

Rocky Point School District  
Audit Committee Meeting  
October 21, 2008

Members Present

Michael Nofi  
Dolores Conner  
Eugene Johann  
Michael Matera  
Joseph Sanseverino  
Margaret Smith  
Diane Burke

Also Present

Carla L. D'Ambrosio, Ed.D.  
Michael F. Ring, Ed.D.  
Irene Rosener  
Patricia Jones

Absent: Edward Darcey

Mr. Nofi called the meeting to order at 7:42 PM.

ORGANIZATION OF 2008-2009 AUDIT COMMITTEE

Upon a motion made by Joseph Sanseverino and seconded by Michael Matera, Mr. Michel Nofi was elected chairperson of the 2008-2009 Audit Committee.

All in favor – Motion carried 7-0

PRESENTATION BY JOHN DENNEHY, INTERNAL CLAIMS AUDITOR

Mr. Dennehy began by providing the attendees with a basic overview of the functions performed by Dennehy Accounting Services, Inc., the internal claims auditors for the Rocky Point UFSD. Following, Mr. Dennehy provided the attendees with a detailed report for the period of September 1, 2008 through September 30, 2008 in order to update the committee on specific work performed, findings, and recommendations. During the month of September, Mr. Dennehy audited four hundred and fifty eight claims. He noted that there were currently zero outstanding inquiries with regard to the audit of claims made against the district for the period of September 1<sup>st</sup> through September 30<sup>th</sup>, 2008. In summary, Mr. Dennehy reported that no major issues were detected.

Following Mr. Dennehy's presentation, Mr. Nofi opened the floor to questions. A brief question and answer period followed. Mr. Dennehy invited the members of the Audit Committee to contact him at any time for further questions and/or clarification of any matters discussed during the presentation.

PRESENTATION BY LAUREN AGUNZO, NAWROCKI SMITH, LLP – INTERNAL AUDITORS

Ms. Agunzo provided the attendees with the Annual Risk Assessment Update pertaining to the Internal Controls of District Operations, June 2008, and an updated Internal Audit

Status Report - October 15, 2008. Following an extensive review of the contents and covered materials of the Annual Risk Assessment Update, Mr. Johann, Mr. Nofi, Mr. Sanseverino and Mrs. Burke posed questions to Ms. Agunzo concerning the various aspects of testing methods utilized in order to reach the conclusions presented in these reports. In response, Ms. Agunzo, together with Megan Scotti, an associate of the firm, provided an overview of the follow-up reports and corrective methods employed.

Ms. Agunzo noted that the planned 2008/2009 internal audit services referenced in the Internal Audit Status Report were an outgrowth of the risk assessment report and were subject to change and/or alteration, if required.

Ms. Agunzo's presentation led to inquiries concerning the announced upcoming New York State Audit. Mrs. Burke asked Ms. Agunzo to address items contained in this preliminary report designated as "medium risk." Ms. Agunzo provided the attendees with an overview outlining the risk factors, both inherent and control, used to determine a risk to be low, medium or high. Dr. Ring offered that these ratings enable the district to implement possible procedures to be set into place in order to be proactive with relation to the upcoming New York State Audit.

PRESENTATION BY PETER RODRIGUEZ - COUGHLIN, FOUNDOTOS, CULLEN & DANOWSKI, LLP – EXTERNAL AUDITORS

Mr. Rodriguez provided the attendees with a comprehensive packet containing the Financial Statement and Supplementary Schedules with Independent Auditors' Report (June 30, 2008) and a draft of the "Management Letter." Before beginning his presentation, Mr. Rodriguez commended Ms. Irene Rosener, Rocky Point UFSD district treasurer, for her excellent work regarding the GASB 34 (Government Account Standards Board Statement 34) and noted that there were no findings of deficiencies concerning same. Continuing, Mr. Rodriguez provided the committee members and attendees with an extensive overview of the above-referenced packet of materials, highlighting the areas of Management's Discussion and Analysis (MD & A) and the financial analysis of the district's various funds balances. Mr. Rodriguez noted that the district's assets exceeded its liabilities and that reserve fund balances were appropriate. In general, Mr. Rodriguez reported that:

- No deficiencies in internal controls were found
- No instances of non-compliance were uncovered
- All reports were positive.

Dr. Ring initiated and moderated an extensive discussion concerning the various points highlighted in Mr. Rodriguez's presentation and report. Following a comprehensive question and answer period, Mr. Rodriguez concluded his presentation to the committee members.

Mr. Nofi thanked Mr. Rodriguez and all of the presenters for providing the committee members with comprehensive reports and information.

At this time, there was another extensive open discussion of the various presentations made during the meeting followed by another general question and answer discussion of all items reviewed at the meeting. Mr. Johann initiated a brainstorming session related to the documentation of cost-effective measures/strategies to be put into place and achieved on behalf of the Rocky Point UFSD.

With no further questions and/or items for discussion, a motion was made by Mr. Nofi and seconded by Mrs. Connor for the Audit Committee meeting to adjourn at 10:05 PM.

All in favor – Motion carried 7-0

Respectfully submitted,

Patricia Jones  
District Clerk