should be considered for the audit committee to function better, produce and keep track of past audit reports, corrective action plans, insure all members have the necessary information for a productive meeting and to record minutes.
8. A calendar was provided by NYSBA that will act as an outline for Audit committee meetings to adhere to.

Agenda for next meeting:

A review of the past 3 years audits and corrective action plans.

An introduction to the claims auditor.

A review of audit firms to consider for internal and external audits.

Meeting date : TBD

Minutes by: Diane Kantaros