

Rocky Point School District
Audit Committee
October 23, 2007

Meeting called to order at 7:30 PM by Michael Matera

Attending:

Carla D'Ambrosio., Superintendent of schools

Michael Ivanoff, Director of Finance & Operations

Sherry Alessandro, Assistant Superintendent for Human Resources & Administration

Audit Committee members present:

Michael Matera, Chairman

Joseph Sanseverino

Dolores Conner

Gene Johann

Internal Auditor:

Lauren Agunzo of Callaghan Nawrocki LLP

Mr. Ivanoff presented the committee with a proposal from the accounting of John F. Dennehy, Certified Public Accountant, 28 North Country Road, Mount Sinai, N.Y. This proposal was in answer to the district's advertised request for proposal for Internal Claims Auditor. The committee reviewed the proposal and called in John F. Dennehy Sr. and his son, John Jr. at 7:40 PM. They outlined their qualifications in the field, both are CPA's, and in addition, John Sr. is a Certified Fraud Examiner. Both spoke about what duties and responsibilities would be theirs as the district's internal claims auditor. John Jr. stressed that they would examine every check written. The audit will be a deliberate and thorough process to determine that payments are proper. The process will ascertain that the payments are made for valid and legal purposes and that School District obligations were incurred by an authorized District official. During the question and answer period the Dennehy's stated that the check warrants would be examined every week by two people, working 3 to 4 hours a week. They have a 3 man staff. Their finding will be issued in a monthly report to the Board. The Dennehy's were thanked for proposal and this segment of the meeting was concluded at 8:25 PM.

At 8:25 PM Lauren Agunzo of Callaghan Nawrocki, LLP presented the initial risk assessment report pertaining to the internal controls of the district's financial operations. Their objective was to develop an understanding of the critical business processes, identify key risks, identify stated controls and recommend improvements in the internal controls. Ms. Agunzo went through the entire report, stressing the areas of Internal Audit Plan, General Policies and Procedures, Accounting and Reporting. Other areas of observations and recommendations by the auditors were discussed. The committee focused on the recommendations and discussed plans study and implement them. Ms. Agunzo distributed a preliminary report on the Internal Audit Procedures pertaining to

the Payroll cycle. This report is for future discussion. This segment of the meeting was concluded at 9:30 PM.

The audit committee then discussed the merit of John F. Denney's proposal. Mr. Sanseverino made a motion that the committee recommended the acceptance of the Dennehy proposal and recommend the firm to the entire Board. Mr. Johann seconded the recommendation. The committee voted 4 to 0 in favor of forwarding the recommendation to the president of the School Board.

The Audit Committee meeting was adjourned at 9:45 PM.

Respectfully submitted,

Michael A. Matera