

Minutes of Longmeadow Audit Committee  
Meeting of December 20, 2006  
Accepted January 23, 2007

Members present: Paul Adornato (Chair), Larry Eagan, Peter Landon, Glenn Rosenberg, Ernest Welker  
Invited Guests: Town Finance Director, Paul Pasterczyk; School Business Director, Carol Cash; and  
School Committee Member Geoff Wiegand  
Others: Select Board Member Paul Santaniello, town resident Joe Occhiuti

Chairman Adornato called the meeting to order at 7:07 p.m.

The Chair announced that the primary purpose of the meeting was to discuss Mr. Pasterczyk's and Ms. Cash's written responses to the AC's written request dated November 13, 2006 for a status report on some specific recommendations made by the Abrahams Group in its September 2004 report on the Longmeadow Public Schools. For the convenience of invited guests, this matter was put at the top of the agenda.

After Mr. Adornato welcomed the guests and thanked Mr. Pasterczyk and Ms. Cash for the prompt responses, he invited them to propose a process for discussion. It was decided: that the topics would be taken up in the order of the questions and written responses, that Ms. Cash would comment orally on her responses, and that Mr. Pasterczyk would then comment on both written responses and on Ms. Cash's oral comments on that topic. The Chair said that in the interest of promoting discussion, he would permit questions and comments to bypass the Chair and flow directly among members and invited guests so long as discussion remained orderly.

Before this process began, Pete Landon asked why the Town's independent auditor, Scanlon & Associates, did not raise in the Management Letter (ML) portion of its annual audit concerns of the type raised by the Abrahams Group. Mr. Pasterczyk remarked that the Abrahams Group's recommendations pertain mostly to policy matters, and Scanlon had no responsibility to review and comment on School Department policies, which was the responsibility of the School Committee and the Superintendent. Mr. Pasterczyk added that Scanlon did comment in its MLs on certain financial control weaknesses.

Discussion of the status of the Abrahams Group study recommendations then began. Ms. Cash and Mr. Pasterczyk agreed in their written responses that a number of recommendations of the Abrahams Report have been implemented since the Abrahams report was presented, and those items were simply noted. One such item deserves a comment: Budget data now are being entered into the Town's financial software in accordance with the School Budget Order of the School Committee (as was recommended) but in a different way than was recommended.

Recommendations that the School Department has not yet implemented, but is working on, include: (1) the establishment of an authorized signature list indicating those individuals that have authority to sign for accounts payable; and (2) providing the School Committee reports on School Choice, Circuit Breaker and special revenues on a monthly basis rather than intermittently as is currently done.

Mr. Pasterczyk indicated that a couple items not mentioned in Ms. Cash's written or oral responses needed to be addressed: (1) the timeliness of cash receipt processing in some instances (formal policies will be proposed to address this); (2) discussion with the independent auditor, Town Manager, Select Board and School Committee to establish a written procedure to replace the informal process for the acceptance of grants and authorization to expend grant funds; and (3) some indirect cost allocations still need to be agreed upon, as the budget documents now reflect more of the changes called for in the new Town Charter.

In addition, both Ms. Cash and Mr. Pasterczyk agreed that the accuracy and timeliness of financial reports has been less than desirable due a conversion of the Town's financial software system. Mr. Pasterczyk also indicated that without some customized programming the new software system would not be able to generate certain reports that the School Department has found useful and prefer to continue to

receive. Mr. Wiegand expressed concern about this. He said it was being investigated both inside the School Dept and with Mr. Pasterczyk, but no solution had been identified at the time.

Mr. Adornato reminded invited guests that the Select Board specifically asked the Audit Committee to review the status of the Abrahams Group recommendations and to report its findings. He said that since the School Dept. and Finance Dept seemed close to resolving issues blocking action on some of the recommendations, it would be good for all parties concerned to get them done so that when the AC reports to the Select Board, there will be fewer recommendations not satisfactorily settled.

After completion of discussion on the Abrahams Group's report, the invited guests departed and other agenda items were taken up:

Minutes of the December 6, 2006 meeting were unanimously approved after a minor revision to those proposed by the Secretary and earlier circulated via email.

Chairman Adornato then gave a brief report on his oral presentation to the Select Board (the AC's first such quarterly report) at its meeting of December 18, 2006. He said he simply reviewed the items included in the AC's written quarterly report to the Select Board for the period July 1 to Sept. 30, 2007, and felt that this provided a good forum and opportunity to present items to the Select Board and to get their feedback. The Select Board did indicate that they are open to invitations to attend meetings of the Audit Committee.

The Chairman reported that in a recent telephone call he made to Tom Scanlon about scheduling a meeting to discuss the status of the FY2006 audit, Mr. Scanlon said he expected to be in Longmeadow soon to do some work on the audit and suggested scheduling the meeting for one of those days. Committee members left it to the Chair to set the date, time and place for the AC's next meeting, the primary agenda item being an update from Scanlon & Associates on the current audit and discussion about internal controls.

The meeting was adjourned at 9:30 p.m.

Respectfully submitted,  
Ernest Welker, Secretary