

Audit Committee Meeting Minutes – 11/19/12

Present: Lynn Kiraly, Jill Sanders (Cullen and Danowski), Sam Gergis, Jim Polansky, Richard McGrath, Adam Spector.

Audit Committee Meeting commenced at 5:15PM.

Introduction of Jill Sanders of Cullen and Danowski, as the district's external auditor. Presentation of the 2011-12 external audit for the Huntington UFSD.

Jill Sanders started by discussing the prior years' comments on the MDA (Management Discussion and Analysis). Indicated areas identified by Cullen and Danowski in 2011 requiring improvement and addressed by the district. Commented that the district took corrective action in the areas of Journal Entry/Budget Transfer Approvals, School Lunch transactions, Payroll Tax Returns, Fixed Assets and Reconciliation of Time Worked. Areas such as Cash Receipts, Personnel Activity Reports, Payroll Processing Controls. Internal Audit Report Findings, and Extraclassroom are open items with regard to certain procedures. Sam Gergis indicated that open items are being investigated and in some cases rectified since 7/1/12.

Jill Sanders proceeded to discuss the financial portion of the 2011-12 audit. She spoke in detail as to required reporting, district's revenues and expenditures, fund balance, Government Accounting Standards Board (GASB) requirements for reporting, reporting liabilities, fiscal health of the district, allocation of reserves and overall fiscal strength. In summary, she indicated the strength of the district's financial condition as a result of the reserves and management.

Jill Sanders proceeded to discuss the Management Letter and the current year items. These include bank reconciliations, overtime authorization the need for budget transfers in the case of overspent codes, and bank transfer notifications. The committee discussed these items individually. Focus was directed on the budgetary transfer portion and the need for additional oversight on certain codes. Jill also discussed financial statements not being prepared in a compliant fashion. This comment emerged last year, and the committee looks to rectify that issue with the Assistant Business Manager position replacement, due to Gene O'Hara's retirement. She indicated that overall the district's audit is in good standing and provided an unqualified opinion.

The committee discussed potential items for the 2012-13 internal audit per the suggestions of John Klinger (via email) and Jill Sanders. The decision would be made via email as to the areas, which would coincide with identified areas per the management letter.

The meeting adjourned at 6:30PM.