

ARTICLE 23A
AUDIT ADVISORY COMMITTEE

Section 1 Establishment of Audit Advisory Committee

There is hereby established an Audit Advisory Committee consisting of five members. Such members shall include: one (1) current member from each of the Select Board, Finance Committee and School Committee, appointed as determined by the Chair of the respective board or committee, or a designated non-member representative nominated by the Chair and ratified by the represented board or committee; plus two (2) at-large members appointed by the Select Board. The at-large members shall not be a member of another board or committee, or an officer, official or paid employees of the Town. All members of the Audit Advisory Committee shall have, at a minimum, a working familiarity with basic finance and accounting practices; appointments should be made to provide at least two members of the Audit Advisory Committee be Certified Public accountants or otherwise have accounting or related financial management expertise; ideally that expertise shall be in municipal or not-for-profit finance.

Audit Advisory Committee members appointed by the Select Board shall serve for a term of two (2) years, except that one (1) of the initial appointees shall serve for a term of three (3) years, thereby providing that one such member's term will expire on an annual basis. All other members shall serve a term of one (1) year. Any vacancy occurring in the Audit Advisory Committee shall be filled by the appropriate appointing authority for the balance of the unexpired term. Terms shall coincide with the fiscal year, i.e. effective July 1 and expiring June 30, to correspond with the period of time for which the town's audits are conducted.

At the first meeting after the start of each new fiscal year, the Audit Advisory Committee shall conduct an organizational meeting to elect from its members a chair, a vice-chair and a secretary.

Section 2 Role of Audit Advisory Committee

The Audit Advisory Committee shall serve as advisor to the Select Board with respect to the town's internal auditing, financial systems and independent annual audit. Specific duties shall include, but are not limited to, the following:

- (1) Make recommendations to the Select Board on the selection of, and scope of services for, an independent auditor.
- (2) Review the annual financial statements and management reports and make recommendations with respect thereto
- (3) Make recommendations for areas of operations where expanded scope audits or review of the internal controls may be appropriate. This provision shall not conflict with or supersede similar authority of the Finance Committee under Article 23, Section 5 of the Town By-Laws.
- (4) Review and make recommendations with respect to the Town's internal auditing and financial controls; through the Town Administrator, review with appropriate boards and departments' opportunities to improve such controls.

- (5) Report to the Select Board on the status of recommendations the Committee, town financial staff and/or independent auditor has made during the preceding twelve months.
- (6) Submit a summary of their work for the preceding calendar year for inclusion in the Town's Annual Report.