

**MONTGOMERY-OTSEGO-SCHOHARIE SOLID WASTE MANAGEMENT
AUTHORITY
AUDIT COMMITTEE MEETING**

DATE: November 16, 2006

LOCATION: MOSA Administrative Complex, Howes Cave

MEMBERS PRESENT:

Joan Bent
William Strevy

ABSENT:

OTHERS PRESENT:

Gilbert L. Chichester

1. Opening

Chairperson Bent opened the meeting at 9:06 a.m.

2. Independent Audit for 2006

Joan bent opened the meeting by indicating that the Public Authority Accountability Act of 2005, specifically Section 2802, sets forth the requirement and guidelines for the preparation and reporting of independent audits of all local Authorities.

The New York State Commission on Public Authority Reform has provided training on the legal, fiduciary, ethical and personal responsibilities of Public Authority board members and senior management. In said training, the Commission put forth the need for a committee structure to include an Audit Committee.

A primary responsibility of the Audit Committee is to facilitate the engagement of an independent auditing firm to audit the financial statements, internal controls, compliance, and operations and management of the authority on an annual basis.

Ms. Bent indicated that in light of the changes in personnel at MOSA she felt it appropriate to retain the services of the auditing firm that has worked with the Authority over the past several years.

The Committee agreed that it would be appropriate to solicit proposals for auditing for future years.

Mr. Chichester reported that he had met with the staff that will be involved with auditing the financial statements for the year of 2006. He indicated that it has been customary for the auditors to visit and do preliminary reviews of records and put forth the records and documents that they will need to perform the actual audit.

The Committee was provided with a copy of the attached letter that lists records needed along with a recommended delivery date. The delivery of the actual engagement letter was anticipated soon.

The Committee discussed their involvement in the auditing process. They felt that they should reserve the right to engage in discussions with the auditing team during the audit process. Mr. Chichester suggested that perhaps the auditors should minimally meet with the Audit Committee at the beginning of the process as well as at the end.

3. By Laws

The Committee felt that the Bylaws should be amended to include the Audit Committee. The charge for the Committee would be as set forth in the training documents.

4. 2007 Audit

The Committee set the goal for having the auditors in place for 2007 early in the year. They felt that a multiyear agreement should be negotiated.

5. Committee Responsibilities

The Committee reviewed their responsibilities as put forth in training by the Authority Budget Office.

The Committee decided to call its next meeting to address the audit of the 2006 financial statements early in 2007.

At that time, the Committee will relate to the other responsibilities established for the Committee

Respectfully submitted,

Gilbert L. Chichester
Executive Director