

**Town of Belmont**  
**PERMANENT AUDIT COMMITTEE**

Minutes: December 17, 2002, Town Hall Conference Room 1, 4 p.m.

Present: Members John Foppiano, Henry Hall, Robert Keefe, and Robert Rifkin; ex-officio members William Brownsberger, Melvin Kleckner, Barbara Hagg, Susan Kendall Freiner; Brock Romano and Mike Maschio from KPMG

Absent:

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The meeting was called to order at 4:00 p.m. by John Foppiano.

The Committee held an organizational meeting and elected as officers for the coming year John Foppiano Chairman and Susan Kendall Freiner Clerk. Reading of the minutes of the December 11, 2001 meeting was waived and the minutes were approved with minor changes. Robert A. Keefe was welcomed as a newly appointed member of the Committee. It was noted that the Town the FY2002 audit represents completion of the third year in a five-year contract with KPMG.

John Foppiano opened the meeting and review of the Audit with Mr. Romano and Mr. Maschio. A Copy of the Audit and Management Letter are on file in the Treasurer's Office with the Clerk. Mr. Romano and Mr. Maschio presented a review of the FY2002 audit process and its results. Items highlighted for the Committee's attention were: GASB 34 compliance and implementation, rotation requirements under Sarbanes-Oxley legislation (increased to 10 years), and auditor independence.

Ms. Hagg presented the Town's plan to meet GASB 34 compliance requirements by June 30, 2003. As much work as possible will be done in-house with existing staff, but an outside appraiser will be hired to assist the Town in valuing fixed assets. Mr. Romano noted that with GASB 34 requirements the scope of the Town's contract with KPMG has changed, and more time will be required to produce the financial statements and to provide technical advice. It was unanimously voted to increase the budgeted amount for FY2004 by \$4000.

Auditing services for the Municipal Light Department (MLD) were discussed. Currently the MLD contracts with Goulet, Salvidio & Associates, a firm specializing in municipal utilities, for annual auditing services. It was noted that the MLD operates on a calendar year and that the most recent audit had been completed in compliance with GASB 34. A copy of the 2002 audit will be sent to Committee members when it becomes available.

Ms. Freiner will send information on the Town's Capital Endowment Fund investments to Mr. Keefe.

Chairman Foppiano asked if the Auditors needed to speak with the Committee without the presence of the ex-officio members. The Committee excused the ex-officio members to further discuss implementation of GASB 34 with the auditors.

The meeting was adjourned at 4:55PM.

Respectfully submitted,

Susan Kendall Freiner  
Clerk