

**Executive Session
Minutes
Town of Wayland Audit Committee**

Meeting Date: November 10, 2014
Start time of the Meeting: 7:15 pm
Place of Meeting: Wayland Town Building

Audit Committee ('AC') Members Present:

Voting Members: Chris Cullen, Gordon Cliff, Inna Kisseleva, Chris Riley.

Non-voting Members: Brian Keveny – Town Finance Director

7:15 pm – Chairman made motion to go into an executive session. AC approved 4-0.

Brian Keveny's responses to AC members' questions:

For the past three years the audit firm providing services to the Town of Wayland has been MelansonHealth, which is one of the bidders.

Top three (3) firms that specialize in governmental accounting are Clifton Larson Allen, Powers & Sullivan, and MelansonHealth. Brian has worked with all three firms in the past, and had no concerns about working with any of them. Each have a different style, but all 3 are easy to work with.

1. He had very good experience working with MelansonHeath because of good up-front communication with auditors, being proactive with any problems that may arise from time to time.
2. Clifton Larson Allen – just went through a merger with a national firm. In the past interaction with them has been good and similar to interaction with MelansonHeath.
3. Powers & Sullivan also worked them on School related project in the past few years, and Brian was impressed with their work as well.
4. No conflict with either firm

Chris Riley and Gordon Cliff asked for Brian's input the importance of the Comprehensive Annual Financial Report ('CAFR'). – Brian: CAFR does not really bring any specific value to the financial statements, but more nationally recognized. CAFR provide more detail to the reader of the financial statements, transparency and in depth information. Given the fact that the residents of Town of Wayland continuously ask questions relating to information reported on the financial statements, providing more detailed financial statements would be a prudent thing to do. It would provide residents detailed information about financial affairs of the Town of Wayland, and may decrease the amount of questions BOS and Finance department typically addresses once the Financial Statements are published. With good planning, and starting work now, Brian was confident that the Town's staff can prepare all necessary information for CAFR reporting in a timely manner.

AC started deliberations as to the proposals of the t independent audit firms to RFP 15-13.

Two firms were assessed as not meeting the requirements of the RFP or not advantageous based on the information in their respective proposals.

Ron Beaulieu – Unacceptable: Maine firm, no MA references, no MA towns that fall in the same category as Town of Wayland. The firm made references to FY 15 but the timeline is off. Appears to be a small firm with only 1 CPA and with limited staff resources, therefore, it is uncertain whether they will be able to give the Town appropriate time and deliver audited financial statements within the Town's time frame.

Lynch, Malloy, Marini – Not Advantageous: concerns whether they would have enough resources to service Wayland; timeline is off; appears to be three single owner CPA firms merged together. Concerns that they might have the personnel, or the breadth of Mass clients to meet the criteria specified in the RFP

One Firm was assessed as being Advantageous

Clifton Larson Allen – went through recent merger, which raises some concern, Massachusetts CAFR experience is not clear from the proposal.

Two Firms were assessed as being Highly Advantageous

Powers & Sullivan – proposal is very responsive to all the decision criteria listed in the RFP. Particularly impressive was their number of AAA towns.

MelansonHeath – all decision criteria listed in the RFP were met. Inna raised a question whether it would be easier if MelansonHeath remained as an auditor based on Brian's experience; it can be costly/inefficient to change auditors too frequently. Brian Keveny confirmed that he has a very good relationship with the team from MelansonHeath. He considers their team very knowledgeable and reasonable; he also agreed that a new firm would have to take time to establish audit procedures as Town of Wayland would be new client for them.

AC concluded that the final two firms to evaluate and compare are Power & Sullivan and MelansonHealth. Audit Committee discussed and agreed either Firm would be a very good choice, but two Committee members felt that there would be some advantages to keeping Melanson Heath.

AC drafted the motion. Chairman proposed to vote on the final draft. AC members approved 4-0.

The text of the motion is as follows:

“The Audit Committee rated MelansonHeath and Powers & Sullivan as Highly Advantageous, Clifton Larson Allen as Advantageous, Lynch Malloy Marini as Not Advantageous, and Ron Beaulieu as Unacceptable. Of the two firms rated Highly Advantageous, three AC members expressed no preference. Two AC members expressed a preference for MelansonHeath primarily because of the excellent work they have provided as the Town's current auditor. Additionally, MelansonHeath staff is both highly qualified and familiar with the Town's personnel and operations. MelansonHeath has shown they can help the Town to improve operations throughout the year, while still bringing important issues to light through their management letter recommendations.

The Audit Committee believes that paying extra for a CAFR is worth the incremental cost as long as the incremental cost is reasonable”

Brian Keveny collected copies of all proposals to RFP #15-13 by Independent Accounts, AC members' review comments and cumulative AC review comments as concluded upon deliberations.

Chris Cullen and Gordon Cliff have agreed that the final version of the Motion is to be sent via e-mail to the Town Administrator by Chris Cullen upon receipt from Gordon Cliff no later than November 12, 2014.

9:40 pm – Upon conclusion of the deliberation and preparation of the motion relating to RFP #15-13 for the Town Administrator, the Chairman proposed to adjourn the Executive Session and go back into Open Session. AC approved 4-0.