

Minutes of Audit Committee September 7, 2005
Fire Department Conference Room

This meeting was called to order at 7:05 PM by Peter Landon.

Attendees

Members: Paul Adornato, Peter Landon, Michael Giampietro, Larry Eagan, Ned Steiger, Saul Wenig – (approximately first half of meeting via telephone)

Public: Roger Wojcik, Kathy Grady

Town Accountant: Paul Pasterczyk

1. Roger Wojcik and Kathy Grady spoke regarding the significance of the Audit Committee (AC) under the new Town Charter.
2. Each member of the AC introduced themselves to the group giving their professional and volunteer backgrounds as they relate to the committee and town.
3. Elections were held. Results: Peter Landon, Chair; Paul Adornato, Vice Chair; Lawrence Eagan, Clerk/Secretary. Terms are for one year.
4. Voted to recommend to the TM and the SM that the Town of Longmeadow pursue with all dispatch the refinancing opportunities available on existing bonding indebtedness in regard to the School bond issues of 1995 and 1996, with optimization of all terms, i.e. maturity, interest rate, insurance premiums (if necessary) etc. The bonds are 20 year in duration with a covenant that they can be refinanced after 10 years. We are at the 10 year point now.
Vote 4-0 to approve.

Discussed maturity options for the refinance (to control the debt exclusion amounts) with consideration of possible capital expenditures being considered by the Town in the out years.

We agreed to request information from the Capital Planning Committee in this regard. Non excluded debt of roughly 500k ([p@I](#)) a year for the Fire Dept. Building will be paid off in 2008.

Once a refinancing proposal, with terms, is received from the Towns Bond Advisor the AC will make a further recommendation to the Select Board and the School Committee, as to whether or not to recommend the refinancing and the terms that are advisable.

5. Agreed to order complimentary subscriptions to “Tone at the Top” from the Institute of Internal Auditors.
6. Agreed to review and recommend (if necessary) updating the Town’s Investment Policy Statement.
This updating was recommended in the Management Letter from the Town’s external auditor for the year ended June 30, 2004. A copy of the current policy was distributed to all members present.
7. We asked for a copy of the Town’s engagement letter with the external auditor be

distributed to all members.

8.
 - A. Future Meeting Dates – Quarterly
09/07/2005
12/07/2005
03/08/2006
06/07/2006
09/06/2006
12/06/2006
 - B. Special Meetings
10/06/2005
 - C. Bonding Proposal Meeting with Bond Advisor - ASAP- after UniBank has their proposal ready.
9. External Auditors, Management Letter Findings.
We reviewed management findings and recommended steps to correct:
Student Activity Funds
Full Purchase Order system and Requisition system
Reconciliation of Taxes and Outstanding Tax List (a discussion ensued about the need to correct)
Timely Depositing of Checks by Treasurer’s Office
Inspectors Fees – corrected
Infrastructure – list of capital assets from 6/30/1980
GASB-45-Accounting for post employment benefit plans other than Pension
Investment Policy Statement
It was stated that the annual cost for the audit is approximately \$21,500.00.

Action Step(s)

Requested from management a plan to correct/or respond to the external accountants findings, with an implementation timetable as appropriate, based on relevancy.

The findings for 2005 are probably in draft form and we requested Paul obtain them for the committee from our independent audit firm.
10. Agreed to review Draft Audit Report for year ending June 30, 2005 – as soon as available. Paul will discuss timing with Thomas J. Scanlon CPA – the Town of Longmeadow external auditors.
11. Internal Audit Procedures
Paul Pasterczyk presented an outline of the current internal audit program. The Committee discussed the need to review a comprehensive internal control document. We need to ensure that all internal controls are documented and inquire with the auditor the extent of listing or review.
After review by the Audit Committee and input from the Town staff, a timetable should be established to update the document and include new procedures.

Submitted,

Larry Eagan
Clerk, Secretary