**2018 ATM Art. 24 Amend General Bylaws – Add New Section 6.16 - Audit Committee**

**MOTION:**

**ARTICLE 24**

**SUBJECT: AMEND GENERAL BY-LAWS – ADD NEW SECTION 6.16 – AUDIT COMMITTEE**

I move that the Town establish an Audit Committee to assist the Board of Selectmen in overseeing the Town’s periodic financial auditing process and the system of internal financial controls and to accomplish the foregoing by amending the General By-laws, as printed in the Warrant.

***Recommendations: Board of Selectmen Voted 3-0 to Recommend***

 ***Finance Committee Voted 8-0 to Recommend***

**WARRANT:**

**ARTICLE 24 - AMEND GENERAL BYLAWS – ADD NEW SECTION 6.16 - AUDIT COMMITTEE**

To see if the Town will establish an Audit Committee to oversee the Town’s periodic financial auditing process and the system of internal financial controls and to accomplish the foregoing by amending the General By-Laws by adding the underlined text set forth below (such markings for illustrative purposes only):

6.16 Audit Committee

6.16.1

The Audit Committee shall consist of three (3) members:

Two members shall be members of the Finance Committee, appointed or reappointed annually by the Finance Committee Chairperson; and

One member shall be a member of the Fiscal Advisory Committee, appointed or reappointed annually by the Fiscal Advisory Committee Chairperson.

When practical, all members of the Audit Committee shall have professional experience in accounting, finance, law, or business management.

6.16.2

The Audit Committee shall assist the Board of Selectmen in providing oversight of the independent audit of the Town’s financial statements, including:

a) Soliciting, interviewing and recommending an auditor, and reviewing the auditor’s performance and statement of independence;

b) Suggesting the auditor’s scope of services;

c) Reviewing the audit results and all accompanying financial statements;

d) Reviewing management letter comments;

e) Reporting on all of the above to the Board of Selectmen, the School Committee and the Finance Committee.

The members of the Audit Committee shall adopt a description of its responsibilities and policies. This charge shall be approved by the Finance Committee and the Board of Selectmen and shall be reviewed every three (3) years.

; or take any other action in relation thereto.

**Explanation:** The creation of an audit committee is considered a financial “best practice” in order to provide additional checks and balances within the financial reporting process. The State Department of Revenue and the Government Study Committee recommend that this committee be established by adopting a General By-Law to ensure that the structure is firmly established in the financial reporting process to the Selectmen and the Town.

Proposed by Government Study Committee

***Recommendations: Board of Selectmen Vote – Available at Town Meeting***

 ***Finance Committee Vote – Available at Town Meeting***