

## **Article 2: Charter Amendment 1:**

Shall the Town of Salem approve Charter Amendment 1 to revise Section 4.10.2 of the Charter relative to the procedure for selection of an audit firm to prepare the annual audit of Town financial transactions?

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Summary: This amendment will remove the requirement for the town to issue a request for proposals for a new audit firm every three years and the requirement to select a new audit firm every six years from the Charter. Removing the mandatory rotation and time limits from the Charter will promote financial continuity and stabilize professional services costs.

Recommendations: Town Council:

Budget Committee: N/A

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Explanation: Matter removed from current Charter appears [in brackets and struck through].

### **§4.10.2 Audit**

The Town Council shall, after inviting requests for proposals and appropriate verification of qualifications, experience, and integrity, select a certified public accountant or firm of same who shall perform an annual audit of all Town financial transactions after the close of each fiscal year. Said audit shall include all revenues, expenditures and accounts maintained by any officer, elected or appointed, agency, board, commission, or recipient of Town funds; may include a compliance audit to ensure conformity with any State or Federal laws and regulations and Town work programs and policies; and shall include a management letter setting forth recommendations for changes and improvements in financial management systems as is deemed necessary. ~~[For purposes of cost and efficiency, an auditor may be retained for a period of years, but requests for proposals shall be sought at least once every three (3) years, and a new auditor shall be selected at least every six (6) years.]~~ Nothing contained herein shall prohibit the Town Council from ordering an entire audit, partial audits, or interim audits more frequently than once per year as it may deem prudent. Summaries of annual audits, when available in a timely manner, shall be printed in the annual Town Report and complete copies shall be available for public inspection and copying in the Town office during normal business hours. If a summary of an annual audit is not available for printing in the Town Report, said summary shall be made available at the Town Meeting or as soon thereafter as practicable