



# The Town of Fenwick Island

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## **AUDIT COMMITTEE JANUARY 3, 2019 AT 1:00 PM**

### **MINUTES**

#### In Attendance

Gardner Bunting, Gene Langan, Scott Mumford

#### Staff in Attendance

Terry Tieman, Dean Gary

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Gardner called the meeting to order at 1:00 PM.

#### Discussion

Ashley Stern from PKS presented the draft of the audit. She noted that GASB 68 was implemented this year, along with GASB 65 and 63.

PKS found no instances of non-compliance nor any issues with internal controls.

Ashley did recommend for Municipal Street Aid and Realty Transfer Tax to show both as a "transfer in" on the budget to distinguish from the actual revenue.

A "Best Practices Letter" was presented with recommendations by PKS with issues that could arise:

- Decrease the number of credit cards. Terry noted that the number of cards would be decreasing to five.
- For the service savings bond issuance noted in the Personnel Manual, Ashley suggested either removing from the manual entirely or change the wording to note that the savings bond needs to be taxed and put on the employees W-2 as income.
- Perform a quarterly account reconciliation.
- The accrued sick and vacation time in the Personnel Manual needs to be revisited as to how the leave is to be paid out and the limit on the hours allowed to accumulate. Terry noted that she is looking into long-term disability to address the loss of the accrued sick time.
- All the departments should use the same payroll timesheet. Currently, the Police Department is submitting a summary of the employees' time, but each officer should be filling in and signing an individual timesheet.

Terry asked what else could be beneficial in the Town's processes. Ashley suggested doing a revised budget during the fiscal year and also revisiting items approved in the capital plan, especially those items that are under \$5,000.

Gene questioned about recommendations to improve the Town's financial health. Ashley responded that expenditures should be looked at monthly, and a 5-10 year capital plan be initiated.

Gardner asked for a motion to accept the draft of the audit and forward the draft to the entire Town Council for review. The motion was made by Scott, seconded by Gene, and the motion passed unanimously.

#### Adjournment

A motion was made by Gene, seconded by Scott, to adjourn the meeting. The motion passed unanimously and the meeting adjourned at 1:50 PM.