



**Town of Nantucket  
Audit Committee**  
[www.nantucket-ma.gov](http://www.nantucket-ma.gov)

---

**MINUTES**

**Tuesday August 30, 2011**

16 Broad Street, Conference Room – 8:30 a.m.

*All or a portion of this meeting is being recorded.*

*If you plan to record this meeting yourself, please check with the chairman of the board before you begin.*

Attending Members: Michael Kopko (Chairman), Matt Mulcahy (Vice chair), Rick Atherton

Absent Members: None

Staff: Irene Larivee, Debbie Weiner, Bob Dickenson, Gregg Tivnan Administration, Debbie Dilworth

Assessor, Elizabeth Brown Tax Collector, Terry Norton Town Minutes Taker

Public: Whitey Willauer

Auditor: Rene Davis via conference phone

**I. CALL TO ORDER**

Kopko called to order at 8:32 a.m.

**II. PUBLIC COMMENTS**

1. None

**III. APPROVAL OF MINUTES – June 28, 2011**

Kopko sees no comment on 6/28/2011 minutes and makes motion for consensus passage. Mulcahy seconds.

#### IV. Review of Audit Committee Scorecard

Sitting	Kopko, Atherton, Mulcahy
Recused	None
Documentation	Audit Committee Score Card As of August 26, 2011
Representing	Larivee & Dillworth
Discussion	<ul style="list-style-type: none"><li>• Treasury Performance Measures: <b>Larivee</b> – June Town and County Cash, and Receivables accounts all reconciled. Does not include Withholding Accounts, which are taken out of paycheck and reconciled each month, and are under 2010 Audit Matters.</li><li>• Journal entries: <b>Larivee</b> – For the town and county, we still have a couple more for period 13 and that’s when we close the accounting year; and any more adjustments will only be done by Dickenson, Larivee and the audit time. As of the end of the year, right now, we are still 99% down for the town from last year 66% down for county for journal entries.</li><li>• Collector’s Performance Measures: <b>Dillworth</b> – Sent 10,461 Real Estate bills; collected 96% total \$61M, which is higher than last year. Motor Vehicle for June \$1,144 full commitment for June. Billing to be quarterly for 2012 with two mailings each having two components to keep from increasing operating costs. Allows for payer to do so either quarterly or semi-annually.</li><li>• Assessor’s Performance Measures: <b>Dillworth</b> – 10,995 Real Estate Accounts. \$479,000 to Real Estate. Personal Property, 63 abatement applications approved; raised \$879,000. Values developed on market from 2008. Residential exemptions only exemption that can be placed on in advance of the bill.</li><li>• Material Weaknesses: Larivee -</li><li>• Other 2010 Audit Matters: <b>Larivee</b> – Chapter 90 resolved. Airport &amp; Wannacomet Water did not agree with figures in cash book. Have signed agreements stating that they approved all their transactions and will reconcile to their books. Treasurer is custodian of all funds so they (enterprise funds) cannot move their money. Three of 12 Material Weaknesses, sitting since the 1990s, are closed; the net today is zero. Auditors will have complete books within two weeks.</li><li>• Abraham’s Implementation: <b>Larivee</b> – One or two departments left to get operational on decentralized cash receipts. Account for Hunting, Fishing, Wildlife checks was scheduled to be closed in Sept, but Catherine Stoker and Weiner are working to get that shut down sooner rather than later. <b>Brown</b> – Books for Schools’ cash are being closed down. <b>Larivee</b> – Whiteout on payroll transmittal is indicative of attempting to pay an employee regular pay when they were actually on vacation they did not have. System will not allow department heads to submit leave pay for an employee who does not have the leave hours.</li></ul>

## V. Review of 2011 Audit Checklist

Sitting	Kopko, Atherton, Mulcahy
Recused	None
Documentation	Two checklists: one indicates both complete and unfinished; one indicates only what is left to be completed.
Representing	Larivee & Davis
Discussion	<b>Davis</b> – Cash is reconciled; May and June are complete. Goal is to have all the information one month before island visit; currently everything is on track. Once we get final ledgers, we look at the transactions and ensure everything is reconciled. Legal Letters will go out two weeks before visit to maintain timing. Did transaction testing in July; will have results ready for committee’s review. Finance department is working very hard to have everything ready ahead of time.

## VI. Review Draft Policies; Forward Comments to Board of Selectmen

1. Policy for Red-Flag Rules and Identity Theft Prevention Program

Sitting	Kopko, Atherton, Mulcahy
Recused	None
Documentation	Copy of policy with no changes.
Representing	Larivee
Discussion	None
  
2. Financial Reserves Policy

Sitting	Kopko, Atherton, Mulcahy
Recused	None
Documentation	Copy of policy with no changes
Representing	Larivee
Discussion	None
  
3. Financial Accounting Policy and Process

Sitting	Kopko, Atherton, Mulcahy
Recused	None
Documentation	Copy of policy with highlighted changes
Representing	Larivee
Discussion	None
  
4. Budget Policy and Process

Sitting	Kopko, Atherton, Mulcahy
Recused	None
Documentation	Copy of policy with highlighted changes
Representing	Larivee
Discussion	<b>Larivee</b> – Do not have a written policy on the budget. <b>Kopko</b> – Page 1 of 4, Item II, 3 <sup>rd</sup> paragraph change, it is not necessary to specifically identify Enterprise Funds for Solid Waste and Our Island Home. Recommend striking the paragraph.

5. Investment Policy

Sitting Kopko, Atherton, Mulcahy  
Recused None  
Documentation Copy of policy with highlighted changes  
Representing Larivee  
Discussion **Atherton** – Clarification of management of 3 CDs held by the town totaling about \$1 million.

6. Long-Range Financial Planning Policy

Sitting Kopko, Atherton, Mulcahy  
Recused None  
Documentation Copy of policy with highlighted changes  
Representing Larivee  
Discussion **Larivee** - Page 3 of 6 Item V.1, to ensure debt service down to 12%. **Kopko** – Recommend need to clarify that the Total Municipal Budget includes General Fund operating budget and Enterprise Funds.

7. Use of One-Time Financial Resources Policy

Sitting Kopko, Atherton, Mulcahy  
Recused None  
Documentation Copy of policy with highlighted changes  
Representing Larivee  
Discussion None

8. User Fees and Charges Policy

Sitting Kopko, Atherton, Mulcahy  
Recused None  
Documentation Copy of policy with highlighted changes  
Representing Larivee  
Discussion **Kopko** – Review existing fee structure, clarification of “public process.”

**VII. DATE OF NEXT MEETING**

Special Meeting September 22, 2011 11:00 a.m.  
Normal Meeting October 3, 2011 8:30 a.m.

Motion to Adjourn: 10:15 a.m.

Submitted by:  
Terry L. Norton