

**Hornell City School District  
Hornell, New York**

October 23, 2006

To: George Kiley, Superintendent  
From: Robert S. Gosden, Interim Business Official  
Subject: Audit Committee – Next Steps

As we have discussed the Audit Committee needs;

1. to recommend bylaws governing it's operation to the Board of Education for its approval,
2. to make a recommendation to the Board of Education regarding the establishment of an internal audit function,
3. to review and authorize the dissemination of an RFP for External Auditor.

Attached for you review are draft documents pertinent to each of the above.

On another note, I apologize for failing to bring to your attention that minutes of Audit Committee meetings need be taken and subsequently approved. As such, I've also attached draft minutes for the October 16, 2006 meeting.

Hornell City School District  
Audit Committee Minutes  
October 16, 2006

Present: David Weyand, Carol Berry, Richard Dunning, Paul McAnany, Pasquale Picco, George Kiley, David Lampila, Robert Gosden, Wayne Dresher

The first meeting of the Hornell City School District Audit Committee was called to order at 6:30 pm.

A brief summary of the basic responsibilities of the committee was provided by Bob Gosden. The principal agenda item was the presentation of the 2005/06 audit by the district's external auditor, Wayne Drescher. Before beginning the review of the 2005/06 audit findings, Wayne informed the Committee that in accordance with current law the Audit Committee needed to utilize undertake an RFP for External Audit Services for the current fiscal year. Wayne then reviewed the audit documents for the committee. Questions were asked and answered regarding fund and reserve balances, longer term debt, the deficit in the school lunch fund and post retirement health benefits. The presentation was concluded with a review of the management letter.

The meeting was adjourned at 7:00 pm