

DRAFT
Minutes
CHARLOTTE TOWN AUDITORS
Meeting
Wednesday, January 7, 2015 at 3:00 p.m.

Town Auditors Present: Jenny Cole, Peter Trono, Nancy Wood

Others: Lane Morrison, Dean Bloch

The meeting was called to order at 3:00 p.m.

Nancy stated that Mary Mead will walk through the monthly reconciliation process later in the meeting.

Minutes of the December 15 meeting were approved with the addition of a sentence about the 6:30 Selectboard and Auditor meeting with Rick Brigham. (Motion by Peter, seconded by Jenny)

Selectboard Chair, Lane Morrison had three items for discussion:

- Whether or not the Town should continue to have elected auditors
- How the Town should handle monthly reconciliation
- Correction of deficiencies in internal control identified in the 2014 Audit Report

In response to the question of whether or not the Town should continue to have elected auditors, there was discussion of auditor tasks, objectivity and whether there are people interested in running who have accounting experience. The group concluded that the Town should continue to have elected auditors—and should encourage someone to run who has accounting experience. Lane would like to take on the task of developing the Town's financial policies over the next 3-4 months. Dean Bloch is willing to work on this project— and Sullivan, Powers & Co. and the Vermont League of Cities and Towns can review and serve as resources. It was suggested that the elected Auditors take an active role.

There was discussion about the difference between doing reconciliation and review of the reconciliation. In order to address the question of segregation of duties in the 2014 Audit Report, Christina Booher (Assistant Town Clerk/Treasurer) is now doing the reconciliation. The elected auditors have been reviewing the reconciliation, but inconsistently. Lane felt this should not be done by a Selectboard member, because members sign bills and warrants. Following discussion, everyone agreed that it would be best to hire an outside person to do the reconciliation each month, and that \$1500 should be added to the budget to cover the cost of 3-5 hours per month. This could be done by a qualified local person, or an elected auditor with accounting experience. (See the following discussion regarding reconciliation.)

Meeting with Town Treasurer

The Auditors met with Mary Mead to go over reconciliation, and authorization of journal entries. She was concerned about an outside person having access to the accounting program. She also indicated that a few fund transfers require Selectboard approval. She leaves these on the counter

in the Town Clerk's Office, and sometimes, they are not signed. It was suggested that she inform the Selectboard if approval is required, but overlooked.

Following the meeting with Mary, the Auditors continued discussion about reconciliation. Dean joined the meeting and was asked to contact Rick Brigham to resolve questions about doing reconciliation vs. review of reconciliation, and to clarify what further actions are needed to assure segregation of duties. The Selectboard should be advised of Mary's concerns.

Auditors' Report for Town Report

A draft Auditors' Report for Town Report was reviewed and edits suggested. Jenny will complete the report and submit it by January 16.

The meeting was adjourned at 5:10. (Motion by Peter, seconded by Jenny) January meetings will be work sessions to review monthly reconciliation. Nancy will be out of town. Jenny and Peter will schedule the meetings and see that the meetings are warned.