

**Middletown Springs Auditors Meeting**

November 18, 2015 – 7:00 PM

Middletown Springs Town Office

*Approved Minutes*

**Auditors present:** Juanita Burch-Clay (Nita), James Georg (Jim)

**Others present:** None

Call to order: 7:10 pm

**1. Minutes:**

- Minutes from the March 31, 2015 meeting were reviewed and approved.

**2. Agenda adjustments:** Agenda was reviewed.

**3. Review of treasurer's annual report** – questions from October 26, 2015 work session answered. We will ask the treasurer for an updated annual report with two small changes.

**4. Review recommendations for annual auditors' report**

**Town Policies:** Review of policy binder

- There are some new town policies, particularly Personnel Policies (signed 2/26/15) and Purchasing and Contracting Policy (dated 10/22/15 but not signed).
- We recommend that the Road Policy be reviewed and updated. There is a 1999 Road Policy, and then there are revisions, addenda, amendments, notices and related policies (from 1999, 2001, 2003, 2006, 2012, 2015.) Roads are very important to our town. A review and organization of the relevant policies would help in management and communication.
- The items in the Select Board section of the policy binder need to be reviewed, and the outdated or irrelevant items discarded.
- There is a Conflict of Interest Policy (signed 2/28/08). An addendum to this policy is neither dated nor signed. We recommend it either be signed or that the policy be reviewed and revised to include the extra material.
- A letter that includes Lister "policies" does not have a note of having been reviewed and accepted by the Select Board. (In comparison, a Library use "policy" has a note of the date of SB review.) We suggest that the binder should include only the actual policies, practices or procedures being followed, rather than a letter about a specific issue with policies embedded in the text.

We reviewed the FY14 auditors' report and updated the policy recommendations.

**External Audit:** The Select Board did not include \$5000 for the audit reserve for FY16 budget. The town voted \$5000 to the reserve in FY15, with the view of building up a reserve for a future audit. Our expectation is that we would continue to add \$5000 per year, with the result after four or five years the town would have enough for a solid audit.

- We again recommend that \$5000 be included in the annual budget for an audit reserve.

**Investment of Restricted Funds:** Some of our town funds currently receive no interest, and others receive minimal interest. Of over \$500,000 in restricted funds, we made only \$360 in interest in FY15!

- We recommend that the treasurer be given authority, with permission of the Select Board and following Vermont law, to invest town funds in a more lucrative manner.

**Trust Funds:** The recommendations from previous annual report were reviewed and slightly modified.

**Approved:** The above recommendations approved for inclusion in annual report and/or presented at SB meetings.

**4. Management and investment of town funds:** Based on our review of restricted funds, we would like to see better returns on town investments. The town treasurer has been exploring possibilities.

**5. Future Meetings:**

- Work session: Monday, December 7, 2015 at 4:30 pm.
- December warned meeting to approve annual report: TBD.

Meeting adjourned: 8:45

Minutes submitted by Juanita Burch-Clay