

Minutes for Audit Committee Meeting of October 17, 2007
at the Police Station Community Room.
Approved December 19, 2007

Present: Ernest Welker – Chairman, Glenn Rosenberg- Vice Chairman, Larry Eagan – Secretary, Paul Smith – Member.

The Chairman welcomed Paul D. Smith as an official member. He also reported that due to a schedule conflict, former member Paul Adornato could not appear before the Select Board the last time it held interviews for the remaining vacancy, but reported that Paul A. said he would do so as soon as possible to seek appointment. Committee members agreed to try to recruit others to fill the two vacant Associate Member positions.

A motion to accept the previously circulated proposed minutes of August 14, 2007 was made and seconded, and they were unanimously adopted.

Major projects, status reports

- 1) Pension benefits (Ernie)
Ernie reported that the Pension Review Task Force met on Monday. Nearly all of the 20 or so documents needed from the HCRRB were collected and available for review and analysis. Assignments of specific areas for review were made. Next meeting is November 12.
- 2) Health benefits (Larry)
Larry to check with Paul P. to see if a group of town residents may help analyze health group options. Segal Company was low bidder on the GASB-45 calculations
- 3) Internal Controls and Procedures (Glenn)

Along with the standard financial audit, Scanlon and Associates conducts an “A-133 audit.” This audit is required because the Town receives and expends the threshold amounts of federal dollars. These audits are very comprehensive in scope. They include detailed reviews of internal control systems and compliance matters. Mr. Scanlon will be asked to attend the next meeting of the Audit Committee. Items to be discussed include:

1. any additional government regulations over the past year
 2. the items to be focused on in the upcoming audit
 3. the terms of the audit engagement letter.
- 4) Budget Presentation Format (Glenn)

The Audit Committee has developed certain suggestions on the format for budget presentation. The main objective of these suggestions is to express understandable budget detail. These suggestions are made in order to capture the following factors on an individual line item basis:

1. Amount of current year budget line item
 2. Amount of current year actual revenue and expense
 3. Requested amount of new year budget line item.
 4. Amount of increase or decrease between years
 5. Narrative explanation of the reason(s) for the increase or decrease.
- The Committee agreed to hold a joint meeting with the FC on October 24, 2007.

Ongoing projects

Current audit – Glenn will contact Scanlon to set a date for him to meet with us to review the scope of his work, the areas of focus, and the schedule.

MUNIS implementation progress – As Scanlon’s audit proceeds, we should get a sense of how well the system is running.

Abraham’s Group Report – Ernie will monitor the status of the one or two recommendations that were not satisfactorily settled.

Enterprise Risk Management – Ernie mentioned that at a recent Finance Committee meeting attended by School officials, an FC member raised a concern about over-crowding of school busses transporting athletic teams, having seen one with many high school players sitting three to a seat. The Supt. of Schools said she was unaware of anything like this and would look into. It was raised as an example of unknown potential risks to the Town, an area the AC believes should get more explicit attention.

Other

The Chairman was authorized to draft a report to the Select Board covering the Committee’s activities for the June – September period. The two major items to be mentioned, the AC’s recommendation regarding pensions and its work plan for the year, were already known to the Select Board, so the report would be mainly for the record.

Our meeting to follow the joint meeting with the FC will be based upon availability of Scanlon and will be set by October 24.

Adjourned 8:48 PM

Respectfully submitted,
Larry Eagan, Secretary