

Town of Wellesley, Massachusetts  
Audit Committee  
Minutes of Meeting held at 4:00 pm, January 8, 2018  
Wellesley Town Hall, Conference Room G

In attendance: Audit Committee members Larry Petzing (Chair), Peter Cory (Secretary), Phil Laughlin, Laura Ann McDonnell, and Stephen St. Thomas, and Sheryl Strother, Finance Director, Town of Wellesley.

Mr. Petzing called the meeting to order at 4:05 p.m., opened the Citizen Speak portion of the meeting, and noted that there were no citizens present. Mr. Petzing asked Audit Committee members if there were comments on the draft minutes of the December 11, 2017 Committee meeting, previously circulated by Mr. Cory. After a brief discussion of several modifications to the draft, a motion to approve the minutes, as amended, was approved unanimously.

Ms. Strother distributed materials related to the responses to the RFP for audit services from the three firms invited to submit proposals. These materials included summary data on each firm and the assigned engagement team's qualifications and experience, as well as projected hours and fees. The Committee reviewed again the pros and cons of switching the audit service provider and/or the professionals engaged in these services, with specific focus on the "fresh look" of the Town's financial reports and internal controls that would follow. The Committee then had an extended discussion of all the materials distributed, including the complete RFP responses submitted by the candidate firms (previously distributed to Committee members). The strengths and weaknesses of each firm's proposal was discussed. In several instances, Committee members indicated a desire to obtain more detailed information on the composition of the engagement team to be assigned to the Town, the firm's client gains and losses, other matters, including their understanding of and approach to CAFR audits. The Committee also determined that several of the references provided by the candidate firms should be contacted by Ms. Strother, and that independent inquiries should be made of towns that have switched between the candidate service providers in recent years. The Committee also discussed the action that independent Town Boards, including the MLP Board and the Wellesley Contributory Retirement Board, might take if the Audit Committee determined that a change in service provider was appropriate.

Following this discussion, the Committee determined that senior engagement personnel from Powers & Sullivan and Melanson Heath (the two firms whose work was most heavily focused on financial audit work for municipalities in Massachusetts) should be invited to present to the Committee, on the morning of Monday, January 22 (subsequently changed to Tuesday, January 23). Each presenter would be asked to focus on the key qualities of their firms, and the experience of the individuals who would be involved in a future engagement with the Town. This would be followed by general Q&A with the Committee; Mr. Petzing asked that Committee members forward specific questions directly to him.

A motion to adjourn the meeting was then approved unanimously, at 5:50 pm.

*Prepared by Peter Cory, Secretary; approved by Audit Committee January 23, 2018*