

**ROMULUS CENTRAL SCHOOL
ROMULUS, NY 14541**

**BOARD OF EDUCATION
AUDIT COMMITTEE MINUTES
5:00 P.M. – AUGUST 12, 2008**

PRESENT: Anna Morgan; Cornelia Johnson

**OTHERS PRESENT: Michael J. Hoose – Superintendent; Leanne Keel –
Recording Secretary Audit Committee; Robert Boulware – Business Manager**

(Mr. Larry Driscoll, Internal Auditor, and Mr. Alan Corlett, Claims Auditor, were absent due to a confusion of the meeting date. Another meeting date for their presentation will be established.)

The official BOE Audit Committee was not appointed as of the date of this meeting. However, all BOE members were invited to attend.

Mr. Boulware, however, briefly reviewed the Internal Audit Year Two Report, the Risk Assessment Update, and the Purchasing & Expenditures Testing Results, and mentioned that last year was the first Internal Audit, with a ‘corrective action plan’ being created.

He also stated that as of May, 2008, RCS is fiscally solvent, and the formation of Central Business Offices (CBO) around New York State is increasing.

State Aid and Grants:

- . The Summer CSE aid is now coming in to RCS, slowly. Mr. Boulware stated that this is not a worrisome situation since the Federal/State governments dole it out over years.
- . The problem of the District claims not filed in a timely manner continues. Specifically, RCS is not asking for draws as should be done. Management Advisory Group has been hired to make certain that the District collects funds due.
- . The Section 611, Section 619, and CPSE Grants will now be written by the Director of Pupil Personnel Services, effective 7/1/2008.

Cash Receipts and Revenue:

The District Treasurer, Mark Socola, and the Deputy District Treasurer, Phyllis Moore, “need to be here at times to review the records and books, and do a spot check,” so stated Mr. Boulware. He will contact Mr. Socola to arrange for this “triple check on our double check” as we deal with millions of dollars and want to minimize the risk of fund misappropriation.

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Purchasing:

Changes are slowly being made to the District's purchasing process; i.e., eliminating the buying of products first without a Purchase Order.

Payroll and Personnel:

The auditors **recommend that the Claims Auditor (Mr. Corlett) review any payouts for retirement or separation to make certain that they comply with contracts. This will be implemented with the 2008-09 school year.**

Food Service:

Mr. Boulware stated that this will continue to be an "innovative area" to monitor because it is "impossible to break even because of the high cost of food and lower State and Federal reimbursements."

He also stated that he will recommend that a review of the District's program be reviewed by Geneva CSD & Waterloo CSD because they have "great successful programs." He will also recommend a Study of our program be conducted.

Results of Purchasing and Expenditure Area Testing:

- . Finding #1: Accounts Payable Clerk has ability to add vendors, change vendor names without oversight. ***Mr. Boulware will discuss recommendations for change with WFL BOCES Computer Specialist Rhonda Dickenson.***
- . Finding #2: Accounts Payable Clerk has ability to override the system. ***Mr. Boulware will discuss recommendations with Rhonda Dickenson.***
- . Finding #3: District Policy on bid and quote limits is not followed. ***Mr. Boulware will have this cleaned up and bid limits will be followed.***
- . Finding #4: Utility bills are not being reviewed at the District level prior to submission for payment. ***Mr. Boulware will review this and sign off on them.***
- . Finding #6: Payroll Clerk has the ability to create and update employee records, maintain leaves, input salary and deductions without adequate supervision. ***Mr. Boulware will have a cursory review completed.***
- . Finding #7-C: The Board appointed the Secondary Principal with Benefits as stipulated in the RFA and CSEA contract; however, records show that the Principal is also receiving, without Board approval, the benefits in the Director of Elementary Education/CSE contract. ***Mr. Boulware has requested that Leanne Keel provide clarifying information and backup documents to explain the inaccuracy of this finding.***
- . Recommendation #7: The Board should direct the establishment of written procedures in payroll/personnel; ...approval of pay and benefits before it goes to the Board; ...development of documentation to support salary calculations ... ***Mr. Boulware has requested Leanne Keel to provide a copy of the newly created (in April, 2008) personnel form currently in place.***

LEANNE KEEL, DISTRICT CLERK AND AUDIT COMMITTEE RECORDING SECRETARY

