

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

MINUTES
BOF AUDIT SUBCOMMITTEE
Monday, December 20, 2011
5:00 PM
Town Hall Annex Conference Room

Members present:

Wes Marsh
Robert Klick
Jane Landers
Tom Quigley, Alternate

Other Town Officials Present:

John Hodge, First Selectman
Jay Waterman, Finance Director
Scott Bassett, McGladrey & Pullen

Call To Order- Chairman Wes Marsh called the meeting to order at 5:11pm.

Discussion with McGladrey & Pullen of the 2010/2011 audit for the Town of New Fairfield

Scott Bassett from McGladrey & Pullen introduced himself and spoke of the audit for the Town of New Fairfield for the fiscal year 2010/2011. The Town of New Fairfield has a strong financial balance with a General Fund of approximately \$8.4 million. The board had a question regarding the General Fund. Scott Bassett will check records for this and get back to the board. Internal Service funds include medical premiums of about \$7 million per year. Mr. Bassett spoke of the following control deficiencies found and Finance Director Jay Waterman spoke of corrective actions put in place.

Purchase orders being filled out subsequent to purchase- The School Business Manager sent out a letter to administrators reinforcing the policy that a purchase order must be completed prior to purchase.

Need to maintain and depreciate Capital Assets- Mr. Bassett suggested that stronger controls be put in place for the future regarding the depreciation of capital assets.

Departments collecting cash- Cash and checks should be deposited as soon as possible. It was suggested that deposits be made to the bank daily. Finance Director Jay Waterman sent a letter to department heads noting that deposits should be done on a daily basis. Every department now has a stamp to stamp the checks immediately. The Finance Dept. received a machine from Union Savings Bank that allows deposits to be made directly from the office. Safes have been installed and bolted to the floor in the Land Use Dept, Senior Center, Town Clerk's office and the Parks & Recreation Dept. Collecting of cash has decreased since a lot of transactions can now be done on-line. Cameras have been installed at the Drop-off site.

Discussion with McGladrey & Pullen of the operational review for the Town of New Fairfield

Board of Finance Chairman Wes Marsh sent a letter to Scott Bassett regarding having the auditors do an operational review for the Town of New Fairfield. This is particularly important for funds that have a lot of transactions and/or collect a lot of cash. It was decided that seven funds will be chosen for an operational

review. The board decided to include the following funds- Athletic Fund, Varsity Sports Fund, School store, DECA, Drama club, Land Use and the Drop Off center.

A report for the operational review should note any weaknesses and give advice on how to increase controls. Mr. Bassett noted that this review would most likely start in the end of the January with a price between \$7,500 and \$10,000.

Recess

Wes Marsh made a motion to take a two-minute recess at 7:10 pm. Jane Landers seconded the motion.

Vote: 3-0-0 (Motion approved)

Wes Marsh made a motion to come back from recess at 7:13 pm. Jane Landers seconded the motion.

Vote: 3-0-0 (Motion approved)

Vote on Operational Review

Wes Marsh made a motion to recommend to the full Board of Finance to go forward with an operational review of the following seven funds- Athletic Fund, Varsity Sports Fund, School store, DECA, Drama club, Land Use and the Drop Off center that will have a range in price from \$7,500 to \$10,000 to be funded out of the Board of Finance Contingency fund. Jane Landers seconded the motion.

Vote: 3-0-0 (Motion approved)

Vote to recommend approval of the 2010/2011 town audit for the Town of New Fairfield as prepared by McGladrey & Pullen

Wes Marsh made a motion that the audit subcommittee recommend to the full board the approval of the audit for fiscal year 2010/2011 as prepared by the firm of McGladrey & Pullen, LLP. Robert Klick seconded the motion.

Vote: 3-0-0 (Motion approved)

Adjournment

Jane Landers made a motion to adjourn the meeting at 7:15pm. Robert Klick seconded the motion.

Vote: 3-0-0 (Motion approved)