

Audit Committee Minutes

February 11, 2014

Present: Diane Kantaros, Lisa Rosenthal, Laura Schulkind

Invited Guest: Tom Burnell

The committee reviewed the historical cost data of the internal audit from 2008-2013 in order to review how much has been spent over the years and to determine where to focus our energies over the next 3-5 years. It was agreed that we should cut the budgeted amount for Internal Audit by half - from \$15,000 to \$7,000-\$7,500 - as we will not have a need for another Risk Assessment for another 3-5 years.

Based on the information of the Risk Assessment performed in the summer of 2013, we looked at doing another small, focused audit on the Cafeteria to review the changes made to date. Tom suggested that it would be helpful to have our auditor make recommendations in setting up the inventory and tracking controls.

The committee discussed recommendations about Payroll and Accounts Payable. Ideally, the financial software will be converted in the summer of 2014 if the budget allows. If the conversion is made, it would be appropriate to audit the payroll procedures in the Spring of 2015.

In the area of Accounts Payable, the committee believed that if we continued to meet with the Claims Auditor on an annual basis, we could schedule a focused audit in this area for the Spring of 2016.

The Extraclassroom Fund may be an area where we can perform a focused audit during the summer of 2014. Tom will speak with the auditor about costs for Cafeteria and Extraclassroom audits. If both fall under the amount budgeted for the year, the committee would recommend looking at the cafeteria in the Spring and the Extraclassroom Fund in the summer.

For budgeting purposes, the committee felt it would be appropriate to continue to perform focused audits in 2014, 2015 and 2016. At that time, we would look at a new Risk Assessment (in year 4 or 5). We would also recommend performing the Risk Assessment during the year that the Actuarial fees will not be assessed.

Tom informed the committee that Mr. Thomas from the Toski & Co. would not be attending our scheduled Board meeting, The committee is concerned about Mr. Thomas's availability and timeliness on reporting the audit. Tom will convey our concerns.

Submitted by: Laura Schulkind