

BOARD OF EDUCATION MINUTES

Date of Meeting: March 20, 2019
Type of Meeting: **AUDIT COMMITTEE**
Location: Troy Middle School

I. Call to Order

At 5:20 pm Mr. Mayo called the Audit Committee meeting to order.

A. ROLL CALL

Members Present: Mrs. Ann Apicella
Mrs. Carol Harvin
Mrs. Stephanie Fitch
Mr. Matthew Flowers, Jr.
Mr. Tom Mayo
Mr. Michael Tuttman
Mrs. Anne Wager-Rounds

Members Absent: Mrs. Elizabeth Poletto
Mr. Bill Strang

Also Present: Mr. John Carmello, Superintendent of Schools
Mr. Adam Hotaling, Assistant Superintendent for Business
Dr. Donna Watson, Assistant Superintendent for C&I
Mrs. Kristen Miaski, Director of Human Resources
Mrs. Samantha Schweizer, District Treasurer
Ms. Heather Lewis, Marvin and Company

B. 2017-18 Risk Assessment

Mr. Adam Hotaling, Assistant Superintendent for Business, explained the Board has convened in their capacity as Audit Committee to discuss the 2017-18 Risk Assessment report prepared by the new internal auditors, Marvin and Company. An annual internal audit is required by state law; it is focused on the Business Office transactions. The last risk assessment was done in 2017/18 so this report is more intensive. Because it is very detailed, the auditor met with the Board President and Vice President in advance. Mr. Hotaling has already responded to the comments in the report with a Corrective Action Plan. Many of the corrections are due to the previous software nVision. The District now uses WinCap.

Ms. Heather Lewis, internal auditor and director for Marvin and Company, reported on the highlights of the Risk Assessment report. The Board was also given a copy of the Corrective Action Plan (CAP). She clarified that this is a risk assessment and not an audit. The auditors reviewed the potential risk in the District's financial reporting process, identified internal controls that address or mitigate those risks and report recommended procedural changes. It is up to the District to make any changes.

Mr. Tuttmann said that risk can be at various levels and asked Ms. Lewis if she saw anything serious. Ms. Lewis said their review was to assess the levels and minimal controls. Mrs. Fitch asked who has access to accounts that are online. Mr. Hotaling said there is access to view account information; however there are many functions that require secondary approvals. There is a complete segregation of duties due to the size of the Business Office. He feels the Risk Assessment report has many good recommendations.

Mrs. Harvin asked how many signatures are on file with bank to sign checks. Mr. Hotaling said only one signature is required for checks but there are three with signing authority: Asst. Superintendent for Business, Treasurer and Deputy Treasurer. Mrs. Schweizer said that she signs the checks but cannot create a check as a safeguard. Mr. Tuttmann asked who maintains the district credit cards. Mr. Hotaling said they are kept in the Purchasing Office and must be signed out. Mrs. Wager-Rounds asked if ticket sales were reconciled. Mr. Hotaling said the number of tickets sold is reconciled with the amount of cash in the money box.

Ms. Lewis said based on the R/A report, the next step is to review the transaction cycle; however, the Board could choose another area. She would like the Board to let her know the area of focus by the end of the school year. The Board discussed forming a smaller Audit Committee who could convene to focus on different areas of the R/A report. Members of the new committee will be: Stephanie Fitch, Matthew Flowers, Tom Mayo and Elizabeth Poletto. There will be an external audit in the fall and internal audit in spring.

II. Adjourn

At 5:40 pm Mr. Mayo adjourned the Audit Committee meeting.

Respectfully submitted by,



Mary Beth Bruno, Board Clerk

