

**Town of Wellesley
Audit Committee
Meeting Minutes
Wednesday, October 20, 2021
Zoom Virtual Public Meeting**

Attendees: Members of the Audit Committee (“Committee”) –, Susan O’Shea (Chair), Peter Covo (Secretary), Allan Juwonoputro, Rusty Kellogg and Frank Pinto. Colette Aufranc (Board of Selectmen), Renee Davis (Partner of Powers & Sullivan LLC (P&S)). Sheryl Strother (Finance Director/CFO, Town of Wellesley), Donald Newell (MLP), Ann Collins (MLP), Madison Riley (Advisory Committee Liaison), Brian DuPont (IT Director, Town of Wellesley)

Call to order and introductions:

Ms. O’Shea called the meeting to order at 4:02 p.m.

Citizen Speak:

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

Review and approval of minutes:

Minutes for the September 20, 2021, meeting that were circulated ahead of the meeting were reviewed; various edits were made and thereafter approved by the Committee.

Cybersecurity

Mr. DuPont gave a presentation outlining the various aspects of the work performed for the Town regarding cybersecurity. He stated that his office was using the MassCyberCenter (“MCC”) as the baseline for the Town’s cybersecurity standards and for establishing goals of which some had already been implemented that include: (1) the training of personnel; (2) improved threat sharing; (3) response planning; and (4) best practices. Mr. DuPont acknowledged that one MCC requirement had already been completed in that the Town IT Department (“ITD”) was fully staffed (first time on 4 years). He noted that the ITD was working towards a formal incident response plan by running attack & penetration tests utilizing various tabletop exercises in addition to its managing of all Town web traffic, filters, firewalls, regular updates of software and the daily backing up of data which is maintained off site (cloud based). Some new

procedures that the ITD has implemented are the adoption of new cloud technologies and the utilization of two-factor authentication by Town employees.

Mr. DuPont continued with details of procedures and operations used by the ITD. He shared that he works closely with many other state, local and metro west IT Directors by sharing information regarding cyber threats and for general discussion of hot topic issues.

Ms. O'Shea asked questions about: (1) how data is stored – cloud or on site and if there was an “air gap”; (2) firewall monitoring; and (3) if there had been any ransomware events. Mr. DuPont responded: (1) that about two thirds of data is stored in the cloud and the remaining one third on site; (2) that the firewall monitoring was part of the external penetration assessment that was scheduled; and (3) there have been no ransomware events since 2016. Members of the Committee asked questions regarding if other towns had cyber intrusions and their causes to which Mr. DuPont replied that most were caused by human error or by the understaffing of IT departments.

Mr. DuPont finished his presentation by stating that they were working on building a relationship with a local vendor with specific services to assist in helping the ITD understand the vulnerabilities, both human and technological, of the Town's systems and how best to secure the system's endpoints.

The RFQ for the cybersecurity assessment was released to notable and appropriate vendors last week. Mr. DuPont's goal is to (1) have vendor selection complete by the beginning of November, (2) complete the assessment within six (6) weeks, and (3) complete the final report before the end of December. Ms. O'Shea asked that Mr. DuPont give the Committee an update prior to the Advisory Presentation.

FY 2021 Municipal Light Plan Financial Statements

Mr. Kellogg initiated a discussion requesting a clarification on the treatment of Deferred Inflows of Resources and Deferred Outflow of Resources on the MLP Financial Statements. Mr. Juwonoputro added to Mr. Kellogg's request to further clarify the drastic change on the Deferred Outflows. Ms. Davis walked through the treatment of the Deferred Inflows and Outflows along with how they are reported on the Financial Statements. As provided for in the Notes section of the

Financial Statements, the biggest impact to the Deferred Outflows was a change in discount rate from 6.625% to 6.0%. Ms. Davis confirmed that the Wellesley Retirement Board (WRB) is responsible for the discount rate change. It was noted that the discount rate change should be highlighted to the Select Board at the December 6th Meeting.

Once the discussion was concluded, four (4) of the Audit Committee Members voted to approve the 2021 Municipal Light Plant Financial Statements. As a matter of note, Mr. Covo departed the meeting prior to the vote and therefore, did not vote. It was communicated to Mr. Covo, after the fact, that a vote to approve the statements had occurred.

FY 2021 Audit Plan Review – Powers and Sullivan

Ms. Davis confirmed that the Annual Comprehensive Financial Statements are in final review and that both a hard copy and an electronic copy will be made available to the Audit Committee on or before the November 1st Audit Committee Meeting. Ms. Davis confirmed that there were no significant changes to report to the Audit Committee. Ms. Strother confirmed that there are no Management Letter Comments yet.

Meeting Schedule for 2021

All Audit Committee Meetings will begin at 4pm with the following dates tentatively planned:

- November 1, 2021 – extended meeting to include the review of the Annual Comprehensive Financial Report
- December 6, 2021, meeting will be aligned with the Select Board. The timing has yet to be determined.

Motion to Adjourn

There being no further questions, Ms. O’Shea made a motion to adjourn the meeting at 5:04 p.m., which was approved unanimously.