

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, April 10, 2008

Attending:

Audit Committee: Arthur Norton, Chairman; James Campbell, William Finger, Jeffrey Ramer.

Staff: Finance Department, Peter Mynarski, Chris DeMeo, Reinie Lange, Law Department: John Wayne Fox.

Meeting was called to order at 8:02 A.M.

The following items were discussed:

1. Approval of the minutes March 13, 2008, Audit Committee meeting.

Minutes were distributed in Draft form, approval at May 8, 2008 meeting.

2. Review items Charged off by Town Departments---Fiscal Year July 1, 2006-June 30, 2007 and Fiscal Year July 1, 2007-February 29, 2008.

A listing of all checks returned by the bank for the period July 1, 2006-February 29, 2008 was distributed. The lists describe Departments responsible for the charge off and the reason, NSF, Referred to Maker, Account Closed, and Payment Stopped.

The approximately amount charged off was \$70,000. The individual Town Departments are to report to the Treasury Department when the Return check is made good, this procedure is not always followed. Discussion will continue at the May meeting.

3. Discussion: Use of Independent Collection Agency for all Town Departments.

Discussion on the present policy of Town Departments concerning the use of collection agencies to collect past due amounts. The Internal Auditor will obtain the cost of the collection agencies being used by the Parking Authority and the Tax Collector. The Internal Auditor will report back to the Committee at a future meeting.

4. Review of Draft Letter, Tax Collector, Tax Overpayments.

A revised letter was distributed to the Committee, showing changes requested. Dissuasion followed as to the cause of the overpayments, and the correct street address of the property (some resident listing and the mail address as shown on the property records of the Town have different descriptions). Discussion about sending the notices by Certified mail and or posting the Street addresses in the Newspaper followed, and the recommended changes will be submitted at the May meeting.

5. Report by Town Attorney, John Wayne Fox, and Risk Management Recommendations to Town Departments to mitigate Town Liability.

Attorney Fox discussed three cases that were settled recently against the Town, they were in the following Departments, Police, Library, and Nathaniel Witherell. A follow up of each case was discussed and the reason that the Town incurred the judgment that it did. Mr. Fox stated that possible changes will be reflected in the Law Departments with the possibility of hiring an additional attorney and an attorney with special knowledge in certain areas.

It was decided that the BET Law Committee will be primary contract for loss control mitigation, and it will advise the Audit Committee on a monthly basis of any financial issues.

6. Follow-Up 2007 Fiscal Year Independent Auditor Management Letter.

A listing of the past Management letters points was distributed to the Committee, no Department had completed the management's points, but work started in resolving all of the points. This point will appear on the May Audit Committee Agenda.

7. Internal Auditor's Report.

The internal auditor mentions that he is starting to gather information on the Bridge Fund and the School reimbursement schedule.

8. Discussion of topics for future BET Audit Committee Meeting.

Discussion on the SAS 114, and the meeting with the external Independent Auditor, BlumShapiro, prior to their review of the Fiscal 2008 Audit. At the May 8, 2008 meeting the Committee will review information and material from the special Audit Committee meeting of April 8, 2008

9. Adjournment.

The next Audit Committee meeting is scheduled for May 8, 2008.

The meeting adjourned at 9:35 AM motion by Mr. Campbell, seconded by Mr. Ramer. Approved 4-0.

Reinhardt Lange, Secretary

Arthur D. Norton, Chairman