

**Town of Wellesley
Audit Committee
Meeting Minutes
Monday, September 21, 2020
Zoom Virtual Public Meeting**

Attendees: Members of the Audit Committee (“Committee”) – Colette Aufranc (Appointed Chair), Susan O’Shea (Appointed Secretary), Peter Covo, and Allan Juwonoputro. Renee Davis (Partner) of Powers & Sullivan LLC (P&S). Sheryl Strother (Finance Director/CFO, Town of Wellesley), Meghan Jop (Executive Director of General Gov’t Services, Town of Wellesley), Marc Waldman (Treasurer, Town of Wellesley), Cynthia Mahr (Assistant Superintendent for Finance and Operations, Wellesley Public Schools), Lynn Whynt (Retirement Administrator, Town of Wellesley), Shawn Baker (Wellesley Advisory Committee), Ann Collins (Accounting Supervisor, Wellesley Municipal Light Plant), Don Newell (Director, Wellesley Municipal Light Plant).

Call to order and introductions:

Ms. Aufranc called the meeting to order at 4.07 p.m. Ms. Strother notified the Committee that Mr. Manguso would not be attending the meeting.

Citizen Speak:

Ms. Aufranc opened the Citizen Speak portion of the meeting and noted that there were no citizens present.

Review and approval of minutes:

Ms. Aufranc asked if there were comments on the previously circulated draft minutes from May 18, 2019 meeting of the Audit Committee, prepared by Ms. O’Shea. As there were no comments, a motion to approve the minutes was approved unanimously.

Nomination and Election of Officers:

Ms. Aufranc also notified the Committee of her election to the Board of Selectmen for the Town of Wellesley and that she step down as the Chair of the Audit Committee, but would continue to attend meetings as a liaison for the Board of Selectmen.

Ms. Aufranc nominated Ms. O'Shea to be the Chair of the Audit Committee. Mr. Covo seconded and the Committee voted unanimously to approve Ms. O'Shea as Chair. Ms. Aufranc nominated Mr. Covo to be the Secretary of the Audit Committee. Mr. Waldman seconded and the Committee voted unanimously to approve Mr. Covo as Secretary.

Letter to Board of Selectmen on Cybersecurity and Council on Aging:

Ms Aufranc reported that she had met with the chair of the Board of Selectmen, Ms. Jop, Mr. Du Pont and Ms Strother on 9.10.20 to discuss our letter of 6.20.20. Re the Council on aging, there was agreement with our suggestion to revisit the documentation of procedures once the center is operational again and the new director is more established. Ms. Aufranc further noted that the BOS suggested including a review of documenting programs sponsored by COA supporters.

Cybersecurity:

Ms. Ms. Aufranc noted Mr Dupont will pursue RFPs for cybersecurity reviews to establish likely costs and include a budget request for this work in FY22.

Update from Wellesley Public Schools

Ms. Mahr discussed procurement of Federal grants for professional development and the requirements to attain those grants. Ms. Mahr further discussed the timeline to present information to MASBO for licensing renewal. Ms. Mahr has been working with a legal consultant out of Washington DC who provides guidance to the Federal Grant Program; however, it has been challenging to gain access due to the consultant's schedule. Ms. Davis reported on the DESE Report for 2019 and stated that it was in compliance with the report being issued with no findings. Ms. Mahr will submit the report on October 16, 2020.

Update from the Wellesley Municipal Light Plant:

Ms. Davis reported that the Draft Annual Report had been sent to the MLP on Friday, September 19, 2020. Mr. Newell reported that a final Annual Report was due at the end of the month and would be reviewed prior to submitting to the Committee. Mr. Newell discussed how COVID has impacted utility use with kilowatt hours being down because of the schools and colleges being closed while revenues has increased from a residential perspective because of people staying and working from home. Mr. Newell stated that although sales and expenses were down there was no growing concern as the overall need would remain. Mr.

Newell further reported on internal discussions regarding the offering of an internet service.

Mr. Newell together with Ms. Davis then answered questions from the Committee regarding (1) prefunding; (2) changes in long-term liabilities and allocation of liability; (3) pension and mortality tables; and (4) cashflow statements and restricted cash. Ms. Davis also confirmed the restatement of the OPEB asset to the town Fiscal Year End; this caused a slight adjustment to the 2020 beginning balance.

Retirement Plan:

The Retirement Plan was discussed by the Committee and it was reported that market volatility was not immediately obvious because the financial statement year end is 12/31. Consider footnote disclosure. It was further reported that assets were up for the year. Ms. Davis reported that it was more challenging to perform testing remotely. remote testing was a challenge and therefore the numbers used were those supplied by Ms. Whynot.

Ms. Whynot together with Ms. Davis then answered questions from the Committee regarding (1) debit balance; (2) mortality tables; (3) pension and annuity portions of report; and (4) receivables. The Committee asked if it should be noted in the report the impact COVID had on the remote testing.

Update from Management:

Ms. Strother updated the Committee on how the Town and Town Government and Services had been impacted by COVID and implementation of new policies and procedures on how the various town offices share, discuss and meet. She asked if anyone had COVID related town operation pictures that could be shared. Ms. Strother noted that field work had ended and only a few open items remained to be completed for the budget process.

Due to the COVID pandemic shut down, money was added to reserves from a savings in operations. Ms. Davis noted that the Commonwealth has COVID related money to spend before the end of the year but that it was limited to COVID related losses and could not be used to replace lost revenues.

Ms. Davis reported on the Audit. She confirmed the Audit is going well; though most of the testing has been conducted remotely, they will need to be onsite to

finish testing. Ms. Davis confirmed the OPEB came in the previous week. Ms. Davis also confirmed that an initial draft of the CAFR would be available the week of October 12, 2020.

Meeting Schedule for 2020

All Audit Committee Meetings will begin at 4pm with the exception of the December 2020 meeting. The Location is yet to be determined and will be announced as the dates approach.

- September 21, 2020
 - 1.) Review the Retirement Plan Financial Statements
 - 2.) Review the WMLP Financial Statements
 - 3.) The DESE Agreed Upon Procedures Report
- October 19, 2020
 - 1.) Review the Comprehensive Annual Financial Report (CAFR)
 - 2.) Comprehensive Annual Financial Report (CAFR) to be available for distribution to the committee on 10/15
- November 2, 2020
 - 1.) Final Review and Approval of the Comprehensive Annual Financial Report (CAFR)
 - 2.) Review of the Compliance Report on Federal Awards (SEFA),
 - 3.) Review of the School End-of-Year Financial Report
 - 4.) Discuss Management Letter, discuss presentation to the Board of Selectman in December
- December TBD – Board of Selection Meeting presentation

Motion to Adjourn

Ms. O'Shea made a motion to adjourn the meeting at 5:45p.m., which was approved unanimously.