

**SOUTH HUNTINGTON UNION FREE SCHOOL DISTRICT**

**AUDIT COMMITTEE MEETING            October 3, 2023   7:00pm   JKAO LCR**

**In attendance:**

- Mr. Andrew Bronson, Chairman**
- William Biangasso, Board Member**
- Michael Conway, Executive Director for Business**
- Steven Psihogios, District Auditor**
- Patricia Lofaso, Principal Office Assistant**

<p><b>Guest: Brendan Nelson, R.S. Abrams</b> <b>TOPIC OF DISCUSSION - <i>October 3, 2023 - 7:00 p.m.</i></b></p> <p><b>Mr. Bronson began the meeting with giving Brendan the floor to speak about the External Audit. On behalf of RS Abrams, Brendan expressed his condolences to the committee for the passing of Jim Kaden. Brendan then spoke to the Financial Statements, Extra Classrooms Activity Report, Management Letter and Governance Letter.</b></p> <p><b>With regard to the Financial Statements and Extra Classroom Activity report, they issued an unmodified opinion/clean opinion, best in auditing. No material weaknesses in internal controls.</b></p> <p><b>Management Letter points to the school lunch fund balance as being too high; it shouldn't exceed three months of average expenditures. District has a plan in place to spend down the balance. Also noted is purchases made through the Extra Classroom funds are <i>not</i> tax exempt. In addition, District needs to be mindful to replenish reserves, and shouldn't rely on reserves to fund expenditures. Overall there are no significant issues to report.</b></p> <p><b>Governance Letter points to OPEB (Other Post Employment Benefits) as a liability of which there is no current method to fund yet. Continue to expense these obligations in the year they are incurred.</b></p> <p><b>Meeting ended at 7:45 pm</b></p>	<p><b><i>COMMITTEE ACTION APPROVED</i></b></p>
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**Guests: Dimitris Bantileskas, Nawrocki Smith  
Richard A. Vitulli II, Nawrocki Smith**

**TOPIC OF DISCUSSION – *October 3, 2023 – 7:50 p.m.***

**Mr. Bronson introduced Mr. Bantileskas who then proceeded with the Risk Assessment. He explained that the Risk Assessment describes the Districts overall operations, and its internal controls. This helps the Audit Committee, Administration and Board to focus on the risk areas, and to implement the recommendations presented.**

**The results of the Risk Assessment listed only 5 moderate risks, and no high risks. As a result, the District has a very good risk profile.**

**Nawrocki recommended District doing a NIST analysis. Some of the measures to be looked at could be Cybersecurity Training for key employees. Incident response plan is in place for breach of data and being tested. The plan needs to be practical for the District.**

**It is required that the District post the external audit reports as well as the corrective action plan on the District website.**

**It is recommended that a Payroll Payout Audit be done yearly or every other year to prevent payroll overpayments. This confirms that there is a physical paycheck for “real” persons. Mr. Conway states that the District will issue pay stubs for each employee to pick up. This will help to detect if there are any “ghost” employees.**

**The 23/24 Audit Plan recommends that 1 of the following 5 areas have a full cycle audit: Purchasing related expenditures, Facilities Maintenance, Payroll, Food Service, and Cyber. Mr. Bronson will discuss with Administration which area they will choose for the audit.**

**Mr. Bantileskas states that the District has a very positive risk profile.**

**Meeting ended at 8:25pm**

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<p><b>TOPIC OF DISCUSSION – October, 3, 2023 – 8:30pm</b></p> <p><b>Review of Cerini Instance Schedule for the months of May, June, July and August 2023. Audit Committee accepts memos of explanations from staff to be sufficient.</b></p> <p><b>Meeting ended 8:45pm</b></p>	
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