

Banking & Audit Committee
January 19, 2023

A special meeting of the Banking & Audit Committee of the Board of Finance was held on January 19, 2023 at 9:00 a.m. in the Meeting Room 1 of City Hall West, 131 North Main Street, Bristol.

Members Present: John Smith, Glenn Heiser, Dave Maikowski and Jon Mace

Also Present: City: Diane Waldron, Robin Manuele, Jessica Pilgrim, and Jeanne Doerr
BOE: Lynn Boisvert and Jodi Bond Also Present: Nikoleta McTigue, CLA.

1. Call to order.

Chairman Smith called the meeting to order at 9:00 a.m.

2. To discuss the June 30, 2022 Audit and to take any action as necessary.

Nikoleta provided an executive summary of the audit. There were no significant unusual transactions, no difficulties encountered in performing the audit, and no disagreements with management. An unmodified opinion on the basic financials was issued where no findings were reported on internal controls over financial reporting. There was one misstatement within the Water Enterprise Fund where expenditures were overstated by \$56,392 as a result of not allocating internal service funds income at year end.

GASB 87 for leases was implemented in this audit. Lease and lessor situations were both reported. Diane Waldron stated the City used Debtbook software, led by JoAnn Martin in the Comptroller's Office, which was well worth the \$10,000 cost. The software is also going to be used for the City's debt.

Nikoleta explained there was a material weakness for the Emergency Connectivity Grant found at the BOE. The BOE did not follow the procurement process and go out to bid as required since the amount was over \$250,000. Instead they used three quotes which is accepted for under \$250,000 but required for over \$250,000. A bid waiver was not requested due to time constraints. The auditors, BOE and Purchasing had several meetings on the processes to avoid this going forward. Commissioner questioned if this was documented to avoid going forward and Nikoleta stated the procedures and policies were in place, but not everyone was aware of the process.

Nikoleta discussed the new GASB statements which will be implemented in the next year. GASB 91, 94 should not apply to the City, however GASB 96 relates to subscription based technology arrangements which are treated similar to leases. Diane indicated that Debtbook would also be used for these as well.

Discussion was held on the Student Activity Funds, controls and reporting.

Commissioner Maikowski made a motion seconded by Commissioner Mace "To accept the audit report and place on file"

Nikoleta McTigue, Jodi Bond and Lynn Boisvert left the meeting at 9:25 a.m.

3. To review the City's Investment Policy and to take any action as necessary.

Chairman Smith stated the Investment Policy is reviewed annually, and no changes are presented this year.

Commissioner Maikowski made a motion seconded by Commissioner Heiser "to approve the investment policy." Motion approved.

Jeanne Doerr left the meeting at 9:30 a.m.

4. To discuss audit services and to take any action as necessary.

Diane explained the CLA audit contract was for three years, with a two-year extension, which the City is at the end of with the June 30, 2022 audit. Diane stated last year when Blum Shapiro merged with CLA it was similar to having brand new auditors. The GASB requirements are getting more challenging, and more information was requested in several areas such as pension. Nikoleta has been the partner for the past five years and discussion was held on changing partners. Commissioner Mace stated audit firms do not switch partners like they used to, since there is double partner review.

Chairman Smith questioned fees, CLA proposed a 15% increase due to the GASB implementations. Discussion was held on the contract length, if it would be three years with a two year renewal, and how the fees would work annually. Diane stated there may be some room for negotiations. It was agreed Diane will continue discussions with CLA on the contract.

Glenn Heiser suggested a Banking & Audit Policy Charter. Discussion was held on areas for a special audits including the Retirement Funds or Water/Sewer.

5. Adjournment.

Commissioner Maikowski made a motion seconded by Commissioner Heiser "to adjourn" at 9:56 a.m.

Jodi A. McGrane
Recording Secretary