

**TOWN OF BELMONT
PERMANENT AUDIT
COMMITTEE MEETING**

**RECEIVED
TOWN CLERK
BELMONT, MA**

DATE: November 2, 2021

TIME: 10:01 AM

Minutes: Wednesday, September 15, 2021, Zoom Meeting, 9:00AM
Present: Robert Keefe, Robert Forrester, Frank Caruso, ex-officio member Town Accountant Glen Castro, Glenn Logan, ex-officio member Town Treasurer, Floyd Carman, ex-officio member Select Board Mark Paolillo
Also Present: Town's external auditor - Craig Peacock from Powers & Sullivan
Absent:

Chairman Robert Keefe called the meeting to order at 9:00 AM.

R. Keefe reported that he presented the Annual Report for the Permanent Audit Committee at the August 30, 2021 Select Board Meeting. The report covered the 6/30/20 Town audit and the 12/31/20 BMLD audit and is attached. As part of his comments, he did mention the BMLD management letter comment on accounts receivable collections which would be a focus area for the Light Department in 2021. The Select Board also did note they had been briefed on accounts receivable collections by the Light Department and have had discussions with them in 2021. Mr. Keefe did respond to questions following his presentation including one from M. Paolillo regarding consideration of going out to bid for the Town audit as he mentioned Powers & Sullivan's relatively long tenure with the Town. R. Keefe did note the auditors had previously been involved in the proposal process twice before and are currently contracted through the June 30, 2022 audit. A citizen asked about audit adjustments and management letter comments. Adjustments have historically been minor and in routine areas while, as previously noted, the most significant comment related to the BMLD accounts receivable collections. P. Garvin also described the Town was in the process of addressing Town management letter comments as well.

Craig Peacock discussed the audit plan and current status as described below.

Preliminary Work

- Phase 1 was completed in person. Information was received timely.
- GOALS & Accomplishments
 - Planning
 - System documentation
 - Risk Assessment
 - Quality control planning documentation
 - Generate audit programs
 - Roll forward work papers and reports
 - Confirmations - debt, legal, CH90
 - Read minutes
 - Follow up on PY management comments – through observation and will discuss with client
 - Audit debt, Accrued Interest, Journal Entry Testing, Transaction Testing (revenue, expenditure, journal entry and payroll)
 - Tie out initial GF Budget
 - Performed single audit – Coronavirus Relief Fund
 - Performed preliminary analytics
 - Worked with the System to perform testing and audit their balance sheet

PHASE 3

- Starting October 12, 2021, plan two weeks to complete field work.
- Team = Fieldwork Craig Peacock, Mike Pelleriti, and Kevin Sullivan
- Essentially same schedule as PY.
- GOALS

Clean up Prelim open items.

- Walk down the balance sheet
 - Cash
 - Receivables
 - Fixed assets
 - Warrants payable
 - Significant accruals (compensated absences, OPEB)
 - Review legal responses
 - Finish reading minutes
 - Draft financial statements and notes
 - Draft single audit report
 - Draft management letter
- DELIVERABLES
 - Drafts should be available in December and would expect to meet on January 19, 2022.

Mark Paolillo discussed cyber security for the town and requested that the auditors comment on the IT policies and procedures noted during their work. PAC questions included: timeliness of OPEB and pension information, timeliness of Belmont Retirement Plan audit, impact of Covid pandemic on audit process, testing of town encumbrances included as part of Town expenditures and Town tax collection results. Mr. Peacock reported results to date had been fine and he remained comfortable with the schedule.

Other:

- Robert Keefe was unanimously elected Chairman of the Permanent Audit Committee.
- FY 2022 Schedule

FY 2022 PERMANENT AUDIT COMMITTEE MEETING SCHEDULE:

Town Pre Audit Committee Meeting	9/15/21 @ 9:00AM Virtual
Town Final Audit Committee Meeting	1/19/22 @ 9:00AM Virtual or in person Town Hall/Room 4
BMLD Pre Audit Committee Meeting	11/17/21 @ 9:00AM Virtual or in person BMLD Building
BMLD Final Audit Committee Meeting	4/27/22 @ 9:00AM Virtual or in person BMLD Building
BOS PAC Audit Committee Presentation	2022 TBA @ 7:00PM BOS Room/Town Hall

The meeting was adjourned at 10:30 am.

Respectfully submitted,

Glen Castro

