

**Hornell Board of Education
Audit Committee-Meeting Minutes**

June 18, 2007

6:00 pm Hornell Board of Education Offices
25 Pearl Street
Hornell, N.Y.

Present: Dr. Weyand, Mrs. Carol Berry, Mr. Paul Mc Anany, Rich Dunning, Mr. George Kiley, Mr. Robert Gosden

6:14 the meeting was called to order.

Motion by Mr. Mc Anany and seconded by Dr. Weyand to accept the minutes of the June 4, 2007 audit committee meeting as presented. Ayes all motion carries.

Discussion: The Committee then began a discussion on having a community member serve on the audit committee. An advertisement was placed in the Evening Tribune requesting applications for the position. To date no applications have been received. Mr. Mc Anany will contact Jim Nicoloff and Dr. Weyand will be contacting Mr. John Cleveland to gauge their interest in the position.

Internal Audit Risk Assessment Report Ms. Kathy Salvagin of GST BOCES called in to review her report with the audit Committee.

Ms. Salvagin's report highlighted recommendations to improve the School Districts financial policies and procedures. Recommendations included:

Fixed Assets – recommended written inventory procedure denoting who will perform the inventory, when inventories are to be conducted, and how the inventory will be conducted. Inventory reports are to be generated by building or room and transferred to the inventory office that will review the report and make any corrective actions needed. Written policy should contain information for procedure in the event that an asset is transferred to a different building or sold.

Purchasing policy needs to be conveyed to all district personnel. District quote forms should be used in all purchases. Purchases made without documentation should be denied.

Cash. Petit Maximum petit cash accounts are limited to \$100 in the district. Mr. Kiley noted that this is insufficient to start up home football games. The committee needs to recommend a solution to this problem.

We also need a list of authorized cell phone and credit card users within the district, and a report on the cost and effectiveness of the phone plan that the district uses to be presented at the reorganization meeting each year.

Bank Reconciliations. The CFO will now be the first person to open bank statements and review them. Someone other than the person processing payroll should reconcile the bank payroll statement.

Cash Receipts. We need a logbook to enter cash receipts received in the mail. Someone also needs to check the cash receipts logbook for accuracy (someone other than the person opening the mail).

Mr. Kiley commented that much of this policy will be created or updated this summer by Mr. Ahearn the new district CFO. Mr. Gosden stated that Mr. Ahearn would provide a written recommendation on addressing each recommendation to the committee at its next meeting.

Ms. Salvagin finished up the report by requesting that she be included in future audit committee meetings. Board members agree to adopt a schedule for 2007-2008 school year audit committee and make sure Ms. Salvagin is invited. Conference call ends at 6:45 pm.

Motion to adjourn is made by Dr. Weyand and seconded by Mr. Mc Anany.
Vote : ayes all

Meeting adjourned at 6:52 pm.

Respectfully Submitted,

Rich Dunning