

Minutes for Audit Committee Meeting of January 7, 2010
Held at the Fire Department Meeting Room
Approved January 28, 2010

Members Present: Ernest Welker (EW), Chair; Glenn Rosenberg (GR), Vice Chair; Stephen Kuhn (SK), Ray McCarthy (RM), Jim Moran (JM), Joe Occhuiti (JO)

Members Absent: Jim Shriver (JS)

Others: None

The Chair called the meeting to order at 7:00 p.m.

Draft Management Letter (ML) Responses

GR discussed that the primary purpose of meeting was to review the draft responses from Town Management to the draft ML. GR mentioned that Finance Director - Paul Pasterczyk (PP) - sent the draft responses to all audit committee (AC) members just prior to the meeting via email. It was noted that receiving the responses only a few hours prior to the meeting in addition to PP's not being present to review and discuss his responses was not the best use of the AC's time. RM added that at the December 17th, 2009 meeting it was requested that the AC receive the responses at least a couple of days in advance to permit an adequate review of the materials.

Disclosure for the minutes - Due to the fact that the ML responses from Town Management were still in draft form and not considered the final version, the minutes of the AC will reflect only general discussion and comments regarding each issue. The final approved ML with Town responses will become a public document once it is presented to the Select Board scheduled for the Spring 2010.

Since not all AC members received the email communication, GR provided a copy of the material to all members and also read aloud the responses as they were discussed during the meeting.

Current Year Comments –

1. Departmental Receivables – AC generally agreed with the response with some minor edits to the language. Further clarification required to ensure the response included the School department.
2. School Lunch – AC agreed with response with some minor edits to the language.
3. State Aid to Highway – AC agreed with response with no changes.
4. Departmental Accounting Records – AC generally agreed with the response however required further clarification regarding approval for deviations to proposed new policy.
5. Estimated Receipts – AC generally agreed with the response with some minor edits to the language. Further clarification required to ensure the response included the School department.
6. Supporting Documentation for Accounting Entries – AC generally agreed with the response with some minor edits to the language.

Prior Year Issues not rectified –

1. Review of Payroll Transactions – AC requested further specifics regarding corrective action plan and safeguards being implemented.
2. Accounting/Financial Policies and Procedures Manual – AC requested further specifics regarding a corrective action plan.
3. Risk Assessment and Monitoring – AC requested further specifics regarding the proposed action plan.

GR recommended prior to the next AC meeting scheduled for January 28th, 2010 that a meeting with PP be scheduled to review the feedback on the each of the responses as outlined above.

Other Business

EW mentioned he was following up with Scanlon and Associates (SA) on the issue regarding defined policies and procedures as it relates to Enterprise funds and would provide an update at a future meeting. RM stated that the lack of a written policy regarding the Enterprise funds was a concrete example of the prior year ML comment which was not rectified as noted by SA.

EW stated that regarding the OPEB liability he was following up SA and Unibank on the applicable laws and regulations regarding bonding debt to pay the future liability and would provide an update at a future meeting.

The date for next AC meeting is January 28, 2010 at 7:00 p.m. in the Fire Department Meeting Room.

Meeting adjourned 9:50 p.m.

Respectfully submitted,
Ray McCarthy, Clerk