

**Audit Committee Meeting
August 20, 2020**

Present: Steve Schoonveld, Chairman; Mike DeSantis, Vice-Chair, Kris Moussette, Christie Martin, and Kiera O'Neil

Guests: Michael Nelligan (Powers & Sullivan), Barry LaCasse(Assistant Town Manager), and Matthew Violette(Mansfield Town Accountant)

I Meeting Called to Order

The meeting of the Mansfield Audit Committee was called to order by Assistant Town Manager; Barry LaCasse at 5:00pm on August 20th.

II Reorganization of the Committee for Fiscal Year 2020

1) Discussion and consideration of Reorganization of the Audit Committee members

Mr. LaCasse opens the floor for nominations for Chair of the Audit Committee.

Kiera O'Neil nominated Christie Martin as the new Chairperson, and Kris Moussette seconded the motion.

Roll vote:

Mike DeSantis-yes, Kiera O'Neil-yes, Kris Moussette-yes, Christie Martin-yes, Steve Schoonveld-yes

Vote: 5-0 Passed

Kiera O'Neil nominated Kris Moussette as Vice-Chair; nomination was seconded by Christie Martin.

Roll call vote:

Mike DeSantis-yes, Kiera O'Neil-yes, Kris Moussette-yes, Christie Martin-yes, Steve Schoonveld-yes

Vote 5-0 Passed

Kris Moussette nominated Mike DeSantis for Secretary; the motion was seconded by Kris Moussette.

Roll call vote:

Mike DeSantis-yes, Kiera O'Neil-yes, Kris Moussette-yes, Christie Martin-yes, Steve Schoonveld-yes

Vote 5-0 Passed

III Acceptance of Meeting Minutes

1.) Consider the possible vote to approve minutes of the December 4, 2018 and the September 23, 2019

Audit Committee Meetings

Motion: To approve the prior minutes. (O'Neil/Moussette)

Roll call vote:

Mike DeSantis-yes, Kiera O'Neil-yes, Kris Moussette-yes, Christie Martin-yes, Steve Schoonveld-Abstained

Vote 4-0-1 Passed

IV Review of Current Management Letter

V Overview of Management Letters, Comments, & Recommendations – by Mr. Nelligan

Mr. Nelligan began the discussion expressing how glad he is to working for the Town of Mansfield for the sixth year. He stated that the objectives of the meeting were to go over the audit, timing and what they will accomplish moving forward. He stated that the Town received the 2019 CAFR Award and all categories were proficient. He stated that out of 140 pages there were only two comments that were minor and would be addressed with Government Finance Officers Association -GFOA. He then referenced the 2020 Audit timeline and noted that they have completed all the planning work and are using a secure portal to receive documents. Mr. Nelligan stated that they are on track to finish the audit for Mansfield Electric that is due by the end of October with the exception of the financial statements needed from Bristol County Retirement which are expected to arrive at the end of September. The field work for the Town's audit is scheduled for the week of October 12th and October 19th and his team plans to be at Town Hall to gather necessary documents but will minimize the time spent at Town Hall.

1. Framework for the documentation of internal controls

Mr. Nelligan stated that many internal controls and processes are changing due to the pandemic and electronic signatures are the norm for many businesses with employees working remotely. He stated that many documents that are required for the audit can be scanned and emailed however materials such as payroll with social security numbers he is prepared to personally pick up the information when needed. Mr. Nelligan said that the plan is to come two days a week during those two weeks to the Town Hall and do most of the work off site. He stated that the draft of the audit will be ready for review in November and then get the final draft approved for December.

Mr. Nelligan said that there are two new standards have been extended, fiduciary activities have been extended for one year and leases have been extended to 2022, which will be minor changes and require one additional schedule to be submitted. Mr. Nelligan then discussed that the Federal and State government have been allowing a lot of relief to towns and schools through grants. He noted that Town has 2.1 million dollars available as part of the CARES Act. Mr. Nelligan went on to say that the Department of Revenue (DOR) is instructing towns to take advantage of FEMA first which may reimburse up to seventy five percent and then use CARES funds to cover the other twenty five percent. He said that the Town of Mansfield cannot buy ambulances and big ticket items but it can be used for COVID related expenses that were not budgeted and that the Town would not have spent money on otherwise. Mr. Nelligan asked Mr. Violette how much money had been spent and Mr. Violette answered that \$250,000 has been spent and another \$500,000 has been spent but the items have not arrived. He added that the Town has until the end of December to spend the funds. Mr. Nelligan went on to say that the MUNIS conversion has gone successfully but the budget for 2021 has been a challenge, but the State has committed to level funding in State Aid.

VI. Mr. Nelligan opens it up to any questions.

Steve Schoonveld commented looking for a plan to amend the internal controls. He would like a full management control of internal controls. Mr. Nelligan stated that they are in place and documented. He goes on to say that MUNIS changes need to be in place before they design this. Stating that they will need to update once MUNIS is in place. He said that timing will be perfect with the new system. Steve Schoonveld would like this in place. Matt Violette said that we should have documentation of internal controls. Change to MUNIS moving receipt posting in to internal office. He goes on to say that we are able to set up a lot more controls. There has been a reduction in the journal entries by 60%. Mr. Violette said he did additional training to staff this year and changes to MUNIS. Steve Schoonveld said that he would like checked numbers in internal control as well. He goes on to say that it is more important to have the perception of the public for this. He feels that it is important. He thanks Matt Violette and Mike Nelligan for their input.

Steve Schoonveld said County Pension Plan will change. He is looking for a delayed pension approval date. OPAC Pension liability. Mr. Nelligan said that by law, 2040 is the latest date. Steve Schoonveld asked Barry LaCasse if it is until 2030 something... is the proposal? Mr. LaCasse said that is one of the models and that is the model that he and Kevin Dumas would like to encourage. Mr. LaCasse would like Bristol County Retirement System to adopt this and that appropriation of FY 2022 would not change but after that they are entertaining several options. Mr. Nelligan said they are entertaining several different options.

Mr. Nelligan said that it is nice to see that the market has come back.

VII Fraud Risk

Mike DeSantis asked Mr. Nelligan for the Fraud list for next time so they can click through to get through in order to get rid of the management letter

Matt Violette referred to Page 22 comments in report.

Matt Violette said going through the report on broad risk assessment said there is nothing major in there. Most have been addressed; we should certainly stay on top of. Actual assessment has been completed. Working toward resolving issues. Mike DeSantis said yes we should stay on this.

Matt Violette agreed. Steve Schoonveld would like accounting and management duties performed.

Kiera O'Neil s and Mike DeSantis talked about prior phone calls that were going to take place. Kiera O'Neil referred to this being stated in past minutes as she has been on the board for over 9 years. Kiera O'Neil and Mike DeSantis said that the stopping point was who the calls would go to... Steve Schoonveld would like a policy in place for the town. He would like to see this accomplished this year. He would like to talk about a number of bullets that should be addressed to handle the calls. Mike DeSantis said he would like to implement a list for this. He agrees with Steve Schoonveld. Kiera O'Neil said she remembers Mike Nelligan giving suggestions before. Mr. Schoonveld said that he feels that there are some best practices out there and looking for suggestions from Mike Nelligan as to how to handle this. Mr. Nelligan said his experience has been many that are frivolous that come in on phone calls. But certainly worth having in case there is a real issue. Mike DeSantis said that he would like to tie this in to the fraud. Mike Nelligan said he was taking about it in terms of a fraud hotline.

Other relevant agenda items not known by the Chairman 48 hours prior to the meeting

Next Meeting tentatively: Thursday October 8th 5PM.

Adjournment

Motion: To adjourn the Audit Committee meeting on August 20, 2020 at 7:00PM made by Mr. Mike DeSantis. Mike DeSantis yes, Kiera O'Neil yes, Christie Martins yes, Steve Schoonveld yes.

Vote Passed 5:0.

Jodie Zinna



Signature

11/24/2020
07:37 PM GMT

Date

Minutes prepared by Jodie Zinna