



ERNEST A. ALMONTE, CPA, CFE  
AUDITOR GENERAL  
ernest.almonte@oag.ri.gov

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STATE OF RHODE ISLAND and PROVIDENCE PLANTATIONS  
GENERAL ASSEMBLY

OFFICE of the AUDITOR GENERAL

- ◆ INTEGRITY
- ◆ RELIABILITY
- ◆ INDEPENDENCE
- ◆ ACCOUNTABILITY

July 25, 2006

Anthony F. Miccolis, Jr.,  
Town Council President  
32 Country Hill Lane  
North Kingstown, RI 02852

Dear Council President Miccolis:

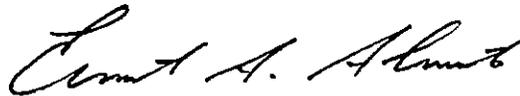
In follow-up to my presentation of the report of the Office of the Auditor General to the North Kingstown Town Council on July 24, 2006 relative to certain transactions of the school department, I am enclosing information on the establishment of an audit committee within town government. I believe that implementation of the recommendations contained in our report, as well as the creation of an audit committee, and the adoption of written policies and practices will create and foster a healthy operational environment for the Town of North Kingstown. Although my office did not uncover evidence of criminal activity related to the transactions under review, the lack of written policies and procedures, weak internal controls, and lack of follow-up on audit findings/recommendations could expose the town to fraudulent activity.

Since my office confined its analysis to specific transactions, I caution that current operational and policy deficiencies do expose the town to fraud in past as well as future transactions. The town should exercise all deliberate speed in implementing operational and policy reforms. The establishment of an audit committee is a key component necessary to enhance accountability in the expenditure of public funds.

Anthon F. Miccolis, Jr.  
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I appreciate the opportunity to have appeared before the Council. It is my expectation that this healthy public dialogue will bring needed improvements to town operations and enhance public confidence in town government. I was impressed by the thoughtful and intelligent deliberation by all members of the Council, as well as the public participation.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernest A. Almonte". The signature is fluid and cursive, with the first name "Ernest" being the most prominent.

Ernest A. Almonte, CPA, CFE  
Auditor General

EAA: cs

cc: All City Council members  
All School Committee Members  
All North Kingstown State Representatives and Senators  
School Superintendent