

Town of Wellesley, Massachusetts

Audit Committee

Minutes of Meeting held at 8:00 am, Jan. 12, 2015

In attendance: Michael Young (Chairman), Jack Haley, Larry Petzing and Joe Tierney (Members). In addition, Town Officials Hans Larsen, Sheryl Strother and Marc Waldman were in attendance, along with Michael Nelligan Partner in the firm of Powers & Sullivan, LLC which is retained to perform the Audit of Town financial statements. Also, Ms. Judy Belliveau, Assistant Superintendent, Finance and Operations, Wellesley Public Schools and Ms. Patti Quigley, Chairman of the School Board, Town of Wellesley were in attendance.

Mr. Young called the meeting to order. Mr. Young opened the Citizen Speak portion of the meeting and noted that there were no citizens who sought to speak.

Mr. Young thanked the representatives of the Schools for taking the time to attend the meeting. He noted that, as summarized in the Powers & Sullivan Management Letter, recent Audits of the School Business Office have identified some accounting and record keeping problems and observed that it is now very important to add the necessary processes, procedures, internal controls and qualified personnel to the School Department Business Office to avoid such findings in the future.

Ms. Belliveau and Ms. Quigley then reviewed a document prepared to set forth the School Department's plan to address the errors observed in the recent audits. (see attachment – WPS response to Management Letter). They noted that the School Department recognizes that there have been errors in accounting and record keeping, but noted that significant progress had been made toward correcting such matters. They noted that the School Business office would be retaining some outside consulting help in January, 2015 to identify the necessary next steps and to prepare a plan to implement the necessary changes. They indicated that, to date, it has been difficult to hire the necessary full time skilled resources for the Business Office to address the matters, but that renewed effort to recruit such resources will be undertaken early in 2015.

There was a discussion of how to better integrate the School Department into the process of conducting the annual audit. In addition, there was a discussion about re-ordering the steps followed by Powers & Sullivan in preparing draft Management Letter comments and obtaining input from the departments involved.

Powers & Sullivan observed that the School Department has a good understanding of the progress that need to be made, but that they have lacked the skilled internal resources. In further discussion, the Committee observed that recruiting the necessary resources and prioritizing the necessary tasks are very important at this time. Powers & Sullivan advised the Committee that in their view, the errors identified in the accounting and record keeping of the School Business office as part of the FY 2014 audit amounted to a significant deficiency.

The Committee discussed the points that Chairman Young would make in his review of the overall FY 2014 audit with the Board of Selectman on January 26, 2015 (see attachment – FY 14 Audit Review with Selectman on 2.9.15)

Mr. Young opened the floor for the Citizens Speak portion of the meeting, and noted that no one was in attendance who wanted to address the Committee.

Mr. Young adjourned the meeting.