

**Town of Kingston, Massachusetts**  
**Minutes of the Audit Committee**

MEETING OF: March 14, 2008 at 10:00 AM  
Location: Town Hall, Meeting Room 201, Kingston, MA

**Attendees:**

Audit Committee

Robert Ward (Chair), Paul R. Ricci  
Kevin Donovan and Joan Paquette - Non-Voting

Excused: Kathleen Voigt

Meeting was called to order at 10:00 by Mr. Ward, Chair person

**Minutes**

The Committee reviewed the minutes from the February 23, 2007 meeting. The minutes were moved and approved (Vote 1-0 -1) Mr. Ricci abstained

**Discussion on the YE 6/30/07 Audited Financials and Draft Management Letter**

Mr. Ward reported that on December 10, 2007, Mr. Ward and Mr. Ricci attended meeting at Kingston Town Hall where Frank Biron of Melanson Heath & Company, the external town Auditors presented the draft management letter and the Audited Financial Statement to the town department heads. The Committee Reviewed the draft management letter and commented on the findings. Action on the report had to be deferred to this meeting.

**Reportable Condition**

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.

**Significant Deficiency**

The significant deficiency relating to controls over decentralized receipts was also reviewed. The Town Account noted that there is a lack of resources to fully monitor all of these receipts. The Committee suggested that the Town Accountant select a few departments and request their receipts for review. It was noted that the Town has made some steps for a uniform receipt form, but with the various needs of the departments a single form is probably not practical.

**Other Comments and Issues**

The Committee reviewed the Motor Vehicle Excise list. The tax collector is taking steps to resolve these outstanding delinquencies. The total amount outstanding for the period 1998 to 2001 was \$20,097 (358 accounts). The Collector is still active pursuing accounts from 2002 to present.

The Treasurer is working on the tailings account and this should improve for the next audit cycle.

Item 4 in the report commented on the lack of Department Disbursement Procedures, specifically the lack of uniform written policies, The Committee discussed the need to have the Town publish policies on cell phone usage and travel & meals

The Committee accepted the remainder of the report relating to prior year issues noting that while important, the exposure of the Town is minimal for these items.

The Committee accepted the other current years issues which will be worked on during the oncoming year as resources allow.

The meeting adjourned at 11:30 AM (Vote 2-0-0).

Respectfully submitted,

Robert J. Ward  
rjw