

Town of Kingston, Massachusetts
Minutes of the Audit Committee

MEETING OF: February 23, 2007 at 8:30 AM
Location: Town Hall, Meeting Room 203, Kingston, MA

Attendees:

Audit Committee

Robert Ward (Chair), Kathleen K. Voigt (By Telephone)
Kevin Donovan and Joan Paquette - Non-Voting

Meeting was called to order at 8:30 AM by Mr. Ward, Chair person

Minutes

The Committee reviewed the minutes from the September 22, 2006 meeting.
The minutes were moved for approval with 2 typographical corrections. (Vote 2-0 -0)

Focused Audit – Master Plan – Proposed Schedule

Mr. Ward presented a modified version of the schedule discussed at the last meeting. It was noted that the Trust Funds are audited on an annual basis and that the state and federal grants have little activity and could be moved to a 3 year cycle. That schedule will be modified accordingly and used as a guide by the internal and external auditors to select specific inquiries, mainly in the revenue capture and tracking areas.

Discussion on the YE 6/30/06 Audited Financials and Draft Management Letter

Frank Biron of Melanson Heath & Company, the external town Auditors presented the draft management letter. In that letter the Committee was concerned about the Reportable Condition)at the Assessors Office. This Condition, if not corrected, could have financial implications to the Town. The Condition speaks to the Town (Assessors Office and Town Accountant) not being able to produce an activity report on the Betterments Receivable and therefore could not tie out the balances between accounts with a sufficient confidence level. While there is not suggestion of wrongdoing, this gap in activity reporting could allow monies to be misapplied or otherwise diverted. The Reportable Condition in the external auditor's report commented on the lack of the Town's ability to track this activity. It was noted that modification to the Town's MUNIS system is the best solution to resolve this reporting situation.

The Committee accepted the remainder of the report.

The meeting adjourned at 10:00 AM (Vote 2-0-0).

Respectfully submitted,

Robert J. Ward

rjw