

Middletown Springs Auditors Meeting

December 10, 2012 at 1:00 PM

Middletown Springs Town Office

Unofficial Minutes

Auditors present: Juanita Burch-Clay (Nita), James Georg (Jim), Jacqueline Parker (Jackie)

Public present: None. (However, multiple persons were present in the town office during the meeting.)

Call to order: 13:10

Agenda:

1. Approve minutes from last meeting – Jackie moves to approve. Approved unanimously.
2. Hours – auditors were reminded to submit hours, both paid and volunteer each month.
 - Note that the hourly rate was originally given as \$15, then mistakenly paid as \$12. Will be corrected.
3. Auditor Activity:
 - Jackie reviewed the select board minutes for FY12
 - Minutes from 6 meetings were missing. Laura Castle will print them out for here, to make a complete set.
 - She noticed a couple of cost over-runs, but “it all made sense” and money was accounted for.
 - **Question:** if there is a surplus at the end of the year in the highway fund, should it go back into the highway fund? It should be reported as a surplus and decided on by the town budget (i.e. if it reduces the next year’s taxes), but it doesn’t go to general fund.
 - There was some discussion about the independent auditor’s report on Jan. 26, 2012 and the recommendation of an outside audit on a specified time frame (such as every 5 or 10 years.) This was reported to potentially cost \$16-\$22K.
 - Jackie tracked over a dozen random orders from minutes to orders to payment. All was in order.
 - She noted that there was no treasurer’s report at select board meetings. [See suggestion for treasurer reports in the Nov. 20, 2012 minutes.]
 - **Suggestion:** send minutes from auditors’ meetings to the select board.
 - Jackie was told by a select board member that the limit for highway purchases by the road foreman without approval is \$500.
 - **Question:** Where is this written in policy?
 - Jim – explored questions about money spent after Irene and collected information on the trusts.
 - There is a concern raised by Carl Haynes about which account the FEMA money went into after Irene and why there wasn’t more surplus in the highway account.
 - We don’t have a final report for FY12 from the treasurer. This will be done by the end of this week, after some recoding is finished. At that time, we will audit the budget lines.

- Jim and Jackie will double-check the FEMA and Irene numbers when the treasurer's report is available.
 - **Suggestion:** Separate bank accounts for the general fund and the highway fund.
 - Jim received a binder of information from Nanette Gilmour about trust and trustees of public monies. He will review the purposes and intentions of the trusts, the control of funds, and bank balances in preparation for auditing the year end reports in January
- Nita
 - Wrote to VLCT asking for the internal control questionnaire in a write-able format. She will make a report with the ICQ filled in electronically at the next meeting.
 - She began a review of delinquent taxes and raised some questions about the information in the annual report. She will contact the former treasurer for more information, and she will continue to check the numbers.
 - She will also be writing letters to banks to check on town accounts.
 - Nita shared a first draft of the auditors' annual report, and the auditors reviewed wording, checked off tasks accomplished, and noted tasks yet to be done before the report can be completed and findings articulated.
4. Auditors Report to the Town – discussion of items to be included, objectives, scope, etc. (See above).
 5. Review audit checklist and ICQ (Internal Control Questionnaire) for progress next steps
 - We are making progress, but there will be steps omitted this year that will need to be done next year. The amount of auditing work to be done is enormous, and is hindered by the lack of a policies and procedures manual for the town.
 6. Set next steps – as noted above, plus:
 - Nita: Will ask to present auditors' work in progress to the select board at one of the next meetings.
 - We are waiting for a timeline of deadlines for the annual report.
 7. Set date for next meeting
 - There will be a work session on Dec. 19 at 1:00 at the town office. (Work sessions do not need to be warned.)
 - Next formal meeting is tentatively scheduled for January 30.

Meeting adjourned – 2:45

Minutes respectfully submitted by Juanita Burch-Clay