



February 19, 2007

Nancy M. Morris  
Secretary, Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090  
Via email to [rule-comments@sec.gov](mailto:rule-comments@sec.gov)  
RE: File Number S7-24-06

We appreciate the opportunity to comment on the SEC's proposed interpretive guidance for Management's Report on Internal Control over Financial Reporting. In our opinion the document helps to clarify the original intent of the SEC.

We agree that management should evaluate the design of its internal controls in order to determine whether they adequately address preventing in a timely manner the risk of a material misstatement in the financial statements. This evaluation should, as this proposal suggests, include a top-down, risk-based approach starting with the role of entity-level controls in assessing financial reporting risks and the adequacy of controls. The top-down, risk-based approach allows management to focus on those controls that are necessary to adequately address the risk of a material misstatement in the financial statements.

Strengthening the correlation between time spent testing a given control and the relative importance of that control allows for an enhanced evaluation process and reduces unnecessary audit costs.

Once again, we appreciate the opportunity to comment on this exposure draft.

Sincerely,

Robert A. Schoelkoph, CPA  
Senior Vice-president and Chief Financial Officer  
Home Federal Bancorp, Inc.