

Town of Wellesley, Massachusetts

Audit Committee
Minutes of Meeting held at 8:00 am, Sept. 15, 2015
Wellesley Town Hall

In attendance: Jack Haley (Chairman), Larry Petzing, Joe Tierney, Phil Laughlin and Peter Cory (Members). In addition, Town Officials Sheryl Strother and Marc Waldman were in attendance, along with Michael Nelligan and James Powers, Partners and Todd Jurczyk, Manager in the firm of Powers & Sullivan, LLC which is retained to perform the Audit of Town financial statements. Also, Dr. David Lussier, Superintendent of Schools, Ms. Judy Belliveau, Assistant Superintendent, Finance and Operations, Ms. Heidi Perkins, Director of Budget and Finance, Wellesley Public Schools and Mr. Matt Kelly, Member of the School Board, Town of Wellesley were in attendance.

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

Powers & Sullivan discussed the Special Purpose report prepared for the Wellesley Contributory Retirement System. Management of the Contributory Retirement System prepares the financials in accordance with the reporting standards of the Commonwealth of Massachusetts' Public Employee Retirement Administration Committee (PERAC). Powers & Sullivan applies generally accepted accounting standards and the PERAC standards in conducting its review. Powers & Sullivan noted that Management had changed the discount rate used for Fund purposes to 6.75% and noted that their review was complete. There were several questions that Powers & Sullivan will need to get back to the Committee on. Subject to review of these responses, the Committee approved the report.

Powers & Sullivan noted that in accordance with the newly applicable provisions of GASB 67 and 68, additional financial information will be included in Town financial statements regarding unfunded pension liabilities.

Mr. Haley asked Powers & Sullivan to discuss the status of their audit of the Wellesley Municipal Light Plant (MLP) for the period ending June 30, 2014. Mr. Richard Joyce, Director of the MLP and Mr. Joe Bisal, Accountant for the MLP and Ms. Cindy Lowe of the MLP staff joined the meeting for this discussion. Powers & Sullivan noted that the draft audit report available for the Committee's review was essentially complete with no findings, but that they needed to update the final report to incorporate discussion of new transactions that the MLP was initiating. The Committee approved the MLP audit report subject to review of the final version of the report.

Ms. Strother discussed some recent financing actions taken by the Town.

Mr. Nelligan reviewed the status of the audit of Town financials for the Fiscal Year ending June 30, 2015. The audit has proceeded as planned, with no notable issues for the Town or the Schools. He anticipates distributing a draft of the Financial Report by October 21, 2015. The Committee set a meeting for Monday, Nov. 2, 2015 at 8:00 am at Town Hall to discuss the Report with the auditors.

Mr. Haley welcomed the representatives of the Schools. They introduced Ms. Heidi Perkins, who recently joined the Department as the Director of Budget and Finance. Dr. Lussier and Ms. Belliveau reviewed the report and recommendations they had received from the consultants who reviewed the Department's financial processes and internal controls. They reviewed the extensive plan they have put in place to address the accounting and reporting deficiencies noted in previous meetings. The Committee expressed appreciation to the representative of the Schools for committing to these steps and for sharing the actions they have planned to implement the improvements.

Mr. Haley welcomed several individuals who manage the Information Technologies departments for the Town of Wellesley and the School Department. They discussed the status of efforts to maintain the various systems in effect and to prevent hacking or unauthorized access. Mr. Haley expressed the Committee's appreciation for their efforts.

Mr. Haley 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. Haley adjourned the meeting.