

**Frontier Central School District – Audit Committee Meeting Minutes**  
**Thursday September 28, 2017 @ 7:00 AM @ FEC**

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**Attendees:** Patrick Boyle, Mary Ann Costello, Nancy Cox, Dave Patton, Carolyn Robertson, J. Mark Robinson, and Kathryn Barrett (Freed Maxick CPAs, P.C.)

1. **Presentation of Draft 2016-17 Year End Financials Report and Management Letter by Kathryn Barrett of Freed Maxick:** Ms. Barrett walked the committee through the “Draft” Audited Financial Statements for the Year Ended June 30, 2017. The committee had the opportunity to ask questions, hear how the process went, and then determine if we were confident enough to recommend acceptance by the full Board of Education. Ms. Barrett also reviewed the “Draft” Report to the Board of Education (the management letter) with the committee. No significant deficiencies or material weakness were discovered and there are six recommendations on pages 9-12 to improve controls which the committee discussed. These six items were related to;
  - Tracking Time Worked (payroll time cards)
  - Controls Around Student Activity Funds
  - Incurred But Not Reported (IBNR) and Claim Losses for Self-funded Workers’ Compensation
  - Cyber Security
  - District Policies Over Federal AwardsThe committee will be recommending that District have an actuarial analysis done of the IBNR and claim loss liability. It was the consensus of the committee that the materials were all acceptable, and should be presented to the full Board of Education at the upcoming meeting on October 3<sup>rd</sup>, 2017. Ms. Barrett will be presenting the financial statements and report at that Board meeting next week. Ms. Barrett reported that our staff was very cooperative throughout the review process and that there were no significant accounting adjusting entries required. The Audit Committee thanks Mrs. Robertson and the Business Office Staff for a clean year-end review and report.
  
2. **Review Internal Claims Auditor Reports June 2017 thru August 2017:** Committee reviewed the monthly reports for the previous three months looking for any recurring themes or departments. No concerning trends were noted and we thank Mr. Speranza for the detailed reports he e-mails to our committee each month.
  
3. **Update on Open Policy Items:** Our committee had referred eight policy items to the Policy Committee for review based on recommendations from our internal auditors at BWB. Five of the items have been closed and the status of the three remaining are;
  - Existing Policies 5410 & 5411 were revised in 2014 and the administrative regulations under them are currently being revised.
  - Recommendation that the District adopt a HIPAA Privacy Policy - Pat spoke to Dr. Whelan earlier this week asking if S. Lauder could check to see if BOCES had a HIPAA Policy which the Policy Committee could review and potentially recommend adoption of to the Board.
  - Recommendation that the District adopt a Whistle-blower policy – the consensus of the Audit Committee is that we should have such a policy. The issue needs to be discussed with the full Board of Education to discuss the importance of putting a defined confidential process in place to follow up on any reports received – before adopting such a policy. It was noted that the District already has some confidential reporting mechanisms in place to report other issues, and perhaps we can leverage one of those

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existing mechanisms. P. Boyle will bring the issue to the full BoE and report back to the committee.

4. **Schedule for Audit Committee Meetings for the 2017-18 Year;** Following is the agreed upon schedule of quarterly meetings for the 2017-18 year. It was the consensus of the group that 7 AM meetings are good.
  - Thursday December 14, 2017
  - Thursday March 15, 2018
  - Thursday June 14, 2018
5. **Next meeting date** -Thursday December 14<sup>th</sup> 7 AM at FEC.

Respectfully submitted on  
October 2, 2017 by P. Boyle