

**Approved Minutes-10/30/12**

Town of Wayland

Audit Committee Minutes

Date: August 27, 2012

Time of Meeting: 7:00 p.m.

Place of Meeting: Wayland Town Building, School Committee Meeting Room

Members Present: Tony Boschetto, Gordon Cliff, Chris Cullen, Ben Downs, Chris Riley

Members Absent: None

Call to Order: Meeting was called to order at 7:00 p.m. by Chris Riley.

Minutes: Mr. Downs was nominated to take minutes.

Public Comment: None

Review, discuss, (amend ?) and approve minutes for 8/6/12 meeting:

The minutes were reviewed and amended. The committee approved the amended minutes 5-0

Review/discuss Auditing Services scope of work w/Tom Greenaway-FinCom:

This item was taken out of order to accommodate John Bladon's schedule. Mr. Greenaway discussed the development of the scope of services for the audit, his impression of Melanson Heath & Company thus far and responded to committee member's questions. Mr. Greenaway, speaking as an individual not the FinCom, stated that the Audit Committee should not let potential cost increases in the audit inhibit requests for additional scope or a more detailed review.

Mr. Riley mentioned an email he had received from a citizen that was asking for details on our committee's interest in speaking with Mr. Greenaway. Mr. Riley said the request to see Mr. Greenaway was for background information and that a copy of the agenda had been provided in advance to Mr. Greenaway.

Review duties and responsibilities w/John Bladon-Selectman:

Mr. Bladon reviewed the duties of the committee as they are detailed in our charge. He further explained that if our committee felt a need to request changes to audit scope or increased focus in specific area that our committee should make a request to the Board of Selectman (BOS).

Mr. Bladon informed our committee that the BOS had voted to have us support the School Committee in their selection of an auditor and support the auditor in their audit but not to be involved in the review of the report or next steps.

BOS Charge:

- a) conduct a review of and provide input to the School Committee on the submitted proposals received by the School Committee in response to a letter dated July 27, 2012 to invited audit/consulting firms, with specific attention given to advising the School Committee on the project scope and tasks to be completed by the audit/consulting firms,
- b) rank order the responding firms and provide a recommendation to the School Committee; and,
- c) support and assist the selected audit/consulting firm in responding to questions and gather documents necessary to complete their review of certain school accounts as outlined in the scope of services.

Mr. Riley mentioned a specific request that has been made by the FinCom to increase the audit focus around health care withholding and payments. Mr. Bladon agreed that this specific item should be driven through the Audit Committee with notification of the BOS.

After discussion Mr. Bladon asked the Committee to propose additional language to our charge to address places the Committee feels it needs the ability to operate.

Discuss potential special assignments for Melanson Heath as provided in Article 2.6 of the Agreement for provision of Auditing Services:

Mr. Riley noted that the request of FinCom as it relates to health care accounts should be included under article 2.6 of the Agreement. Mr. Boschetto distributed a hand out that covered areas he felt needed a more thorough audit and his opinions on Melanson Heath & Co.

Mr. Cliff suggested we develop language that would be added to our "duties". The committee discussed possible options and agreed upon 2 additional duties.

Proposed Language:

1. Determine appropriate scope of the independent audit;
2. Make recommendations to the Board of Selectman for areas where extra focus and/or expanded scope may be appropriate.

This language was moved, seconded and passed unanimously

Next Meeting:

September 10, 2012 at 6:45

Old Business:

Correspondence (2) from a citizen was discussed

New Business:

The School Committee RFP

Adjournment

A motion was made, seconded, and unanimously voted to adjourn. The meeting was adjourned at 9:05 pm.

Respectfully submitted,

Ben Downs

Documents:

1. Minutes for 8/6/12 meeting.
2. D. Bouchard email re: purpose of Greenaway invitation to meeting.
3. Audit scope of service Melanson Heath.
4. Duties and Responsibilities of Audit Comm. per BOS vote.

## Turkington, Frederic

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**From:** Turkington, Frederic  
**Sent:** Monday, August 27, 2012 2:55 PM  
**To:** Bladon, John (jb.snowtree@verizon.net); Steven Correia (stevencorreia@comcast.net); Nolan, Joe (josephnolan1@verizon.net); Douglas Leard (dougleard@realtour4u.com); Collins, Ed  
**Subject:** Alternative language re: School Committee request for committee support for independent review of certain school accounts

Gentlemen:

Shortly after last week's meeting, Joe asked the chair to revisit the discussion on the above referenced topic at the next meeting. Based on this request, John asked that I prepare a draft motion for Board discussion that would provide some assistance consistent with the School Committee request while preserving the integrity of the existing charge to the Audit Committee as a permanent standing committee of the town. He asked that I do so with the goal of achieving a unanimous vote of the Board.

Pasted below is the result of that effort. The motion allocates the specific tasks desired by the School Committee to the Audit Committee without amending the charge to the Audit Committee. It avoids the potential of the work being seen as precedent setting and achieves the principle of preservation of the original charge of the Audit Committee.

See you tonight at 6PM.

Fred

### PROPOSED MOTION:

That the Board of Selectmen assign to the Audit Committee the following specific tasks related to the request of the School Committee for technical assistance in its evaluation of an independent review of certain school accounts to be conducted by a professional auditing or consulting firm:

- (a) conduct a review of and provide input to the School Committee on the submitted proposals received by the School Committee in response to a letter dated July 27, 2012 to invited audit/consulting firms, with specific attention given to advising the School Committee on the project scope and tasks to be completed by the audit/consulting firms;
- (b) rank order the responding firms and provide a recommendation to the School Committee; and,
- (c) support and assist the selected audit/consulting firm in responding to questions and gathering documents necessary to complete their review of certain school accounts as outlined in the scope of services.

**From:** "Donna Bouchard" <donnabouchard@lfusa.com>  
**To:** gcriley@comcast.net  
**Sent:** Saturday, August 25, 2012 12:23:11 PM  
**Subject:** Monday night's meeting of the Audit Committee

Hi Chris,

I hope all is well! I am hoping you can please clarify, in more detail, the discussion planned for Monday night's meeting of the Audit Committee with regard to this agenda topic:

**7:20 p.m. Review/discuss Auditing Services scope of work w/ Tom Greenaway-FinCom**

Why is Tom being asked to appear before your committee? Did you outline something for him that explains why you are asking him to attend and what information you may require of him... what topic(s) he will be asked to elaborate on?

Thanks for your info!  
Donna

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## Audit Committee

### Additional Links:

[Audit Contract FY2011-FY2013](#)

Name	Term Expires
Chris Riley	June 30, 2015
Ben Downs	June 30, 2014
Gordon Cliff	June 30, 2014
Tony Boschetto	June 30, 2013
Chris Cullen	June 30, 2013

On Monday, January 9, 2012, the Board of Selectmen voted to establish an Audit Committee as follows:

**RESOLVED**, that the Board of Selectmen establish an Audit Committee to advise the Board of Selectmen, Finance Committee and town management including the Town Administrator, Finance Director/Town Accountant and Town Treasurer with respect to the town's internal auditing, financial systems and internal controls, and independent annual audit.

### Duties and Responsibilities

Duties shall include:

- Make recommendations to the Board of Selectmen on the selection of the independent auditor
- Review annual financial statement and management reports prepared by the auditors and provide comments with respect to said review
- Review and report to the Board of Selectmen at least annually on the status of management recommendations made by the independent auditor and corrective action taken by management

### Appointment

The committee shall be comprised of five (5) voting members serving for terms of three (3) years to be designated by the following committees and appointed by the Board of Selectmen, with preference given to individuals with professional expertise in accounting, financial management, law, or business or not-for-profit organization management. No officer of the town or member of any board, committee or commission, whether elected or appointed, and no past or current town

or school employee shall be a member of the Audit Committee:

- One (1) member to be designated by the School Committee;
- One (1) member to be designated by the Finance Committee;
- Three (3) members to appointed by the Board of Selectmen.
- The Finance Director and Town Administrator shall serve ex officio without the right to vote and his/her presence shall not be counted in determining a quorum.

Initially, one (1) member designated by the School Committee and one (1) member appointed by the Board of Selectmen shall be appointed for one (1) year, one (1) member appointed by the Board of Selectmen and one (1) member designated by the Finance Committee shall be appointed for two (2) years, and one (1) member appointed by the Board of Selectmen shall be appointed for three (3) years to establish staggered, three-year (3) terms.