

Scotia-Glenville School District
Scotia, New York

Audit Committee Meeting Minutes
May 27, 2025
Room 143 MS

Meeting commenced at 5:15 p.m.

Attendees: Amy Pedrick, West & Company
Alvin Alejandro, Questar III
Kim Talbot, BOE
Hal Talbot, BOE
Emily Orr, BOE
Susan Swartz, Superintendent
Drew Giaquinto, Business Manager
Christine Carusone, Deputy Treasurer

Amy Pedrick of West & Co. discussed the upcoming 24/25 financial audit. There is one new accounting change that will be reflected in this year's financials. It is the new GASB requirement reflecting a change in how compensated absences are calculated. Amy provided our Treasurer with some slides and during the audit pre-work, they will go through the meat of the change. Essentially, the liability is calculated differently, and the sick bank now has to be valued. This calculation is used to properly fund the EBLAR (employee benefit liability reserve). The new GASB will require 23-24 and 24-25 absences to be recalculated. This will impact DW financials, not the General Fund.

Amy went on to state that the Single Audit will look a little different this year as there is no more covid funding. The focus will be on the school lunch program. She ended by stating that the District is operating well and has good controls in place. She does not anticipate any surprises.

Alvin Alejandro began the discussion of the Purchasing Audit Report by stating that it was a clean audit. The District has processes in place, and they are well implemented. The District has key program controls in place that Questar does not find in all other districts. The audit essentially uncovered one area to further improve on and it is a "nitpicking" item. He suggests improving our documentation on the vendor selection process for local vendors and for professional services, where soliciting quotes is not required. On page 3 of the report, he recommended that the District replicate its practice for sole source purchases for the professional service solicitation process. The District has agreed to implement this process when it next releases the purchasing procedures (May/June 2025). Alvin commended the District on its practice of rate verification. He pointed out that the AP Clerk and Claims Auditor review invoices for fuel purchases and verify that the billed rates correspond with the OGS published rates (which are updated on a weekly basis). This always comes up as an issue in other District's audits. He commended the District for making sure that everything is in place and in accordance

with agreements. He recognized the strong internal controls the District has in place for the purchasing process.

Alvin then went on to discuss the annual Risk Assessment. Every year, the Questar auditor meets with different department heads and does a gap analysis with relevant board policies or regulations. Page 1 of the report identifies the inherent risks common to all school districts. They are not actually applicable to the District at this time as controls and processes are in place.

The next section is the review of prior audits. Alvin noted that the Board can review this to see what area they may want to follow up on in next year's audit.

On page 3, he went over the assessment of risk prior year comments regarding inventories for transportation and operations and maintenance. Both risks were lowered from moderate to low because of the limited inventory that is kept on hand.

Pages 4-6 of the report set forth prior year comments and recommendations that are in the process of being addressed. The issues identified here were a disaster recovery plan, a practice of simulated phishing emails, ECAF additional responsibilities of faculty auditors, ECAF procedure regarding bank rec reviews and HR fingerprinting clearance. All of these items have been addressed and the District has corrective actions in place.

Page 7 sets forth the two issues identified in the current year.

ECAF – During the review of the June 30, 2024 financial statements, it was discovered that there were clubs that had no financial activity. The District's corrective action included a review that revealed that 5 of the 13 clubs did have activity. The Business Manager sent a memo requesting confirmation of what clubs are no longer active. If there are inactive clubs with a fund balance, those funds will be moved to trust and agency for accountability purposes.

ECAF – The faculty auditor and MS principal as second signatory for checks had not yet been appointed by the BOE. The BOE subsequently made these appointments during its May 12 meeting.

Pages 8-23 include comments raised in the past and subsequently cleared. There were a couple updates. On page 14, an update was provided that the District developed a plan to spend its allocated Smart School Bond Act funds. At the time of the risk assessment, the District was awaiting SED approval of the plan. That approval was subsequently received on May 10, 2025 and purchasing is underway. On page 18, a few updates were provided on prior comments regarding ECAF activities. The issues of auditor and signatory appointments have been addressed. One other issue dealt with clubs not using fundraising request forms. There were no fundraising events during the current year so the observation is not applicable this year.

Alvin summarized by stating that the District is taking initiative to address the findings. Districts are not required to respond to internal audits but he commended us for this very good business practice.

All three Board members serving on the Audit Committee requested that next year's audit focus on special education.

Drew provided a summary of the inventory audit. Bobbie DeLong submitted the report for all non-computer assets. It was a good report as all assets were found. The exceptions were related to disposals and staff have been reminded of the protocol for disposing of equipment. Regarding IT assets, Questar identified potentially missing items. However, Acture was able to verify that nothing was missing. All items were cross-checked in Incident IQ, the inventory management database. Most items were found in the correct location. A few items had been disposed of through E-Waste and a few others were portable and had been moved by staff members. The IT Director provided a corrective action plan to address these issues.

Prior to the meeting, committee members were provided with backup regarding the contract renewal for internal audit services, including a list of vendors that other Districts use and the associated prices. It was noted that Questar is proposing a 5% increase for 25/26 services. The District recommended proceeding with this contract renewal and the committee members agreed with the recommendation. Kim Talbot noted that the BOE has always been satisfied with their body of work and even in talking to other districts and vendors, are satisfied with the answers that Questar provides.

Backup was also provided on the RFP for external audit services including a summary of respondents and prices. The BOE members on the Committee agreed with the District's recommendation to proceed with West, as their proposal was the lowest cost and everyone has been satisfied with West's work in previous years.

Drew reminded the Board members that, as the BOE representatives on the Committee, it is their responsibility to update the other BOE members that are not on the Committee and advise them of their recommendation to accept the audits.

The audit committee had no questions and was satisfied with the audit.

The meeting ended at 5:50 p.m.