RIVER ROAD INDEPENDENT SCHOOL DISTRICT
BOARD OF EDUCATION
AMARILLO, TEXAS

Agenda Item No.:	**Date:**	Monday, June 13, 2011
	Related Page(s):	This page, Engagement Letter
Subject: Auditor Engagement	**Presented By:**	Mike Hodgson, Business Manager

ACTION

BACKGROUND INFORMATION:
Each year the school district is required to engage a certified public accounting firm to conduct an audit of the school district's financial records for the fiscal year. For the past several years Cornell & Company, P.C. has provided that service.

We just received the engagement letter from Cornell & Company and recommend that this firm conduct the audit of the 2010-2011 Fiscal Year's records. The fee for the audit is estimated to be in the range of $20,000 to $21,000. Last year the fee was $20,000.

There is an issue that you should be aware of. Cornell & Company did not fare well in their most recent peer review. There were two reasons for this. First, the people doing the review did not feel that the software program that Cornell and Company used adequately addressed issues of risk. The second reason was that due to illness of staff, Cornell & Company did not complete some of their audits as timely as they should have. The firm is still permitted to conduct school audits and will have another peer review to ensure that these issues have been addressed. If they are not, we may want to go out for bid for our audit services for the 2011-12 audit. However, at this time we are recommending retaining Cornell & Company.

PRESENTATION/PURPOSE:
This is the presentation of a request for your approval for RRISD to contract for audit services of the 2010-11 fiscal year records.

BOARD ACTION REQUESTED
To contract with Cornell & Company to provide the annual audit of River Road ISD's 2010-2011 Fiscal Year records and sign the engagement letter indicating such.