

Approved Minutes March 26,2013  
Town of Wayland  
Audit Committee

Date: March 26, 2013

Start Time of Meeting: 7:00 PM

Place of Meeting: Wayland Town Building, School Comm. Room

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

Call to order – 7:02

- Gordon Cliff assigned as minute taker.
- Public comment- None
- Minutes from 3/12/13 meeting – deferred until later
- Health insurance reconciliation update – Since a meeting to cover this and related topics had been scheduled for the next day Audit Committee agreed to pass over this item
- Committee shared individual perspectives on the strengths and weaknesses of each of the 5 proposals received and then discussed as a group
  - Committee agreed to eliminate McCafferty & Company from consideration because it was felt that their work plan was weak, they did not appear to have much relevant experience, and there was concern about their ability to field the quality of team that would be required
  - Committee agreed to eliminate ParenteBeard from consideration. Although their proposed approach was reasonably strong, the Committee was concerned that they did not appear to have any experience in Massachusetts or any experience outside of Pennsylvania
  - Committee discussed whether StoneTurn should be eliminated based on the perception of several committee members that their proposal was not very detailed and that their experience did not seem to be directly on point. Several committee members pointed out that forensic audit was a specialty of StoneTurn and that some of the experience were sufficiently close. Committee voted 3-1 to keep StoneTurn in.
  - Committee discussed whether Grant Thornton should be eliminated from consideration because their proposal was limited to covering just 2011 and 2012 in a first phase while the RFP asked respondents to cover 2007-2012. Committee discussed and agreed that Grant Thornton is a high quality firm that could clearly field a high quality team but that covering only the last two years was a significant problem. Committee discussed and voted 4-0

to eliminate Grant Thornton from consideration because their proposal to cover only 2011 and 2012 was not responsive to the RFP.

- Committee discussed relative merits of Powers & Sullivan and Stone Turn. The Committee generally felt that the work plan articulated by Powers & Sullivan was more detailed and more responsive to the RFP. The Committee recognized that StoneTurn specializes in forensic audit but that their proposal was not as detailed and the experiences they cited were not as relevant. The Committee voted 4-0 to rank Powers & Sullivan first and StoneTurn second before considering proposed costs (as suggested based on the Chapter 30B Manual)
- Committee then reviewed proposed prices
  - Powers & Sullivan proposal was a minimum fee of \$15,000 and a maximum fee of \$31,750
  - StoneTurn proposed a fixed fee of \$125,000.
  - Grant Thornton proposed a fixed fee of \$99,850 (but this would cover only 2011 and 2012)
  - ParenteBeard proposed a fixed fee of \$135,000
  - McCafferty proposed a fixed fee of \$82,500
  - Committee discussed and agreed that the price quotes supported keeping the recommendation of ranking Powers & Sullivan first, StoneTurn second and Grant Thornton, ParenteBeard, and McCafferty not ranked not recommended for reasons noted above,
- Committee agreed that before finalizing the ranking that one of the committee members should call and check the references that Powers & Sullivan provided. Chris Cullen agreed to take on the task. Committee agreed on a set of questions that should be asked and areas that should be explored focusing on how relevant the work done was to our requirements and whether they were satisfied with the work Power & Sullivan had done
- Reviewed and discussed Minutes from March 12, 2013. Voted 3-0 to accept Minutes as drafted. (Cliff abstained having not been present at the March 12 meeting)
- Committee reviewed items to be covered at the meeting on March 27 on several OPEB and health insurance accounting related issues
- Motion to adjourn – 8:29 approved. Vote 4-0.

Attachments – Proposals of Powers & Sullivan, StoneTurn, Grant Thornton, ParenteBeard, and McCafferty.