Minutes
CHARLOTTE TOWN AUDITORS Meeting
Monday June 1, 2015 at 4:00pm

Town Auditors Present: Jenny Cole, Peter Trono, Jason Pidgeon

Others: Christina Booher, Mary Mead, Stephen Brooks, Ellie Russell, Lane Morrison

The Meeting was called to order at 4:05pm.

Peter Trono – Spoke with Jill Lowrey regarding the management of the Public Funds account. Jill will come to a future auditor meeting to discuss placement of funds, and the location of accounts. Currently, the Public Funds are managed by JP Morgan, and the statements and accounting of the funds are not reconciled on the Town's system.

Approval of previous meeting minutes was postponed. Review and approval slated for next regular meeting.

Mary Mead – Inactive accounts have been closed with the bank. The money was moved over to the general funds account and can still be tracked under the appropriate funds placement within NEMRC.

<u>Affordable Housing Fund:</u>
Ellie Russell – presented the status of the affordable housing fund/committee. The committee is lacking members and has not seen many recent requests for usage of funds. Stephen Brooks and Ellie Russell both provided a brief history/purpose of the committee and funds.

Stephen Brooks said there are issues with the current policy and follow-up, particularly within the monitoring of construction. Another issue, as previously noted, the Committee dwindled, therefore the work of many was put on a few. Stephen stated, the current model does not lend to proper use of the funds.
Jason Pidgeon suggested that the committee's policy be reviewed to provide a wider audience for the funds, making them not so restrictive and onerous on the recipient and committee.
Peter Trono reminded the group that the Select Board is in charge of the funds. The Auditors are merely in charge of monitoring the use of the funds and may make recommendations as to what should happen to the funds.
Lane Morrison will have a discussion at the next Select Board meeting as to what should be done with the funds.

<u>Audit Response:</u>

Mary Mead – Authorization concerns – Mary is providing weekly reports showing warrants matching up with posts to ledger. Currently, the Chair of the Select Board is reviewing and signing off on the report.

Mary Mead – Procedure manual is complete, but will look to work with Jason to put into a format, though not required by the Audit.

Lane Morrison – Three areas need to be reviewed -1. Policies - (We've made good headway) 2. Procedures - (Mary has a binder outlining all procedures, which is kept in the Town Hall.) 3. Controls (addressed with Select Board Chair signing off on report mentioned previously)

Lane Morrison - Controls – two additional areas of concern to Auditors: – Clarification of Thompson's Point Wastewater accounting. Fire & Rescue – Clarification of surplus funds calculation. The Memorandum of Agreement, specifically the need to review the calculation of surplus.

Mary Mead – Controls – Trustee of Public Funds to be added to system. Will need assistance from NEMRC.

Mary Mead – We have a fixed asset Schedule, and we will work on Fraud Policy next. As part of the Fraud Policy, we will need a Fraud Risk Assessment checklist, one can be found on the State of Vermont's website for internal auditors. An Investment Banking Policy is needed, but not on the horizon.

<u>Other Business:</u>
Mary Mead mentioned that not all committee members provide receipts for cash reimbursements.

Peter Trono Made a Motion – "Town Clerk to require receipts for all cash reimbursements." - Seconded – Jason Pidgeon - Vote: 3-0

Peter Trono – Will speak with Jill Lowrey regarding sending Public Funds bank statements directly to the Town Clerk's Office.

Next Reconciliation – June 18, 2015 at 8:15am
Next Regular meeting is scheduled for June 22, 2015.
Jason Pidgeon made a motion to adjourn, seconded by Peter Trono. (Vote 3-0)

Meeting was adjourned at 6:35pm.