



BATAVIA CITY SCHOOLS

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Scott C. Rozanski, Business Administrator

June 3, 2011

Minutes of Audit Committee Meeting (May 24, 2011)

Audit Committee Members attending: Steve Hyde, Gary Stich, Wayne Guenther, Jim Mungillo

District Employees attending: Margaret Puzio (Superintendent), Scott C. Rozanski (Business Administrator), Sally Sanford (Treasurer), Pam Buresch (Medicaid Compliance Officer)

Others Present: Kathie Barrett, Freed Maxick & Battaglia

External Auditor: Kathie Barrett reviewed the 2010-11 audit plan. She indicated that we must have a GASB 54 policy in place by June 30, 2011. GASB 54 changes the financial statement wording to enhance the usefulness of the financial statements. The GASB 54 directions from NYS Comptroller's Office were just finalized in April 2011.

Medicaid Update: Pam Buresch reviewed the District's Medicaid compliance plan that is being brought to the Board of Education for approval. The District is required to have a Medicaid Policy in effect given the new regulations concerning Medicaid. The District can now begin the billing process for Medicaid reimbursement for the 2010-11 fiscal year. The policy was also reviewed by our internal auditors, Raymond F. Wager CPA. The testing of controls for 2011-12 will include an initial audit and audit training by our internal auditors for the Medicaid compliance. Ms. Buresch will report Medicaid audit results at each subsequent audit committee meeting.

Minutes: The audit committee approved the March 28, 2011 minutes as presented.

Insurance Review: Mr. Rozanski reviewed the results of the Worker's Compensation and General Liability insurance quotes. For worker's compensation, quotes were received from the Genesee Valley Educational Partnership Plan (GVEP) and also through Shepard Maxwell and Hale. The feasibility study from GVEP indicated that there would not be a benefit for the District or for GVEP to join their plan. Insurance companies declined to submit a quote to Shepard Maxwell and Hale citing profitability as the main concern. The District will closely monitor all its worker's compensation claims with an end goal to reduce claims to make this insurance coverage more marketable. The District General Liability insurance was also quoted out during this spring. First Niagara submitted a bid using Chartis Companies and Shepard Maxwell and Hale submitted a bid using Utica. First Niagara had indicated that NYSIR would also be part of their bid and NYSIR was not included as NYSIR does not use broker services for their insurance. The financial costs are similar and Mr. Rozanski will review more in depth. It was decided to stay with Utica and Shepard Maxwell and with Hale but to also to obtain a quote for insurance audit services with NYS School Board Association for a complete review and full RFP for insurance.

Audit Committee: The audit committee membership may be changing in the upcoming months. Everyone was asked if they were still interested in participating. Mr. Stich will discuss with all members if there are any changes, the District will address at the next audit committee meeting.

Risk Assessment: Approval from the audit committee to finalize the internal audit risk assessment was received.

Internal Claims Auditor: The district is pursuing options for a new claims auditor as Mary Ellen Juliano has submitted her resignation to the District. Mr. Rozanski will inquire if she is able to work through July until a replacement is found. Mr. Rozanski will also check with our internal auditors if Raymond F. Wager CPA PC would be willing to have a claims auditor workshop.

Next Meeting: The next meeting is tentatively set for late September/early October 2011.

Respectfully Submitted,

Scott C. Rozanski,
Business Administrator/Board of Education Clerk