

ecomaine

Memorandum

DATE: April 13, 2017
TO: Chair and Members of the Board
FROM: Kevin H. Roche, CEO
SUBJECT: **Agenda for the Audit Committee Meeting**

There is a meeting of the **ecomaine Audit Committee** scheduled for **April 27, 2017 @ 3:00 PM**. The agenda for this meeting is as follows:

1. Approval of Minutes (Attachment A)
2. Review of the duties and responsibilities of the Audit Committee & Staff (Attachment B)
3. Audit Proposal Schedule

Future Meetings:

Finance Committee	May 18, 2017 @ 3PM
Executive Committee	May 18, 2017 @ 4PM
Recycling Committee	May 25, 2017 @ 4PM
Annual Meeting	June 15, 2017 @ 11:30AM

Memorandum

DATE: November 10, 2016
TO: Chairman and Members of the Board
FROM: Kevin H. Roche, CEO/General Manager
SUBJECT: Audit Committee Minutes – October 20, 2016

There was an **Audit Committee Meeting** held on the date noted above. The meeting was called to order by Erik Street, Chairman @ 3:03PM.

Item #1: - Minutes

Linda Boudreau motioned to accept the minutes as written. The motion was seconded by Mike Shaw. All in favor

Item #2: - Review options for Selection of Auditors & Recommendations for FY 17

Erik Street introduced the options for selecting next year's auditor. Kevin Roche and Arthur Birt provided alternatives going forward. Discussion.

Dave Morton emphasized the importance of the committee having this discussion each year and to continue to consider options and alternative for the Audit each year. The Committee members were comfortable with the new team from RKO assigned to the ecomaine audit and agreed that moving forward with RKO for the FY 17 was the preferred direction.

Dave Morton motioned to accept RKO's proposal for the FY 17 Audit. The motion was seconded by Linda Boudreau. All in favor.

Linda Boudreau motioned to adjourn the meeting. The motion was seconded by Dave Morton. All in favor.

Present:

Linda Boudreau, Chris Branch, Dave Morton, Mike Shaw & Erik Street

Staff:

Arthur Birt, Kevin Roche

ecomaine
Audit Committee Presentation
April 27, 2017

What are the roles and responsibilities of the auditor?

- The objective of our engagement is to express an opinion about whether ecomaine's financial statements are fairly presented in all material respects in conformity with GAAP.
- We are responsible for the following:
 - Inventory observation
 - Direct confirmation of cash and investment accounts
 - Legal correspondence with ecomaine's attorney
 - Testing of internal controls
 - Testing of material balance sheet account balances
- We also need to ensure the following:
 - Management has established and is maintaining internal controls
 - Management provides us access to the information that we need to conduct our audit as effectively and efficiently as possible
 - Management allows us access to speak with individuals within the organization that will provide us with the necessary information needed to complete the audit
 - Management implements policies, procedures, and controls to prevent fraud

Proposed audit fee, timing, and plan for 2017:

- \$21,500 for FY17
- Audit expected to begin the week of August 7, 2017
- Expected to issue our reports no later than September 30, 2017 (reports will be presented to the audit committee at its September meeting)
- Would like to schedule one or two days for interim audit procedures in May/June, similar to last year where we would test internal controls procedures

Internal Control Testing for 2017:

Control Test Area	Last Tested	2017 Test	Notes
<i>Receipt/Revenue – Recycling</i>	2016	Walk-through	Rely on 2016 test (3 year cycle)
<i>Receipts/Revenue – MSW</i>	2015	Walk-through	Rely on 2015 test (3 year cycle)
<i>Inventory</i>	2016	Observation	Done annually – typically last week of June
<i>Disbursements/Expenses</i>	2016	Test	Changes in AP, implementation of purchasing policy
<i>Payroll</i>	2016	Test	Changed to ADP during the year