

Committee Members
John Foley, Chairman
Molly McCullough, Vice Chairman
Dante Comparetto

AGENDA #3
F/O
5-22-19
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A C T I O N S

The Standing Committee on Finance and Operations met at 12:00 p.m. on Wednesday, May 22, 2019 at the Durkin Administration Building in Room 410.

There were present: Mr. Comparetto and Chairman Foley

There was absent: Miss McCullough

Representing Administration were: Mr. Allen and Dr. Friel

Others in attendance: S. Consalvo, M. Hunt and K. Spinelli

gb #9-10 - Administration (January 2, 2019)

To review the annual audit and agreed upon procedures report on compliance and internal controls for the City of Worcester, including the Worcester Public Schools, from the Certified Public Accounting Firm of CliftonLarsenAllen, LLP for the year that ended on June 30, 2018 which included the Government Accountability Office (GAO) and the Office of Management and Budget (OMB) A-133 Reports and the Management Letter.

Matthew Hunt, Principal from CliftonLarsenAllen LLP, presented the annual audit and agreed upon procedures report on compliance and internal controls for the City of Worcester, including the Worcester Public Schools. He highlighted minor findings in the following two accounts in the Special Education Cluster Grant:

- 2018-001 It is possible that salaries charged to the grant are overstated or understated resulting in noncompliance of certain allowable cost requirements.
- 2018-002 Final Financial Reports, through the pass-through entity (DESE), were not submitted within 60 days of the grant submission period and date.

None of these were found to be significant enough to warrant any action.

Accept and file.

gb #9-11 - Administration (January 2, 2019)

To review the annual audit and agreed upon procedures on the Independent Accountant's Report on Applying Agreed Upon Procedures for Student Activity Fund Testing for fiscal years 2016, 2017, and 2018 prepared by CliftonLarsenAllen, LLP.

gb #9-11 (continued)

Mr. Allen stated that any Student Activity Accounts that have over \$25,000 need to be audited every three years with an internal audit being done in the off years. The Worcester Public Schools audits every year for the 11 secondary schools who have Student Activity Accounts to keep better reconciliation records.

Matthew Hunt, presented the findings on the application of Applying Agreed-Upon Procedures for Student Activity Fund Testing for the fiscal year 2016. He stated that each school provides its bank record reconciliations but the supported documentation for various receipts should clearly identify what the activity relates to and should be dated by each of the people who are responsible for preparing and reviewing them. The reconciliation should be done within 30 days of the month's end. He further stated that not only should the reconciliations be dated but they should have the person's initials or signatures on them to create an audit trail. If there is accumulated interest in an account, MASBO recommends that this money be put into a separate account and spent separately.

Mr. Allen stated that, in the past, the schools used Quicken to track their Student Activity Funds and Chromebooks do not support this program. The district is now using an online platform for Student Activity Funds. This helps to allow the district access to the schools' accounts and supports them with their account activities. Due to the many changes in the schools, training sessions will be provided next year to better assist with the Student Activity Account reconciliations.

Held for the 2017 and 2018 reports.

gb #9-12 - Administration (January 2, 2019)

To review the annual audit and agreed upon procedures on the Independent Accountants' Report on Applying Agreed Upon Procedures for the Department of Elementary and Secondary Education End of Year Financial Report for fiscal year 2017-18, prepared by Robert C. Alario, CPA, P.C.

Karen Spinelli, CPA who represented Spinelli Accountants and Advisors reported on the findings based on the End of Year Pupil and Financial Report and the Independent Accountants' Report on Applying Agreed-Upon Procedures for the Department of Elementary and Secondary Education End of Year Financial Report for fiscal year 2017-18. In the Special Report for the year which ended on June 30, 2018, Under the Summary of Procedures and Finding for Procedure 2, Finding 2, there was only one discrepancy relative to prepopulated data.

FILE

gb #7-364 - Mr. Monfredo (October 20, 2017)

Request that the Administration consider changing the pay scale for day-by-day substitutes in the Worcester Public Schools.

In the FY20 Budget, the Administration recommends a \$5 per day increase in the pay scale for day-by-day substitutes from \$70 to \$75 per day. The Administration also recommends an additional \$5 per day increases in FY21 and FY22 at a rate of \$80 and \$85 per day, respectively.

FILE

gb #8-233 - Administration (July 18, 2018)

To review the status of the FY19 Budget and make appropriate transfers as required.

Mr. Allen spoke to the status of the Third Quarter Report for the FY19 Budget.

It was moved to approve the following transfers:

<u>Amount</u>	<u>From Account</u>	<u>Account Title</u>	<u>To Account</u>	<u>Account Title</u>
\$50,000	50012-92000	Facilities OM	500152-93000	Facilities OM
\$115,000	500136-92000	Miscellaneous OM	500136-93000	Miscellaneous OM
\$62,680	500146-92000	Utilities	500146-93000	Utilities
\$45,000	540-91117	Transportation Salary	540-97203	Transportation Overtime

On a roll call of 2-0-1 (absent Miss McCullough), the motion was approved.

Held for the final year-end report.

The meeting adjourned at 12:30 p.m.

Helen A. Friel, Ed.D.
Clerk of the School Committee