

*Town of New Fairfield*  
**Board of Finance**  
**4 Brush Hill Road**  
**New Fairfield, CT 06812**

**MINUTES**  
**BOF AUDIT SUBCOMMITTEE**  
**Tuesday, December 14, 2010**  
**5:00 PM**  
**Town Hall Annex Conference Room**

***Members present:***

Wes Marsh  
Robert Klick  
(arrived 5:27pm-left 7:15pm)  
Al Mardis

***Other Town Officials Present:***

Jay Waterman, Finance Director  
Ed Sbordone, Accounting Manager  
Scott Bassett, McGladrey & Pullen

**Call To Order** Chairman Wes Marsh called the meeting to order at 5:14pm.

**Discussion with auditors McGladrey and Pullen regarding internal controls**

Members of the subcommittee had a discussion and asked questions of Scott Bassett from the audit firm of McGladrey and Pullen regarding internal controls for cash accounts for both the town and the school accounts. There was a lengthy discussion of the cash accounts in town. Four accounts that consistently receive cash are student activity fund; drop off center in town, Parks and Recreation and Land Use. Mr. Bassett gave guidelines that should be followed in order to tighten the controls on these accounts. It was suggested that checks be received whenever possible and these checks should be deposited on a timely basis. There was a discussion of the process for collecting checks for student activities funds. Checks should be collected by the central office and there should be a segregation of duties. Any cash that is collected should be deposited in the bank that day. Finance Director Jay Waterman noted that the potential for risk in Parks and Recreation Department has been minimized since last year and spoke of on-line registration for Parks and Recreation activities. Mr. Waterman spoke of guidelines for the Land Use Department and noted that checks are preferred over cash and a receipt must be given if cash is received. It was noted that a check is preferred at the drop-off center as well.

There was a discussion of what would be entailed to have a more detailed audit in town. Mr. Bassett noted that his firm will put together a proposal for an "Operational Review" to increase the scope of the audit to include an audit for the student activity fund at the high school and the building dept.

**Discussion with McGladrey and Pullen regarding 2009-2010 New Fairfield town audit**

Scott Bassett spoke of the audit for the Town of New Fairfield for the fiscal year 2009-2010 and noted that there was good communication with the Finance Dept. throughout the year and there are no significant adjustments. The town is in good financial shape with a 99.4% tax collection rate. Mr. Bassett noted that the town's general fund has a balance of approximately \$7.6 million and

spoke of factors that affect the general fund. There was a brief discussion of the capital project fund and the surplus from the prior year. There was a discussion of the Medical fund and the pension funds for both the town and the Board of Education. Comments in the Management letter included using a centralized program for the fixed asset program, reviewing the vendor list and the student activity check policy. There was also a discussion of GASB 45.

### **Break**

Wes Marsh made a motion to take a five minute break at 7:18pm. Al Mardis seconded the motion.

**Vote: 2-0-0 (Robert Klick left the meeting at 7:15pm and did not vote on this item)**

Al Mardis made a motion to reconvene the meeting at 7:22pm. Wes Marsh seconded the motion.

**Vote: 2-0-0 (Robert Klick left the meeting at 7:15pm and did not vote on this item)**

### **Vote to recommend the approval of the 2009-2010 audit to the full Board of Finance**

Wes Marsh made a motion to recommend to the full Board of Finance the acceptance of the audit for the Town of New Fairfield for the fiscal year 2009-2010 as prepared by the firm of McGladrey and Pullen, CPA's. Al Mardis seconded the motion.

**Vote: 2-0-0 (Robert Klick left the meeting at 7:15pm and did not vote on this item)**

### **Vote to recommend an auditor for the 2010-2011 fiscal year to the full Board of Finance**

It was noted that information regarding the Operational Review of accounts will be discussed at a full Board of Finance meeting.

Al Mardis made a motion to recommend that the full board retain the firm of McGladrey & Pullen CPA's for two additional years at a rate of \$52,100 per year. Wes Marsh seconded the motion.

Wes Marsh made a motion to amend the previous motion to recommend that the full board retain the firm of McGladrey & Pullen for two additional years at the same rate as the 2009-2010 audit. Al Mardis seconded the motion.

**Vote to amend motion: Vote: 2-0-0 (Robert Klick left the meeting at 7:15pm and did not vote on this item)**

**Vote on original motion as amended: Vote: 2-0-0 (Robert Klick left the meeting at 7:15pm and did not vote on this item)**

### **Adjournment**

Wes Marsh made a motion to adjourn the meeting at 8:00pm. Al Mardis seconded the motion.

**Vote: 2-0-0 (Robert Klick left the meeting at 7:15pm and did not vote on this item)**