

Sachem Central School District
Audit Committee Meeting
March 11, 2014

Cullen & Danowski, LLP:

Don Hoffmann, CPA – Partner

Richard Coffey, CPA – Senior Audit Manager

Background

- C&D met with the Audit Committee on October 8, 2013 to discuss the Risk Assessment Update report (RA) Update Report
- C&D has since performed agreed upon procedures (AUP) related to Extraclassroom Activities
- Draft AUP Report and proposed detailed testing to be discussed tonight

Extraclassroom Activities:

- Inherently a difficult area to enforce internal controls
 - Cash receipts activities are problematic in all school districts
 - In theory, this is an educational process for students
 - Efficiency for teachers may mean less internal controls
 - Sachem instituted new forms and procedures several years ago, which have worked very well to standardize the operations
- Observations and recommendations:
 - Some key findings include the following:
 - Excellent financial controls related to general fund spending on trips
 - Use of forms standard throughout the district
 - All payments reviewed by claims auditors
 - Accounting at club level is inconsistent- middle schools need improvement
 - School Store accounting needs substantial improvements
 - Individual school monitoring is inconsistent – some sub-accounts with negative balances indicate a lack of oversight
- Discuss any comments or questions from the Audit Committee

Next Steps

- AUP Report to be accepted by the Board
- Board-approved CAP to be filed with SED within 90 days of acknowledgment by the District
- Consider additional AUP work this spring
- Annual Risk Assessment to be performed during the summer
- Audit Committee and Board to decide on the detailed testwork