

Grand Isle Select Board
Grand Isle Town Office 9 Hyde Rd, Grand Isle VT
Minutes of the Special Meeting for Monday, March 27 2023

CALL TO ORDER: Selectboard Chair, Couper Shaw, calls the meeting to order at 6:00 PM

Board Members Present: Josie Leavitt, Ellen Howrigan, Jeff Parizo, Couper Shaw, Eric Godin

Community Members Present: Jonathan Debono, Rachael Griggs, Ronnie Bushway, Colleen Bushway, Lucille Campbell, Jean Prouty, Dwight Bullis, Melissa Boutin, Sue Lawrence, Joe Longo, Esther Blow, Bill Stone, Kristina Botala, Bianca Lafayette, Mike Donohue, Mike Inners, Mary Parizo

Guests: Fred Dupleis, Sullivan & Powers

Discussion of the 2023 Audit: Fred Dupleis gives an overview of what Sullivan & Powers' role was and what the deliverables are. Fred Dupleis explains that this audit was done in accordance with generally accepted auditing standards and government auditing standards to meet state statutes. Fred Dupleis explains that government auditing standards require them to provide a separate report on compliance with laws and regulations and internal controls. Fred Dupleis says they also delivered a letter of recommendations. Fred Dupleis goes over the financial statement overview. Fred Dupleis explains that they have recommendations for Transfer Station controls. Fred Dupleis explains the required report on compliance and internal controls. Fred Dupleis says there were no issues of non-compliance with laws and regulation. Fred Dupleis says there were two material weaknesses in internal control- transfer station revenues, and two entries to the fund balance- the solar credits and the loader. Fred Dupleis explains the recommendations for the Transfer Station. Fred Dupleis explains a better way to record the solar credits. Fred Dupleis explains that the full cost of the loader needs to be recorded rather than listed in the fund balance. Fred Dupleis says there was one significant deficiency. Fred Dupleis says the significant deficiency is that there needs to be someone to look over all journal entries made. Fred Dupleis explains that in other organizations this is done by a volunteer who will come in monthly and review corrected or adjusted journal entries, that a second set of eyes is helpful. Couper Shaw asks if the letter from the treasurer solved all the issues. Fred Dupleis says that the transfer station is something the selectboard needs to decide on how they would like the transfer station to operate. Fred Dupleis explains that the transfer station needs to offer receipts and incentivize taking the receipts offered. Fred Dupleis explains that the fund balance entries have since been done. Fred Dupleis says the selectboard will have to decide who will review the journal entries. Fred Dupleis explains that once those issues are addressed, his recommendations will be satisfied. Jeff Parizo asks Fred Dupleis what the difference is between unassigned funds and unrestricted funds. Fred Dupleis explains the differences. Jeff asks about the reasoning behind the reclassification of funds balances. Fred Dupleis explains how funds are classified and why they are reclassified. Jeff Parizo asks how they verified the 8 certificates of CD deposits at various banks. Fred Dupleis explains that he reviewed the deposit statements and confirmed directly with the banks. Jeff Parizo asks how they can protect funds over \$250,000 to ensure FDIC insurance. Fred Dupleis makes recommendations on how to do so. Jeff Parizo asks Fred Dupleis to explain interest rate risk and credit risk. Fred Dupleis explains the risks. Couper Shaw asks if Fred Dupleis has any recommendations on where the selectboard should keep their funds. Fred Dupleis says he

recommends creating an Investment Policy and says VLCT has some resources to help create an Investment Policy. Jeff Parizo asks Fred Dupleis where they might find guidance on creating a Fraud Policy. Fred Dupleis says that VLCT can send a template that helps to create a Fraud Policy. Jeff Parizo asks if VLCT could help with a Fraud Risk Assessment as well. Fred Dupleis explains that the risk assessment would come from an internal discussion among the selectboard to determine areas they think they might be at risk. Fred Dupleis uses the Transfer Station diesel fuel tanks as an example of what might be a risk to consider. Jeff Parizo asks about the recommendation for an Accounting and Procedures Manual, what that might look like. Fred Dupleis explains that the manual would be like a cookbook, a manual to explain each step in day-to-day procedures of town accounting. Fred Dupleis explains that the manual is used for town employees to refer to and for new hire training. Jeff Parizo asks about the recommendation for documentation of internal controls system. Fred Dupleis explains that the Accounting Procedures Manual is the document explaining what you do and that this would be the documentation would explain why you do it. Ellen Howrigan asks Fred Dupleis about the Corrected and Uncorrected Statements item in the Auditor's Letter, asking for guidance on ways to improve the current process. Fred Dupleis explains what that item is, why it was included, and different ways to consider it. Ron Bushway explains actions they are taking at the Transfer Station, and asks if that falls in line with the recommendations for the Transfer Station. Fred Dupleis discusses common issues that transfer stations have in Vermont, noting that the issues the Grand Isle transfer station is having doesn't indicate that something wrong is happening, but that the issues need to be addressed to avoid problems. Fred Dupleis explains different methods other Vermont transfer stations have implemented to resolve these issues. Ron Bushway asks if there are any towns with an efficient system in place that he could contact. Fred Dupleis explains that examples of towns that are doing business off-site and moving towards cashless systems. Ron Bushway asks for recommendations on how to handle the diesel fuel issue. Fred Dupleis gives examples such as installing a meter or using a dip stick to measure use and logging the use.

Josie Leavitt makes a motion to adjourn at 7:18pm. Eric Godin seconds. No further discussion. Couper Shaw calls the vote, which passes unanimously.