



## USE OF AUDITOR ENGAGED TO CERTIFY ACCURACY AND FAIRNESS OF THE TOWN'S FINANCIAL STATEMENTS

### **Authority**

State Statutes, C.G.S. Sec. 7-391 to 7-391a.

Town Charter, Sec. 14.

An independent audit shall be made at least annually of all accounts of the Town by auditors chosen by the Board of Estimate and Taxation under contract.

BET Reference Handbook, Chapter III, page 33, Audit Committee.

The Audit Committee shall evaluate and select for recommendation to the Board of Estimate and Taxation a person or firm to conduct the annual audit of the Town's financial statements.

### **Policy**

To maximize the independence and objectivity of the firm engaged to audit and issue opinions concerning the Town's financial statements, and to assure that the primary focus of the auditor will be upon such functions, engagement of the auditor for projects ("additional activities") outside the scope of its primary function shall be limited whenever possible.

A request by any department, agency, appointing authority or independent board to engage the auditors for "additional activities" shall be submitted to the BET audit committee for review, and no engagement of the auditors for "additional activities" shall be undertaken without the prior written consent of the Board of Estimate and Taxation.

As a guideline, the total fee paid or projected for such "additional activities" during any fiscal year should not exceed 30% of the total fees paid or budgeted for audit activities during the same fiscal year. Any engagement contract between the Town and the auditor shall incorporate this policy.

### **Background**

It is the intention of the Board to preserve the independence of the auditors appointed by the BET, to prevent any appearance of conflict of interest with the auditor's duties under C.G.S. 7-391 to 7-391a.