

Frontier Central School District – Audit Committee Meeting Minutes
Tuesday January 25, 2022 @ 7:30 AM at Frontier Education Center

In-person Attendees: Patrick Boyle, David DiTanna (BWB), Daniel Diplock, Robert McDow, J. Mark Robinson, and Christopher Swiatek

Google Meet Attendees: Kaitlin Giordano (BWB), Tayler Gnan (BWB), Michael McLanahan (BWB), and Alexis Witkowski (BWB)

Excused: Nancy Cox

1. **Presentation of Preliminary Risk Assessment and Internal Controls Testing Reports by David DiTanna of Buffamante, Whipple, Buttafaro P.C.:** Draft copies of both reports were vetted by Mr. McDow and his staff the week of January 17th, and copies of the reports were emailed to committee members on Friday January 21st to review in preparation for this meeting. Mr. DiTanna walked the committee through both draft reports and entertained questions.
 - **The internal controls testing** this year (Frontier CSD Health Insurance Testing Report 1-26-22 – Final.pdf *) was focused on health insurance benefits. Testing scenarios included active employees, retirees, and other employees that left the district. Thirteen (13) testing procedures are described in detail in the report. In conclusion on page 7 of the report; “Overall, the District’s processes in the area of health insurance benefits appear to be well developed and operating effectively.”. There are also five suggestions on page 7 for the District to consider to enhance controls.
 - **The risk assessment report** (Frontier CSD Risk Assessment Update 1-26-22 - Final.pdf *) categorizes risks into thirteen (13) different areas;
 - Policies and procedures
 - Purchasing and cash disbursements
 - Revenue and cash receipts
 - Payroll
 - Other controls
 - Inventory
 - Transportation department
 - Cafeteria operations
 - Federal and State grant programs
 - Student activities
 - IT
 - COVID-19 Pandemic
 - Future Government Accounting Standards

The report identifies specific observations/recommendations for fifty-three (53) items spread across the thirteen areas. Each of the thirteen areas’ risk is categorized as; low, low-medium, medium, or medium-high. While all fifty-three recommendations are potential improvements, not all of them will be implemented after evaluating the cost to implement versus the risk mitigation provided. The Audit Committee appreciates the cooperation of all District employees in the Business Office, Personnel, Food Service, Transportation, IT, and other areas that were interviewed and/or provided information to the BWB auditors.

* **Note:** These two reports will be posted on the District’s website under the Audit Committee’s page once they are accepted by the full BoE.

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Action Item #1: The committee has accepted both reports and will be presenting them at the BoE meeting on February 8, 2022 recommending they be accepted by the full BoE for submission to the NY State Education Department as required.

2. Discussion of Committee’s Suggested Approach to Addressing Risk Assessment

Findings: The committee will develop a suggested priority order for the recommendations in the report and submit that list to Mr. McDow for his review and feedback. The committee will review Mr. McDow’s feedback and determine an agreed upon number and plan for which ones to address this school year.

Action Item #2: Mr. Boyle will develop a scoring document which the committee will work with to develop a prioritized list for Mr. McDow’s review. The committee will target getting the prioritized list to Mr. McDow by the end of February. The goal will be to determine the agreed upon list of recommendations to address this year at the committee’s March 15th meeting.

3. Review Internal Claims Auditor Reports Oct thru Dec. 2021: The committee reviewed Mr. Kofod’s monthly reports for October, November, and December of 2021. There were zero exceptions in October and November, and three items were noted in December. Thank you to Mr. Kofod for continuing to monitor these controls.

4. Status of “New” Annual Review of District’s “Significant” Professional Service

Contracts: Mr. Boyle met with Superintendent Swiatek and Mr. McDow on Dec. 1st 2021 to acquaint them with recommendation #8 from the Audit Committee’s report “District Practices in Retaining Professional Services – April 19, 2021” which was accepted by the BoE on May 4, 2021. Recommendation #8 suggests the District reviews its’ use of various professional service firms each spring to ensure that the district takes the opportunity to shop for services on a regular basis (e.g., perhaps every third year for any particular service). Mr. McDow stated that he is currently looking at the list of professional services in the report and is currently determining (with input from Superintendent Swiatek) which professional services he would like to review/bid out before this July’s reorganization meeting.

Action Item #3: By mid-February, Mr. McDow will get a list of the specific professional services he plans to have reviewed/sent out for bid this year - to the committee.

Next Meeting: March 15, 2022 7:30 AM at FEC

Respectfully submitted on
January 27, 2022 by P. Boyle