



AUDIT COMMITTEE MEETING

Meeting Transcript

Webex Remote Meeting

May 13, 2020 - 5:00 p.m.

Present:

Eric Bell
Dr. Mark Davey
Linda Gonyo-Horne
Richard Harriman
Thomas McCabe
Christine Myers
Amy Pedrick
Mike Rossi
Doug Spilling

Meeting started at 5:00 p.m.

Mr. Bell:

Out to you, and first I'd like to, just before we get started for any members that aren't aware, Mike Rossi and Amy Pedrick are our external auditors, the same company. We went with RFP, this group did recommend us to award a contract to West and Company based on the RFP results for this upcoming audit as well as the subsequent four audits. So, we look forward to again a long term relationship with them. So, welcome to the meeting both Mike and Amy, and we'll get to your section of the agenda next but I want to make sure our board members were aware who else is on this call with us.

Also I will, any questions on the minutes from any board members before we get a motion?

Mr. Harriman:

I motion we accept them.

Mr. Spilling:

Second.

Mr. Bell:

Motion by Mr. Harriman, second by Doug Spilling. All in favor?

Mr. Spilling:

Aye.

Mr. Harriman

Aye.

Ms. Gonyo-Horne

Aye.

Mr. McCabe

Aye.

Mr. Bell:

Opposed?

Okay, Mr. McCabe you moved inside we loved your view so thank you for that when we started the meeting. The next item up on the agenda is our external audit entrance conference, external auditors. So at this time, I'll pass over to the auditors, they may have a few questions for committee members. They'll talk about what their engagement will look like for this year which is going to be an interesting topic of discussion, given the pandemic that we're living in and they'll probably even ask you if you have any concerns or places you'd like to focus with their audit. But at this time, I'll pass it over to them. And this is an interactive session with the board members so feel free to ask questions on anything that comes up, make statements and comments. This is your opportunity to really have an in-depth conversation with our auditors before they dive into their field work, reviewing the 2019-2020 school year.

So, Mike and Amy, I'll pass over to you.

Ms. Pedrick:

Thank you, Eric. So, yes, this is a meeting where we talk about our audit process. Usually I'll talk about how we're there doing field work today but we're not in that world right now so usually we will come and do some pre-work, right now that's on hold until we know more about what's going on. We are doing increased emphasis on internal controls for all our schools and BOCES this year. So the BOCES did receive from us pretty extensive Excel file with a bunch of tabs of different control questions that for them to fill out and send back to us and you know, bring up further questions and change some of our control testing as one of our selected enhanced procedures this year. From that, we, will be testing controls. Normally we'll pick some payroll and disbursements and depending on where the world goes we will either come up and test those or have some sort of hybrid where we test them when we, when we, when and if we can come up in August where we usually plan and become the week before Labor Day and do the audit then. We also, in terms of other than our risk assessment and our controls, we do look at the extra classroom and we look at the federal grants. Most likely this year I'm not entirely sure but most likely this year we'll be looking at the student financial aid, I'm thinking that's going to be your largest federal grant that we'll have to look at. We usually test those based on different sizes and risks. So that's that's been kinda the forefront of the size of the magnitude of dollars in the last couple of years so we will be looking at that. Hopefully we will be coming up in August and when we do, is there any areas of concern that the audit committee has, or anything they would like us to focus on or any areas Michael, you'd like to talk about in regards to the audit as well?

Mr. Bell:

Either Mike is really still or he's frozen. Oh he is...

Mr. Rossi:

I moved, I just thought somebody was going to ask a question. I know that...

Ms. Pedrick:

Everybody was waiting for somebody to talk.

Mr. Rossi:

I was waiting to see if any committee member had anything they wanted to discuss. Amy hasn't gone into this yet but we did discuss earlier in the year, maybe it was late last year, that GASB 84 had come out and it was going to affect school districts and BOCES, that has been suspended for one year so that will not happen this year.

Ms. Pedrick:

GASB 84 is fiduciary activity. So normally, when we would go over your financial statements you have those trusts and agency funds, those are changing and will be changing for next year. As well as where we record extra classroom activity funds potentially.

Mr. Rossi:

And then leases has also been pushed off, but leases is going to be a big GASB and it's going to really maybe affect BOCES and how they do things.

We're also going to have a really, I'm assuming we haven't seen a lot of stuff yet, but I'm assuming the capital project is in full swing. We'd probably purchase the property, I believe. So we'll be looking at those documents, testing whatever's been expanded in that capital fund at this time. That's where we'll probably go with the capital fund.

Mr. Bell:

We are spending Mr. Rossi and yes, we purchased the Satellite Campus almost immediately into this new school year to avoid any lease payments on the facility for the school year so we did make the purchase of this. We are in the process of finalizing work with Haun as well as the county to purchase two additional plots as part of that capital project that were hung up due to subdivision approvals from the Town of Plattsburgh. All approvals are in place, paperwork is pretty much done waiting for some signatures on them, so we're anticipating that those two purchases will be in this school year as well. So you'll see three purchases of property that you'll be reviewing.

Mr. Rossi:

So that'll be a big focus of our audit. Obviously, we haven't had a big Capital Project. We've had some smaller projects over the years but this is a new emphasis for this year.

Ms. Pedrick:

One of those areas too, that we've asked about our internal control questionnaire but we will also look at is has there been any changes in procedures due to the pandemic? Has different controls been put in place or different or people that allowed so that you can continue to do business while working remotely because I know a lot of our districts and some of our policies have contacted us and asked different ways to be able to do that. So we will be looking at those as well just because we know a different set of things are happening during this timeframe.

Mr. Bell:

Great, I think that's a good idea.

Dr. Davey:

I'm going to weigh in for one minute and say that, you know I've been, we have, really worked very closely with all of our staff, with our administrative leaders to implement successful, remote home engagement. I believe that we have been very successful at making these implementations and I can't say enough about our leadership team who's help lead that, our principals have stepped up and our staff. And I will share and I'm not indicating any negative, negativity towards any districts but I would say at this point, I believe that our, our staff have been leaders in the North Country and helping implement remote learning across our BOCES at tremendous level. And Mr. Bell, I know you've, you've been involved in a lot of those conversations, Mr. Bell, and continue to provide the support for nutrition and meals. So I can't say enough for what's happened with our BOCES and how they've stepped up to engage our students and parents. I don't know if, Mr. Bell, you want to add anything else because you sit at a lot of those conversations as well, at those tables.

Mr. Bell:

Oh, you, you nailed it Dr. Davey and I look forward to the review from the auditors so we can brag about all the good things we did. I look forward to talking to them about it because really our team has stepped up and this pandemic has not slowed us down. Especially from a management services side of the house and a financial side of it, of processing payrolls and still paying our bills. And then probably, just as important side of it is, is getting our revenue in, right? Because that was one of our major concerns as an organization when this hit, is our money coming from our component school districts? And Christine and team have stepped up to the plate to ensure that we have the cash flow coming in so we can make those payrolls, make those significantly large payments, especially our health consortium payments. So yeah, I echo those comments, Dr. Davey and look forward to bragging about what we did to the auditors.

Ms. Pedrick:

Great.

Mr. Rossi:

Okay, but if any, if at any time any audit committee member has anything they want us to look at or focus on, you can reach out to us. We'll be more than happy to look at any transaction that anybody wants us to look at. Point us in a direction and we'll go and find out what's going on.

Mr. Bell:

So our auditors are back with us in October. October 14th they come back to tell you what they saw, what they found, what the report looks like, hopefully walk through with the Audit Committee almost in full and then they give a quick brief update to the board. But in the meantime, you know, if something comes up, if the Audit Committee wants something, or likewise, if Mike or Amy would like to have a meeting, you know, they find something in August, there's potential that they could request an audit committee meeting even in September. They just want to discuss something that's more of an urgent matter or have something more pressing and, and Mike and Amy, I would want to let you know, that just let us know as an organization. You know, this, if we met before a board meeting, typically, we can pull that together. So if something comes up where you want to meet with this committee, prior to October 14th, let us know and I'll talk to this committee and I'm sure we can pull something together for you.

Mr. Rossi and Ms. Pedrick:

Thank you.

Eric Bell:

Nothing else for the auditors? That wraps up our meeting. I'll open it to the committee members if they have any questions, comments, concerns as a committee, not, you know, not just the external audit.

Mr. Spilling:

No questions for me.

Eric Bell:

I thank everyone for being here, I really appreciate it. Mike and Amy. It's good to see you, I really hope to see you onsite in a few months. We are under construction in our building so we'll find a place that hopefully is the quietest for you and comfortable. So may not be,

Mr. Rossi:

And six feet apart

Mr. Bell:

And six feet apart, that's right. You don't want to be in the same room as Amy, that's why.

Ms. Pedick:

That will last until after the pandemic, Eric.

Mr. Bell:

Thank you everybody I hope you have a good night. Board members, I'll see you shortly. Okay. Thanks for the meeting.

Mr. Spilling:

Thanks for the good meeting.

Mr. McCabe:

Thank you.

Ms. Gonyo-Horne:

Thank you.

Meeting adjourned at 5:15 p.m.