

**ROMULUS CENTRAL SCHOOL  
5705 ROUTE 96  
ROMULUS, NEW YORK 14541**

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**BOARD OF EDUCATION  
MEETING MINUTES  
BOARD CONFERENCE ROOM**

**OCTOBER 26, 2010  
6:30 P.M.**

**AUDIT COMMITTEE MINUTES**

**PRESENT:** Brian Sparrow - President; Laurie Asermily - Vice-President; Susan Backlund; Sarah Everts, Ph.D., Timothy Kuryla; Robert McCann; James O. Somerville

**OTHERS PRESENT:** Michael J. Hoose - Superintendent; Leanne B. Keel - Recording Secretary Audit Committee; Robert Boulware - Business Manager; Alan Corlett - Claims Auditor; Rachel Stahlman - External Auditor representing the firm of Raymond F. Wager, CPA, P.C.

*The 2010-2011 BOE Audit Committee is comprised of the whole membership of the Board of Education*

**Review of Communicating Internal Control Related Matters Identified in an Audit (Management Letter)**

1. Ms. Rachel Stahlman reviewed the prior year deficiencies pending corrective action: Bidding, Payroll, School Lunch Fund, Federal Grant Time Allocation Documentation, General Accountability. She stated that all recommendations for these have been addressed.
2. Also reviewed was the one current year deficiency in internal control: PILOT payments (Payments in Lieu of Taxes). She recommended the implementation of necessary procedures to ensure that all payments in lieu of tax are being collected at the proper amount and on a timely basis.

**Basic Financial Statements for the year ended June 30, 2010**

An overview of the following components of the entire Audit report were reviewed: Statement of Net Assets; Statement of Activities; Fund financial statements - i.e., Governmental Funds, Reconciliation of the statement of Revenues, Expenditures, & changes in Fund balances of Governmental Funds to the Statement of Activities; Fiduciary Net Assets statement; Employee Pension & Other Benefit Plans - i.e., Pension, other District-wide Postemployment Benefits, Medical Benefit provisions; Workers' Compensation; Unemployment.

**Financial Executive Summary**

A summary of the Balance Sheet, Revenues, Expenditures, School Lunch Fund, Debt Service, and Capital Projects was also reviewed.

Mr. Boulware stated that the District's response to both the Internal Audit Risk Assessment and the Claims Audit Report for the year ended June 30, 2010 will be available for the signature of Mr. Sparrow, as BOE President, by November 9, 2010.

**Claims Auditor Report:**

Mr. Corlett, Claims Auditor, presented his findings stating that "the claims audit process attempts to establish that the encumbrance process has been followed, that the claim is a legitimate expense to the District, that goods/services have been received or provided, and that duplicate payments have not been made."

A total of 28 exceptions to this criteria were noted and consisted primarily of missing authorizing signatures, faxed invoices, inclusion of sales taxes, or calculation errors on the part of vendors. However, clerical staff supplied appropriate documentation, signatures or other relevant information so that payment could be authorized. Additionally, he noted that exceptions consisted of occasional "human error." And, there was no evidence of fraudulent intent detected.

Overall, he mentioned that for the 2009-2010 school year a total of 1,319 claims in the amount of \$3,957,442.76 were reviewed.

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Mr. Corlett reviewed the checklist he uses as well as his compiled findings for the A fund, C fund, H fund, and F fund. **(Refer to the handout for detailed per item information).**

The meeting adjourned at 6:15 p.m.

***LEANNE B. KEEL, AUDIT COMMITTEE RECORDING  
SECRETARY AND DISTRICT CLERK***





