



BATAVIA CITY SCHOOLS

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Scott C. Rozanski, Business Administrator

Minutes of Audit Committee Meeting – March 17, 2015

Audit Committee Members: Frank DeMare, Phil Ricci, Steven Tufts

District Employees: Christopher Dailey (Superintendent), Scott C. Rozanski (Business Administrator/Medicaid Compliance Officer), Sally Sanford (District and Central Treasurer), Nancy Mitchell (Claims Auditor)

Others Present: Tom Lauffer and John Rynkiewicz; Raymond F. Wager CPA PC

Minutes: The minutes of the September 16, 2014 and December 2, 2014 were read. Motion made by Frank DeMare to approve both set of minutes. Motion was seconded by Steven Tufts. Motion passed 3-0.

Internal Claims Auditor: Nancy Mitchell reviewed the findings from December 4, 2014 through March 12, 2015. There are no significant findings to report and noted that there were 24 findings or 1.9% of the checks processed in this time period.

Internal Claims Audit Training: Nancy Mitchell, Frank DeMare and Steven Tufts attended a training session provided by Raymond F. Wager CPA PC. Workshop materials were distributed to the committee. Additional testing of vendor changes will be done quarterly by the internal claims auditor. A description of claims auditor duties/responsibilities will be provided to the audit committee in May for review. .

Internal Auditor: The 2013-14 reports were finalized after the September 2014 meeting. A corrective action plan will be provided to the audit committee in May 2015 for audit findings and recommendation that are not on the current year (2014-15) Risk Assessment. The 2014-15 draft risk assessment was distributed. Four prior year findings were corrected, one prior year finding is still in process and thirteen new findings were highlighted. Eleven of these are low risk and two are considered medium risk. Some of the findings are a carryover from the additional testing performed in 2013-14. A corrective action plan for all new findings will be developed. District staff were excused for executive session at 5:55 PM. District staff returned at 6:25 PM. Mr. Ricci will review with Mr. Rozanski the additional areas of testing authorized by the audit committee.

Medicaid Update: Mr. Rozanski reported that he has completed the annual reported and had to recertify the 2012 and 2013 reports. Internal testing of Medicaid compliance for 2014-15 will begin this spring.

RFP's – Banking; External and Internal Audits: The audit committee reviewed summary information on the RFPs for External and Internal Auditors. The committee decided to award the External Audit to Freed Maxick for five years and the Internal Audit to Raymond F. Wager for five years. The banking RFP is still being processed and Phil Ricci offered to help analyze the RFP for the award recommendation.

Budget/Propositions: Mr. Rozanski reviewed the current budget status. As of today, the budget is a decrease of \$108,446 or -0.25% and the Tax Levy is an increase of \$276,632 or 1.50%. This years' Tax Cap is 3.07%. Mr. Rozanski reviewed possible propositions regarding establishing a Capital Reserve fund for ten years and \$7,500,000 and a possible change to the District transportation policy regarding John Kennedy and Batavia High School. The committee recommended that both propositions to be placed on the ballot.

Business Office: Tabled discussion on software upgrade and Central Business Office.

IRS and SEC Procedures: Mr. Rozanski handed out recommended procedures from Hodgson Russ, the District's Bond Counsel regarding new procedures that they are recommending the District officially adopt as policy to replace the interim procedures that have been in place since 2012.

Adjournment: Motion made by Frank DeMare to adjourn the meeting. Motion was seconded by Steven Tufts. Motion passed 3-0.

Next Meeting: The next meeting is tentatively set for May 12, 2015.

Respectfully Submitted,

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