

## Frontier Central School District – BoE Audit Committee Meeting Minutes

Tuesday December 6, 2022 @ 7:30 AM at FEC

**Attendees:** Patrick Boyle, Nancy Cox, Daniel Diplock, Robert McDow, and J. Mark Robinson

- 1. Review of District's Corrective Action Plan/Letter (11-8-2022) Resulting from 2022 Mgt Letter Comments from Drescher Malecki (10-4-2022):** During the audit, Drescher Malecki identified three areas which they suggested the District consider to further strengthen internal controls. The three areas were; Succession Planning/Cross Training, Extraclassroom Activities, and New Reporting Requirements. Mr. McDow walked the committee through the District's response to these suggestions (Corrective Action Plan letter dated November 11, 2022) and answered questions from the committee.

**Action item 1:** Follow up to see that the District creates the written succession plans by June 2023 as noted in the District's response letter.

- 2. Update on Sedara Cyber Security Assessment:** The Board of Education approved the initial contract for Sedara to conduct a cyber security assessment in March 2022. Their final report was issued to the District in August 2022 (six months) . Based on findings and recommendations in that report, the District is planning to have Sedara do more work, and is currently working with Erie 1 BOCES to set up a CoSer agreement with Sedara so the work can be BOCES-aidable. The District is planning to have that contract/statement of work from Sedara/BOCES ready for BoE approval at their December 20<sup>th</sup> meeting later this month (four months from report issuance to starting recommended activities). Hopefully, the work will start later this month or early January. The committee chair is concerned that this area is not receiving the priority it needs based on the length of time it is taking to get it started and the fact that the District does not have any cyber insurance coverage in-place at the present time. While it is clear that this next statement of work (contract) from Sedara will address creating formal plans for a Cyber Incident Response Plan and a Disaster Recovery Plan, it is unclear to the committee what Sedara's role and billable expenses in addressing an actual cyber incident would be if one occurs in the near future.

**Action Item #2:** The committee is very interested in seeing the next Sedara contract/statement of work to understand the project's timeline to completion and to determine specifically what role Sedara will play (and what workforce they would bring in to resolve the problem) in the immediate future if the District experienced a cyber-attack.

- 3. Update on District's Corrective Action Plan Addressing 2021 BWB Risk Assessment (Top 11):** Mr. McDow updated the committee on the remaining four open items, as noted below;

Item #	Target Implementation Date	Current Status
1 – Policy Accounting for Fixed Assets	<del>Dec. 2022</del> Feb 2023	Expect to have third party firm complete full inventory by the end of February 2023.
2 – Policy Budget Transfers	Dec. 2022	Committee had a lengthy discussion on this item. We need a recommended amount to formalize and close this recommendation.
47 – Intrusion Study	Completed August 2022	Final report submitted to the District and BoE August 2022.
49 - IT Controls	During 2023	Working with Erie 1 BOCES and Sedara to establish a CoSer and to begin a new remediation project.

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**Action Item #3:** Mr. Boyle will work with Mr. McDow to bring a resolution to the next BoE meeting proposing what dollar threshold, if met or exceeded for a budget transfer, would require BoE approval. The figure informally discussed during the meeting was \$100,000.

**Action Item #4:** During our discussion of thresholds for budget transfers we got into an unrelated discussion about whether or not the District verifies that contractors (and sub-contractors) have the proper Worker's Compensation Insurance in-place before they do any work for the District. Mr. McDow will check to see if we have internal procedures to verify that contractors and sub-contractors have Worker's Compensation Insurance in-place and report back to the committee on his findings.

4. **Review Internal Claims Auditor Reports for September & October 2022:** The committee had received Mr. Kofod's monthly reports for September and October. The root issues for both months involved "Incorrect Amounts Paid" or "Wrong Remit To Addresses" – all of which were caught and corrected before any payments were made. The committee is interested in more detail about these two types of issues.

**Action Item #5:** The committee would like Mr. Kofod to pass more detailed information along on his monthly Claims Auditor Report for the Committee's review. Specifically, (1) for any checks cut with the wrong amount paid, we would like a footnote showing what the original check was cut for and what the correct amount should have been and (2) for any Wrong Remit Address; we would like a footnote categorizing the problem as either a simple error (close address) or as a totally different address. Mr. Boyle will touch base with Mr. Kofod to see if he can do this.

e.g. Incorrect Amount #1: Cut for – \$164.01, correct amount was \$146.01  
Incorrect Amount #2: .....  
Wrong Remit To #1: Close address  
Wrong Remit To #2: Totally different address

Respectfully submitted on  
December 11, 2022 by P. Boyle

- ✓ Next scheduled meeting Tuesday March 14, 2023 at 7:30 AM