

Longmeadow Audit Committee

Minutes of the October 11, 2023 meeting

Adopted at the December 13, 2023 meeting

Members Present: Carol Martucci, Dr. Rose Bernal-Larioza, Matthew Schoen
Others Present: Paul Pasterczyk, Interim Town Finance Director; Tanya Campbell, Marcum LLP;
Ian Coddington, Town Finance Director; 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 June 14, 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)

Introductions

Mr. Coddington, the recently appointed Town Finance Director, was introduced to the Audit Committee.

FY 23 Audit Progress

Ms. Campbell spoke to the FY23 audit status, noting that they are about halfway through audit fieldwork and that the audit was progressing ahead of scheduled, benchmarking against the prior year. Ms. Campbell noted that the auditors had already received the Hampden County retirement system reports, which will help move the audit of that area along.

Ms. Campbell further noted that the auditors were still reviewing the impact of new GASB accounting standards related to certain public-private partnerships (GASB 94) and software services (GASB 96) and reviewing the documentation for lease accounting.

Dr. Bernal-Larioza asked if there were any new focus areas for the audit this year and Ms. Campbell responded that due to the merger with Marcum LLP, the audit team had access to a data analysis team, which has allowed them to expand testing of transactional data. Ms. Campbell noted that they had also performed a review of IT controls and no major issues were noted in that area.

Mr. Schoen asked if at this point any other issues had been found during the audit and Ms. Campbell replied that, while it was too early to discuss any potential management letter issues, the issues from the prior year management letter were in good shape, primarily the cash reconciliation status. She noted there may be some recommendations from the auditors at the end of the audit regarding the DPW recording of cash receipts and that the auditors were still reviewing the status of the ARPA funds. Finally, she noted that the abatement tracking by the Assessors' Office still needs to be formalized, though it seems that under the new Assessor, changes have been made to this process after fiscal year-end. Mr. Pasterczyk clarified that abatements were tracked during FY23, but the spreadsheet was not in chronological order and there was no running balance to reconcile to on June 30. Overall, Ms. Campbell noted that the auditors did not have any significant issues to report to the Audit Committee as of this point in the audit.

Mr. Schoen asked if the results of the IT analysis would be included in the auditors' external reporting and Ms. Campbell replied that it would be an internal report only since any issues noted were not significant. Mr. Schoen asked if the auditors had any concerns in their review of the retirement plan

reports and Ms. Campbell responded that they had no major concerns. The fluctuations in the plan liabilities were primarily driven by market valuations, which were due to general investment market performance across all sectors and not specific to the retirement plan.

Finally, Mr. Schoen asked if the draft FY23 annual comprehensive financial report would be ready in late November and Ms. Campbell confirmed that it would be.

Next Meeting

The next meeting of the Audit Committee will be held in late November or early December to review the FY23 audit results and draft FY23 annual comprehensive financial report.

A motion was made by Mr. Schoen, seconded by Ms. Martucci, and approved by roll call vote to adjourn the meeting at 6:56 P.M. (Schoen – aye; Bernal-Larioza – aye; Martucci – aye)

Respectfully Submitted,

Carol Martucci
Secretary