

**Town of Wayland
Audit Committee
Minutes from December 1, 2014**

Date: December 1, 2014

Time: 7:00 pm

Place: Wayland Town Building

Members Present- Chris Cullen, Paul Brennan, Inna Kisseleva and Gordon Cliff

1. Call to order
 - The meeting was called to order at 7:00 pm by Chris Cullen
2. Treasurer Paul Keating joined the meeting
3. Assign minute taker
 - Paul Brennan
4. Public comment
 - Don Bustin requested a copy of the draft Financial Statements draft and Chris C. provided an earlier draft, noting there were minimal changes to this evening's draft; he also asked that it be returned at the conclusion of the meeting.
5. Review of Management Letter comment #2 with the Treasurer, 7:07 pm
 - ML comment #2 is "Improve Automation in Tax Collectors Office"
 - Paul K. presented an overview of his office procedures, some of which are manual, some Excel, some MUNIS interface, some VADAR; he presented his view that he is open to looking at a cash receipts automated package, noting that his preference would be for VADAR rather than the MUNIS offering; there ensued a lengthy discussion of procedures and the applicability or benefit of optical scanning, with Paul K. indicating it has very limited use for him. (School Business Administrator Susan Botta joined the meeting 7:14 pm)
 - AC member Inna K. asked Paul K. if he would elaborate on the segregation of duties aspect of the ML comment; Paul indicated that they employ a system of duty rotation and duplicate checking of key processes to work around the limitation in number of department employees
 - The discussion returned to the topic of automation, and Paul K. indicated he may do site visits to see how other towns are using VADAR, MUNIS etc, and will coordinate this with Brian Keveney; he also indicated, in response to Chris C.'s question, that he is uncertain whether automation would be completed in FY '15
 - Re ML comment #5, Improve Compliance With The Town's Cash Management Practices And Investment Policy (which prohibits any single

- bank from holding more than 10% of the Town's cash); Paul K. indicated that if operating cash and trust fund balances are considered together, he may have exceeded the limit; he further stated that he has only two banks (Eastern and Rockland) where balances are not insured, but that he has only ~ 2% of total cash invested with them; AC member Gordon C. stated his concern that the ML comment had been recurring, and that if there exists a policy the Town should adhere to it; Paul K. indicated that he is reformatting his reports to show clearer adherence to the policy; Paul K. committed to liaise with Melanson to resolve wording on ML #2 and #5 prior to Dec. 15th. (Paul K. exited the meeting 7:43 pm).
6. Susan B. introduced herself and indicated she was prepared to discuss ML #3 Ensure Proper Allocation of Expenditures and #4 Improve Compensated Absences Accounting; she indicated that the Finance Sub Committee of the SC is addressing item #3 and she will report back on the specifics of those actions (she discussed a number of accounts requiring fund balance analysis and resolution); Inna K. suggested that since most of the items which are the subject of #3 are well on their way to resolution, Melanson might consider withdrawing the comment; AC member Paul B. raised the question as to whether ML #3 and #4 might also pertain to the Town side rather than solely the Schools; Susan B. and Chris C. indicated they would follow up with Scott McIntire at MH. (Susan Bottan exited the meeting at 8:01 pm).
 7. AC member Gordon C. suggested the for ML #1 Formalize A Fund Balance Policy, the Town (BOS) needs to conclude as to whether that is in fact a valid ML comment and concern, or that the Town's policy is to not have a policy regarding fund balances. (The comment has been recurring without formal resolution).
 8. The Committee proceeded to a review of the draft financial statements and there ensued a discussion from p. 8 of the "Acquiring easement with current year tax revenue" for \$2 million and the "20 Wayland judgment" for \$1,227,000. It was concluded that further explanation was needed from MH to fully understand the propriety of the entries; to expedite presentation of the financial statements and management letter the BOS on Dec. 15th, Gordon C. moved as follows: "Pending a clarifying note from Scott McIntire regarding the \$2 million easement item noted on page 8, and pending a note from Brian Keveney that he concurs and accepts the items in the management letter as presented, the AC believes that the FY '14 financial statements and the related management letter are ready to be presented to the BOS"- seconded by Paul B. – discussion ensued re the purpose of the resolution allowing Chris C. to tell BOS we are clear with both the financials and ML subject to the noted items – vote 4 to 0 approved; for follow up, Paul B. will speak with Susan B. and Chris C. to speak with Scott McIntire. (Brian Keveney joined the meeting at 8:44 pm). (Chair Chris C. exited the meeting to join the BOS meeting at 8:46 pm)

9. Brian K. discussed several items on the ML, concluding that he is in basic agreement with the items as presented; he reported that ML #3 is related in substance to the schools only; he further endorsed the comments in ML #2 related to tax collection automation; regarding the financial statements, Brian K. clarified the accounting related to the aforementioned items in 8 above; as a result of the input received from Brian K., Gordon C. made a motion as follows, "That the prior motion is amended to delete references to Brian Keveney and his input on the management letter and Scott McIntire regarding the \$2 million item on page 8"; seconded by Paul B. – discussion, none – vote 3 to 0 approved.
10. Agenda item 2; a discussion ensued regarding the benefit of having the T.A. and Finance Director attending all AC meetings; Brian K. indicated that he believed that anyone with input on the AC agenda should participate as needed, including the FD, the SBA, the TA or the Superintendent (his opinion); Inna K. suggested that this group monitor our agenda to attend as their input would be needed; Gordon C. suggested that we need the TA's input on this topic to formalize a procedure.
11. Agenda item 3; unable to discuss revised duties without the TA; tabled.
12. Agenda item 4; unable to review and approve prior meeting minutes without revision to separate executive session portion; tabled.
13. Next meeting agenda; relationship with FD and broader group; role of the AC; review and approval of minutes;
14. Paul B. moved that the meeting adjourn, Gordon C. seconded; discussion, none – 3-0 approved and meeting adjourned at 9:07 pm.