



**Town of Nantucket  
Audit Committee**  
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**MINUTES**

**Wednesday, January 13, 2016**

4 Fairgrounds Road, Training Room – 3:00 p.m.

Staff: Libby Gibson, Town Manager; Brian Turbitt, Finance Director; Lynell Vollans, Assistant Finance Director; Bob Dickinson, Assistant Town Accountant; Terry Norton Town Minutes Taker

Attending Members: Bob DeCosta, Rick Atherton, Jim Kelly

Absent Members: None

Auditor: Anthony Roselli, Roselli, Clark & Associates (RC&A) by remote participation

Documents used: Engagement Letter; FY2014 Management Letter.

**I. CALL TO ORDER**

3:09 p.m.

**II. DISCUSSION AND APPROVAL OF MINUTES**

October 27, 2015 – Held

**III. ENGAGEMENT LETTER/RENEWAL FOR FY2016, FY2017, AND FY2018**

**Turbitt** – FY2016 and FY2018 are at the same cost and FY2017 has an additional cost for the fiscal review of the School Student Activity Accounts.

**Motion to Accept the Renewal.** (made by: Kelly) (seconded by: Atherton) Carried unanimously

**IV. UPDATE ON FY2014 MANAGEMENT LETTER FINDINGS AND RECOMMENDATIONS**

**Atherton** – Asked to focus on the management letter.

**Roselli** – There is a deadline on the CAFR; but an extension has been granted through January 31, 2016.

Asked to have any edits come through Mr. Turbitt to be received by his office by January 21. This is the 1<sup>st</sup> year the GASB 68, the required recording of the net pension liability, is required to be on the books; the Town's net pension liability is \$53.7 million. The Town is on a funding schedule with Barnstable County as required by the State.

**Atherton** – The pension number seems to be the same; the Other-post Employment Benefits (OPEB) number seems to be lower than in the past.

**Roselli** – Reviewed some informational issues pertaining to OPEB, single audit threshold, and municipal data security.

**FINDINGS**

Using the wrong rate on unemployment claims; this is resolved. Health Insurance Trust, which is made up of two portions, has been fixed and satisfied. Some out-standing receivable balances go back to 1980s and should be resolved by the end of this fiscal year.

**Turbitt** – Explained what is being done to satisfy the finding.

**Roselli** – Cash reconciliation process: a lot of old reconciling items have been cleared out and adjusted but new ones are starting to accumulate. Capital projects: there was a list of stagnant projects, which are either being used or put into an article to be used; this should be cleared up by the end of this fiscal year. Last year the firm conducted payroll and Department of Public Works (DPW) projects: a lot of progress has been made but some issues are still being addressed.

**Turbitt** – Kara Buzanoski, DPW Director, sent update on the video camera policy. Specific to payroll, software for DPW payroll will hopefully be in place by April to eliminate some issues that were identified. Discussion about the use of payroll software for DPW and the Fire Department.

**Roselli** – Student Activity Accounts: there have been a lot of improvements which will hopefully continue; an issue affecting the Town is the fact that the treasurer maintains the savings accounts for these; in the General Ledger they are agency accounts for the schools. A new rule requires the school, the treasurer, and the general ledger be reconciled quarterly; that had never been done so he reconciled them.

**Turbitt** – The process has been developed and started with the reconciliation for December.

**Roselli** – He has offered training for the individuals who work with Student Activity Accounts. A large amount of money goes through those accounts: close to \$400,000. Closing the books timely: this is important and needs to be focused on; he saw some improvement but needs further improvement; reviewed some of the still outstanding issues and recommended a checklist noting: who is responsible, when things are to be done, and when it was reviewed.

**Turbitt** – After the last meeting, there have been extensive conversations about how to streamline this process; there is a checklist with due dates and review schedules, which are signed, monthly, quarterly, or annually. The goal between December 2015 and May 2016 is to refine and identify holes in the process.

**Roselli** – Special Revenue Fund: The State appointed a new Director of Accounts who wants stagnant accounts, which have not had activity in a number of years, identified and cleared up; the Town has over 200 stagnant accounts with balances that need to have the money reappropriated or closed out to free cash.

**Turbitt** – Has a list that he'll go through with the Town Manager to identify how the money might be used.

**Roselli** – Cash Handling: he will audit two or three departments a year to ascertain how they handle and reconcile cash: he has audited the Town Clerk, Wannacomet Water Company bills, and school cafeterias. Noted that the Town treasurer has custody of all Town funds and how they are managed; when it comes to cash, turnovers, and cash handling; suggested a ruling from Town Counsel on that.

Discussion about issues with the cash handling in the Town Clerk's office.

**Turbitt** – He will do an unannounced visit to ensure the Town Clerk is complying.

**DeCosta** – Feels it would be good for people to hear that the Town is financially sound before Town Meeting. Discussion about scheduling a presentation by Mr. Roselli to the BOS.

## V. DATE OF NEXT MEETING

April 6, 2016

Motion to Adjourn: 3:56 p.m.

Submitted by:

Terry L. Norton