

Audit Committee Meeting

Friday September 25, 2020

Pam Dukeman, Finance Director	Michael Papetti
Fred Steeves	Kathy Foley, Assistant Treasurer
Susan Flanagan – Cahill	Marie O’Leary, Town Accountant
Lemma Jn-Baptiste, School Business Manager	

Also Attending: Renee Davis, Partner and Kathryn Casey, Audit Supervisor from Powers and Sullivan. All attendees participated via Zoom conferencing due to the Governor’s stay at home order.

Review of School Student Activity Funds Audit and Findings

Renee Davis of Powers and Sullivan reviewed the results of the FY20 School Student Activity Fund audits. The group reviewed the comments from the reports. These were mainly focused on formalizing both training and use of receipts. Authorization of student activities accounts needs to be reviewed, as it needs to be verified that all accounts are valid student activity accounts, and present them to the School Committee. Continued work is needed on consistency and accuracy of records. The high school appears to be in compliance with this, but smaller schools are not. Overall it seems that the schools need more formalized training and a consistent process across all schools. Lemma Jn-Baptiste agreed that the schools will continue with training, which had been delayed by COVID impact.

Review of COVID Impact

Pam Dukeman reviewed the impact of the COVID 19 pandemic on the Town’s finances. Conservative budgeting allowed for no impact on the FY21 budget. The Town had planned to replace State Aid as needed, but this was not an issue as the State has since committed to level funding State Aid for FY21. This commitment allowed for the FY21 budget to be balanced, and therefore there is no need for a Fall Town Meeting, No one time revenue or use of the reserve accounts was needed. The Town is currently working on a remote hybrid system, with all Town Hall services available either remotely or via appointments.

Some of the additional costs incurred (for Schools: technology and PPE for the Town: technology, maintenance, PPE, public safety overtime) were somewhat offset by savings in other areas (for schools: shutting down of buildings, for Town: savings on travel and training). A total of approximately \$500K in additional costs were covered by State and Federal COVID funds with the State funding mostly technology and Federal covering infrastructure and PPE costs.

Looking toward FY21, the State and FEMA are planning to cover costs until December 31, 2020. The State has also allocated \$675K to the Westwood Schools to help with the costs of reopening schools. The Town is taking a conservative approach in looking toward the FY22 budget.

Review of FY20 Audit and Findings

Renee Davis from Powers and Sullivan discussed both the Single Audit and the draft CAFR report. The pension numbers have not yet been received, and are still an open item. The OPEB liability was reevaluated by the actuary this year, and that was completed before the COVID shutdown.

Renee indicated that the Town had provided all information to the auditors and everything was in good standing. The draft CAFR will be provided to staff by September 29.

Renee discussed unusual areas that all Towns are facing this year, including COVID related remote working, and the incredibly high number of unemployment fraud cases.

Pam Dukeman discussed with the group the concept of having “sub-representation” letters. In these, the Schools and other Town departments would attest via the letter that they have no knowledge of fraud or wrongdoing in their departments over the course of the year. These would be signed and sent to the Town Administrator and Finance Director to review before signing overall Town representation letter.

The full group agreed that having an agreed upon time line for the overall audit and CAFR reporting process, set in advance, continues to work well and we will plan to continue this practice into the future.

Next Steps

Once the CAFR is finalized, with the Pension information, the Audit Committee will meet again. They will plan to make its annual presentation to the Select Board at a meeting in late 2020 or early 2021.

Approval of Minutes:

The Audit Committee approved the minutes from the May 7, 2020 meeting.

Susan Flanagan-Cahill: Motion to approve the minutes of the Audit Committee from 5/7/20.

Fred Steeves: Second.

Roll Call Vote: Michael Papetti - Yes

Fred Steeves - Yes

Susan Flanagan Cahill – Yes

Motion Carried.

Town Employees then left the meeting and the Audit Committee met with the auditors privately.