

Rocky Point School District  
Audit Committee Meeting  
April 7, 2008

Mr. Matera called the meeting to order at 6:10 PM.

Attending:

Carla D'Ambrosio, Ed.D, Superintendent of Schools  
Michael Ivanoff, Director of Finance & Operations  
Patricia Jones, District Clerk

Audit Committee members present:

Michael Matera  
Joseph Sanseverino  
Dolores Conner

School Board members present:

Edward Darcey  
Geraldine Thalen (arriving at 7:05 PM)

Internal Auditor:

Lauren Agunzo of Nawrocki Smith LLP - Certified Public Accountants

Ms. Agunzo announced that the last time the committee met was on November 8, 2007 and the purpose of this meeting was to update the attendees on recent internal auditing reports prepared by Nawrocki Smith, LLP. Ms. Agunzo provided those present with three documents:

- Internal Audit Status Report
- Rocky Point UFSD Report on the Internal Controls of Purchasing, March 2008
- Internal Audit Report for work performed to date in the following areas: bank reconciliations and treasurer's reports, budget transfers, journal entries and cash receipts.

At the request of Mr. Ivanoff, Ms. Agunzo presented thumbnail "biographies" of the current Nawrocki Smith employees who conduct monthly reviews at the district office, including their professional credentials and an overview of their specific functions.

Ms. Agunzo reminded those present that state audits of school districts must be completed by 2010 and proceeded to comment upon those items that the state auditors would specifically be focusing upon.

Continuing, Ms. Agunzo walked the attendees of the meeting through the process of the Report on the Internal Controls of Purchasing, March 2008. She explained that the narratives of functional area procedures were developed regarding same and actual observations were conducted to assure that what was written was in fact true. In addition, Ms. Agunzo advised that actual testing of cash disbursement procedures was conducted

by a random sample of cash disbursements to ascertain that the district's purchasing policy and General Municipal Laws were being followed. Results indicated that the appropriate documentation supported each cash disbursement. Ms. Agunzo, in explaining the observations and recommendations portion of the report, indicated that it was extremely difficult to secure a Purchasing Agent, as is highly recommended, that is willing to work on a part-time basis only. Mr. Darcey asked if it was possible for the Rocky Point UFSD to share a Purchasing Agent with a surrounding school district, such as Shoreham-Wading River. Mr. Ivanoff spoke about the pros and cons of such an arrangement and noted that he has initiated training of the in-district clerical staff for the proper purchasing procedures and protocols to be followed in order to comply with state mandates.

Line-by line, each observation and subsequent recommendation of the report was discussed in detail and reviewed by those present.

Ms. Agunzo announced that the internal audit services applicable to various key controls within the business office of the RPUFSD, including testing, reviewing and evaluation of selected transactions and accounting functions, yielded an overall audit rating of "Satisfactory." Ms. Agunzo explained that the "Satisfactory" rating is the highest-earned audit rating available.

At the close of the meeting, Ms. Agunzo asked if the Audit Committee Members would care to receive a follow-up report documenting adherence to the observation and recommendation portion of the presented reports. The meeting attendees responded affirmatively and were advised by Ms. Agunzo that they would receive said update as soon as it was available. It was also agreed that the committee would meet again in June on a date to be determined.

Ms. Agunzo asked if there were any further questions or comments concerning her presentation.

Mrs. Thalen, noting that she was not certain whether or not Ms. Agunzo could respond to her inquiry, asked Ms. Agunzo for her professional opinion concerning the current rules and regulations for outside groups using school facilities for meetings; specifically, the Boy Scouts of America. Mrs. Thalen commented that all boys in the troops utilizing the school district facilities are Rocky Point students and, as an "outside group," were required to be charged for building usage. Mrs. Thalen inquired as to Ms. Agunzo's response, as an auditor, if the district did not charge the Boy Scouts for said building usage.

Ms. Agunzo responded that in her capacity as an auditor, she would question the district's lack of imposing a building usage fee on this outside group.

Mr. Sanseverino indicated that he would like a definitive definition of the term "outside agency" as it applies to determining whether or not board members must charge for use

of school property. Mr. Sanseverino also inquired if the Board of Education could exempt certain agencies from said fees.

Ms. Agunzo responded that she would research this matter and get back to the committee as soon as possible. She asked if other districts were polled concerning their policies regarding this matter.

Mrs. Thalen stressed that she wanted to do what was right and did not want to place Mr. Ivanoff in an awkward position regarding this item.

Mr. Sanseverino indicated that he would like a definitive definition of the term “outside agency” as it applies to determining whether or not board members must charge for use of school property.

Dr. D’Ambrosio and Mr. Ivanoff responded that they would research this issue.

With no further questions and/or items for discussion, the Audit Committee meeting was adjourned at 7:20 PM.

Respectfully submitted,

Patricia Jones  
District Clerk