

**AUDIT COMMITTEE**  
**TOWN OF SOUTH WINDSOR**

**Minutes**

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**February 3, 2020**

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**Madden Room – South Windsor Town Hall**

**Roll Call**

Members Present: Janice Snyder, Town Council

Members Absent: Karen Lydecker, Town Council  
Mary Justine Hockenberry, Town Council

Also Present: Michael Maniscalco, Town Manager  
Andrew Paterna, Mayor, Town Council  
Patricia Perry, Director of Finance  
Patricia Lewis, Assistant Director of Finance  
Grace Musiitwa, Blum Shapiro  
Leslie Zoll, Blum Shapiro

**1. Call Meeting to Order**

The meeting was called to order at 8:35 am.

**2. Approval of Minutes (February 7, 2019)**

Due to the lack of a quorum, the approval of minutes was postponed to the next regular meeting.

**3. Discussion Items**

**A. Audit Results Fiscal Year 2018-2019**

Ms. Leslie Zoll of Blum Shapiro presented the audit results for Fiscal Year 18-19. There were no significant deficiencies or material weaknesses to report. The Town and Board of Education (BOE) had a clean audit all around.

Blum Shapiro had three items to address in their Management Advisory Letter:

- 1) Uniform Guidance – all municipalities are required to update their procurement policies to include the specific guidelines of uniform guidance.

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- 2) Town Clerk's Department – Blum Shapiro recommends the use of pre-numbered receipts, and the segregation of duties between cash collection and cash reconciliation. Daily deposit details should indicate if a payment is cash or check so it can be tied back into deposit slips for Finance. Ms. Perry said that she has spoken to the new Town Clerk about these matters. Once the department is fully staffed they will be able to segregate duties. They are also switching to a new system that will allow for pre-numbered receipts and more info on deposit details.
- 3) Board of Education Journal Entries – make sure year-end journal entries are approved. There should be a preparer and a reviewer on all entries. Ms. Perry said that the Board of Education now has an Assistant Director of Finance, so they should be able to segregate duties as recommended.

No difficulties or disagreements with management were encountered while the audit was being performed, and there were no uncorrected misstatements.

Next Ms. Zoll discussed the upcoming GASB Standards:

- 2020 – Statement 84: Fiduciary activities. There is going to be a shift in how fiduciary activities are presented, for the purpose of enforcing continuity between municipalities. Each municipality will have to go through agency funds, defined contribution plans, and pension plans and use a list of questions and thought processes to determine whether or not these items need the new definition of fiduciary activities, and to determine if they will be custodial in nature or be put with other non-major funds.
- 2021 – Statement 87: Leases. All operating leases will be included on the balance sheet. Blum Shapiro's recommendation is that the Town take inventory of all leases to determine how much of a burden this might be. Ms. Perry said that a lease schedule is kept, but she is concerned about the Wapping building rental agreement between the BOE and the Town.
- 2021 – Statement 89: Accounting for Interest Cost before the End of a Construction Period.
- 2022 – Statement 91: Conduit Debt Obligations.

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Ms. Zoll and Ms. Musiitwa left the meeting after the Blum Shapiro presentation was concluded. Councilor Snyder congratulated the Finance Department on a successful audit.

**B. Audit Firm Fiscal Year 2019-2020**

Ms. Perry informed the Committee that three audit firms responded to the audit services RFP. The responses were briefly discussed. As there was no quorum, a motion to recommend a firm could not be made at this meeting. Another meeting will be scheduled within the month so that the Committee can make a decision.

**4. Other Business**

None

**5. Executive Session**

None

**6. Motion to Adjourn**

Councilor Snyder adjourned the meeting at approximately 9:15 am.

Respectfully submitted,

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Samara Haddock  
Recording Secretary