

### Call to Order

A quorum was present and the meeting had been duly posted in accordance with the Open Meeting Law. Chairman Steven Sintros called the regular meeting of the Audit Committee to order at 7:30a.m. in the third floor Selectmen's Conference Room at the Town Offices. The meeting was videotaped but not live cablecast.

Members in attendance were Chairman Steven Sintros, Steve Caron, Robert Finneran and Neil Senior. Also in attendance were School Committee Liaison Joel Blumenstein, Town Manager Andrew Flanagan, School Business Manager Paul Szymanski, Director of Finance and Budget Donna Walsh, Hayley Green, Town Accountant, Jared Mullane, Assistant Town Accountant/Town Auditor, School Accountant Janet Wright, Town Treasurer Michael Morse and Assistant Town Treasurer Forcellese. Also present were James Powers, Laura Stone, Frank Serreti and Kyle Warne of Powers & Sullivan.

### Approval of Minutes – May 9, 2018

Upon motion duly made by Mr. Finneran and seconded by Mr. Caron, it was unanimously voted to approve the above minutes. Motion passed 4-0.

### Remarks by Powers & Sullivan and Discussion of the FY2018 Audit

The chairman welcomed Mr. Powers and Mr. Serreti in their roles as Engagement Partners as well as Mr. Warne and Ms. Stone.

Mr. Powers listed and distributed the three reports (see attached) to be reviewed: a) Comprehensive Annual Financial Report; b) Management Letter; and c) Report of Federal Awards.

Mr. Powers began his remarks by commenting on the lateness of the Comprehensive Annual Financial Report this year, even though, he pointed out, his firm's fieldwork had been completed by September 7th. He addressed the issues of the two vacancies in the Treasurer's office which contributed to this delay. Due to this staff turnover, cash and investments were not reconciled for the months of February through June 2018 until after year-end. The consultant Clifton Larson was hired to assist in these matters. The new Treasurer has implemented a more modern new and enhanced procedures to track cash activity, verify timely postings, track bounced checks, follow through on collection efforts and ensure that reconciliations are done on a timely basis. Ms. Walsh reported that a new actuary was chosen this year and may have contributed to delay in receipt of reports due to communication issues. She also reported that she is meeting on a quarterly basis with the Treasurer and Assistant Treasurer to ensure adherence to and continued progress in the new system. Discussion ensued.

### Independent Auditor's Report

Mr. Powers summarized the introductory letter to the audit report which delineated the auditor's responsibility and management responsibility. He reported that there were a) no significant material weaknesses; b) no disagreements with management; c) no audit adjustments and d) management had exercised due diligence with regard to accounting principles and determination of the discount rates for both the OPEB and pension disclosures and liabilities, which Mr. Powers stated was about a percent lower than most towns he audits.

### Financial Statements

Mr. Powers said he did not find any material weaknesses or deficiencies in the financial statements.

#### Federal Awards and Grants

Mr. Powers noted there were there were no findings or issues.

#### Management Letter

Mr. Powers noted there were no material weaknesses or significant deficiencies. He emphasized the need for a formal review and acceptance of financial policies.

#### Vote of the Audit Committee

Upon motion duly made by Mr. Caron and seconded by Mr. Senior, it was unanimously voted to accept draft financial statements subject to minor changes. Motion passed 4-0.

#### Engagement Letter

Mr. Sintros led the discussion on retaining Powers and Sullivan as Auditors.

Upon motion duly made by Mr. Finneran and seconded by Mr. Senior, it was unanimously voted to retain Powers and Sullivan for one year and vote on remainder of three-year term and rotation of partners at the May meeting. Mr. Powers will draft the engagement letter and forward to the committee. Motion passed 4-0.

#### Next Meeting

Wednesday, May 8<sup>th</sup> @ 7:30AM.

#### Adjournment

Upon motion duly made by Mr. Caron and seconded by Mr. Senior, it was unanimously voted to adjourn. Motion passed 4-0. The meeting was adjourned at 9:05a.m.

Respectfully submitted,

Christine Martin Barraford  
Recording Secretary

#### Attachments:

Draft Comprehensive Financial Annual Report  
Draft Auditor's Report  
Draft Management Letter  
Draft Report of Federal Awards