

Hornell City School District
Board of Education
Audit Committee
Minutes of the June 19, 2008 meeting

The meeting was attended by Dr. David Weyand, Paul Mc Anany, Dr. Pasquale Picco, Rich Dunning, Superintendent George Kiley, Jeff Ahearn,
Guests: Ms. Kathy Salvagin (TST B.O.C.E.S.), and Mr. Wayne Dresher of Dresher and Malecki LLP.

The meeting was called to order at 6:10.

Motion by Mr. Mc Anany and seconded by Dr. Weyand to approve the minutes of the October 10, meeting. Motion Carries ayes all.

There was a discussion of the Corrective Action Plan crafted in response to the Independent auditor's report for 2007. A motion was made by Mr. McAnany and seconded by Dr. Weyand to accept the recommendations of the independent auditor as presented by Mr. Ahearn to the full board of education for approval at our next meeting. With no further discussion the vote was tallied and the motion was carried ayes all.

Ms. Kathy Salvagin presented the findings of the internal audit for the period of July 1, 2007 to May 31, 2008. Ms Salvagin's audit focused on the Hornell City School District's purchasing policies. She also interviewed district personnel to determine their familiarity with district purchasing policy.

Mr. Ahearn then introduced Mr. Wayne Dresher of Dresher and Malecki LLC. Mr. Dresher discussed the external audit process for the 2007-2008 school year operations. The time table presented will bring the findings of the audit back to this committee for review in early September. No further action required.

Mr. Ahearn discussed the District purchasing policy changes (verbal and written quote limits) that he is recommending for adoption by the BOE. Mr. Ahearn also notes that a district purchasing policy manual will be developed and distributed to district personnel. After discussion Dr. Weyand made a motion to recommend that the BOE adopt the changes in policy. Motion was seconded by Dr. Picco. With no further discussion the motion was carried. Ayes all.

Next Mr. Ahearn discussed recommendations from BOCES Central Business Office regarding the appointing the Internal Claims Auditor and "Officer Giving Rise to the Claim" regulation. Jeff recommends that we do not follow C.B.O.'s recommendation in naming the CBO Office as alternate "Internal Claims Auditor". A brief discussion was held regarding the regulation of "Officer giving Rise to the Claim"; this regulation fits the purchasing model within a school district but does not lend itself to the purchasing model when part of the operation lies outside the district (CBO). Inquiries to the district's

external and internal auditors confirm the stand taken by the district purchasing agent not to sign as “Officer giving Rise to the Claim”. Another option will be pursued.

Mr. Ahearn the discussed the fee schedule for facilities use and bussing fees. The bus fee was last updated in 1993. Mr. Ahearn recommended a new rate fee of \$21.15.

A motion to adjourn was made by Dr. Picco and seconded by Dr. Weyand. With no discussion the motion was brought to a vote. The motion was carried. Ayes all. Meeting adjourned at 7:30 pm.

Next Meeting of the Hornell City School District Board of Education, Internal Audit Committee will be _____ at 6:00 at the school board offices 25 Pearl Street.

Respectfully Submitted,

Rich Dunning
Audit Committee Chairman