

Frontier Central School District – BoE Audit Committee Meeting Minutes

Tuesday June 13, 2023 @ 7:30 AM at FEC

Attendees: Pat Boyle, Nancy Cox, Dan Diplock, Robert McDow, J. Mark Robinson, Nicole Ruf (Drescher Malecki LLP), Michael Sullivan, Chris Swiatek, and Megan Wnek (Drescher Malecki LLP)

- 1. Update on Drescher Malecki LLP Year End Audit Plans:** Nicole Ruf walked the committee through Drescher Malecki's plans to conduct the year-end review. Ms. Ruf noted that much of their audit team are returning members from last year and that they will be generating the same letters and reports as last year. They have been discussing time lines with Rob McDow and plan to do their required testing and field work the first two weeks in August, with a target delivery date of first draft of reports by mid-September. The reports must be accepted by the full BoE and submitted to NYS Ed by October 15th 2023. Ms. Ruf and Ms. Wnek entertained our questions and asked the committee about any known instances of fraud and if there were any significant changes in staffing or controls during the year. We did discuss the very recent retirement of our district treasurer.

Action Item #1: Drescher Malecki will begin their year-end work and Mr. McDow will keep the Audit Committee apprised if any issues arise between now and when final draft reports should be ready for the committee's review in late September.

- 2. Review of BWB Risk Assessment (April 2023) to Select Top 7-9 for Submission to District for Potential Attention:** The committee walked through the "yellow" items first to determine if we are OK leaving the existing controls as is, then we began discussing the "pink" items, a subset of which we wanted to identify as our priorities ("blue") for looking at improvements on during the next ten months, with the balance of "pinks" being put on hold for this year.

Action Item #2: P. Boyle will send a summary Excel sheet of the items out to all committee members for their review to verify that each item is categorized correctly – identifying the 7-9 priority items that the committee wants to submit to Mr. McDow (via Mr. Swiatek) to be worked on in the next 10 months.

Action Item #3: P. Boyle will submit (to Mr. Swiatek) the "verified" summary list from the committee identifying all items as either;

- **completed** (completed in the 2022-23 year)
- **risk accepted "as is" - close** (existing controls are adequate)
- **'on hold" for the present year** (not priorities for this year)
- **"to be worked on" over the next 10 months** (7-9 items)

- 3. Results of District-wide Fixed Asset Inventory Conducted During April 2023:** Mr. McDow reported that the third-party firm generated two lists; (1) fully depreciated assets still on the books and (2) assets still being depreciated. Of the fully depreciated assets there were 80-90 items with an original acquisition value of \$1.4 million that are being investigated to see if they are still in use somewhere within the District or not. Of the assets still being depreciated there were 14 missing items on the books valued at approximately \$440,000. (The total book value of our assets is approximately \$220 million.) Mr. McDow reported that they are searching for these 14 items and he will report back to the Audit Committee on their status/deposition and the inventory's final report at the next quarterly meeting. Overall the inventory went well.

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4. **Discussion of Changing Internal Audit Firms:** Mr. McDow shared that responses to the most recent BOCES RFP for Internal Audit Services occurred in April of 2022. Three firms were identified as potential candidates. The committee will do reference checking and will conduct interviews with the three firms via in-person meetings during the first two weeks in August, to make a candidate recommendation to the full BoE at the first September BoE meeting.

Action Item #4: P. Boyle will draft a letter to potential firms with a question list for the video-conference interview and route it through the committee for feedback

Action Item #5: P. Boyle will incorporate feedback from the committee and send letters to the three firms to obtain references and schedule introductory meetings for the weeks of July 31st and August 7th.

5. **Update on Sedara Cyber Security Assessment/Remediation:** R. McDow updated the committee on the ongoing work of Sedara. Items in-progress include; hardening the District's perimeter, looking at individual's access, BOCES reporting of network activity, consideration of V-LANs to segment the network, and multi-factor authentication. He asked Mr. Sullivan to join us when questions came up regarding who pays (district or families) for damaged ChromeBooks, etc. when accidents happen. We had a discussion about the number of computers which are not returned and/or come in for repairs annually. The crux of the discussion was about whether or not the district might/should require families to carry insurance on devices. Nothing definite was decided or recommended. Thank you to Mr. Sullivan for joining us at short notice.
6. **Review Internal Claims Auditor Reports for February through May 2023:** The committee received copies of Mr. Kofod's monthly reports for February through May. Everything looked reasonable and under control. Thank you Mr. Kofod for sending us the monthly reports.

Respectfully submitted on
June 28, 2023 by P. Boyle