

Longmeadow Audit Committee

Minutes of the June 14, 2023 meeting

Adopted at the October 11, 2023 meeting

Members Present: Carol Martucci, Dr. Rose Bernal-Larioza, Matthew Schoen
Others Present: Paul Pasterczyk, Interim Town Finance Director; Tanya Campbell, Marcum LLP;
Nadzeya Shkoda, Marcum LLP

Meeting called to order by Mr. Schoen at 6:31 P.M. This meeting was conducted remotely via Zoom.

Prior Minutes

The draft minutes of the May 17, 2023 audit committee meeting were reviewed. Mr. Schoen moved to approve the minutes. Dr. Bernal-Larioza seconded. The minutes were approved by roll call vote. (Schoen – aye; Bernal-Larioza – aye; Martucci – aye)

Membership

Mr. Schoen noted that his term on the Audit Committee was up for renewal, for which he had recently appeared before the Select Board. He made the Select Board aware that due to Pete Landon's passing earlier in the year, the Audit Committee only has three members, which is the minimum needed for a quorum. Mr. Schoen encouraged the Select Board and fellow audit committee members to assist in the search for new members.

FY 23 Audit Plan

Ms. Campbell presented the audit plan and required communications for the FY23 financial statement audit and discussed areas of focus in the FY23. The first item discussed was the use of federal grant income since the Town had some unused federal grant monies from prior years that could be taken back by the federal government if not spent, due to under recent changes at the federal level. Mr. Pasterczyk asked Ms. Campbell to clarify whether there was risk to unused funds or uncommitted funds and Ms. Campbell clarified that the risk was to uncommitted funds that were not assigned under a contract. Mr. Pasterczyk noted that the Town did still have some uncommitted federal grant funds.

The second area of focus for the FY23 audit would be the impact of new GASB accounting standards related to certain public-private partnerships (GASB 94) and software services (GASB 96). Ms. Campbell noted that based on the auditors' preliminary review, GASB 94 would likely not impact the Town and GASB 96 would have limited impact, but that any software subscription services would still need to be evaluated during the audit to determine if there is a material impact.

The final area of focus for the FY23 audit would be follow-up from the issues noted in the prior year management letter. Mr. Pasterczyk noted that he had been tracking the changes in response to the prior year management letter and Mr. Schoen noted that Mr. Pasterczyk had presented a status update on all issues in the management letter to the Audit Committee at the Committee's last meeting. Mr. Pasterczyk and Ms. Campbell mentioned that they had recently met to discuss the response to one of the issues in the management letter related to improving procedures in Assessor's office since it has since been determined that the auditors' initial recommendation would not be practical for the Assessor's office to put in place. A compromise was reached between the auditors and the Town to ensure that all abatements were approved, either with a signature and approval at an Assessor's meeting or via email, in the event that an Assessor's meeting could not be held in time to process the abatement.

Ms. Campbell asked the Committee if there were any other recommendations for additional areas of focus during the FY23 audit. Mr. Schoen and Mr. Pasterczyk discussed the need for Town Department heads to more actively monitor their spending against their budget, due to the 10% limitation in place. Mr. Pasterczyk noted that the Assistant Town Accountant and Town Accountant have had to do that monitoring, since it is not being done by the Departments themselves. He also noted that particularly for department budgets that are more complex, such as for the DPW, it is difficult for the Assistant Town Accountant and Town Accountant to fully monitor the activity, since they do not have the subject matter expertise to account for upcoming spending activity. Ms. Campbell agreed that the monitoring of budget spending against the 10% limitation should be handled by the Department heads.

Next Meeting

The next meeting of the Audit Committee will be held in mid-October to review audit status during the fieldwork portion of the FY23 audit.

A motion was made by Mr. Schoen, seconded by Ms. Martucci and approved by roll call vote to adjourn the meeting at 7:12 P.M. (Schoen – aye; Bernal-Larioza – aye; Martucci – aye)

Respectfully Submitted,

Carol Martucci
Secretary