

AUDIT COMMITTEE
TOWN OF SOUTH WINDSOR

Minutes

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March 22, 2018

Madden Room – South Windsor Town Hall

Roll Call

Members Present: Mary Justine Hockenberry, Town Council
Janice Snyder, Town Council

Members Absent: Jeffrey Glickman, Town Council

Also Present: Patricia Perry, Director of Finance

1. Call Meeting to Order

The meeting was called to order at 3:01 p.m.

2. Approval of Minutes (February 6, 2018)

Councilor Mary Justine Hockenberry made a motion to approve the minutes of February 6, 2018; Councilor Snyder seconded the motion; and it was approved unanimously.

3. Discussion Items

A. Audit Firm Fiscal Year 2017-2018

Councilor Snyder said she went through the February 6, 2018 minutes but asked if she could be brought up to date. Ms. Patricia Perry said the last RFP was sent out in 2015, and only three firms responded. Blum Shapiro submitted a proposal that included a 2-year contract with two 1-year extensions. The RFP results are attached as **Exhibit A**. The Committee needs to decide whether to extend the contract or go out for an RFP.

Councilor Snyder said she did not see a disparaging performance from the current auditors. Ms. Perry said she agreed.

Councilor Snyder asked if there was anything else from the current audit. Ms. Perry said that there was only one finding with a late LoCIP report, and there is a plan of action in place.

Councilor Hockenberry asked about the Board of Education accounting issue discussed at the last meeting. Ms. Perry said the "due to, due from" accounting issue has been resolved.

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ITEM:

3. A. (Continued)

The Committee discussed if the teams within Blum Shapiro would be changed if they were chosen again. Ms. Perry said the managers could be the same, but the auditors who come to the Town Hall to gather information are usually different each time. **Exhibit A** also includes information on how long some other towns keep their auditors.

Councilor Snyder said that there is usually better pricing when auditors submit proposals for four years as opposed to two years. She does not see a problem with extending the contract. Councilor Hockenberry agreed.

Councilor Hockenberry asked how the auditors are paid. Ms. Perry said they are paid in three installments: one during the preliminary work, one during the month of November, and the last one after they deliver the final report.

Councilor Snyder asked if Ms. Perry could negotiate for a lower price on the 1-year extension. Ms. Perry said she could email Blum Shapiro. Councilor Snyder said the worst thing they can say is "no".

Ms. Perry said that few auditing firms have the municipal experience that the Town requires in their RFP. The Committee discussed the audit process. The auditors randomly select the items that are reviewed.

Councilor Hockenberry asked about compliance. Ms. Perry said there is an electronic checklist that both the Town and auditors will review. The upcoming audit will be her sixth with the Town of South Windsor, so she is very familiar with the process. The Town could request a different partner from Blum Shapiro for the next audit.

Councilor Hockenberry asked about the auditor term limit. Ms. Perry said the extension would be from January 1, 2018 to December 31, 2018. Audits need to be filed with the State by December 31.

Councilor Hockenberry asked when the Town needs to report to the State regarding who the Town has chosen for an auditor. Ms. Perry said she believes it is May 1, which is sixty days before the end of the fiscal year.

Councilor Hockenberry read the Town Council Resolution Letter from March 22, 2018, attached as **Exhibit B**. The Resolution can be amended if the price changes for the 1-year extension.

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4. Other Business

A. Auditor RFP Vote

Councilor Snyder made a motion to extend the contract with Blum Shapiro for one year and requested the Director of Finance to negotiate a lower price if possible; Councilor Hockenberry seconded the motion; and it was approved unanimously.

5. Executive Session

None

6. Motion to Adjourn

Councilor Snyder made a motion to adjourn the meeting at 3:32 p.m.; Councilor Hockenberry seconded the motion; and it was approved unanimously.

Respectfully submitted,

Ashley Booth
Recording Secretary

TOWN OF SOUTH WINDSOR
PROPOSALS FOR AUDITING SERVICES

Firm Name	6/30/16 Cost	6/30/17 Cost	Ext 1 6/30/18 Cost	Ext 2 6/30/19 Cost	# CT Municipal Audit Clients with pop 20,000+	# All CT Municipal clients	Assigned Staff	Estimated Annual Hours
McGladrey (New Haven)	54,000	54,000	57,000	59,000	19	25	5	Partner 40 Manager 70 Staff 340 450
Blum Shapiro (West Hartford)*	53,400	54,000	54,800	55,500	31	52	4	Partner 100 Manager 150 Staff 250 500
O'Connor Davies (Wethersfield)	51,500	51,500	53,000	54,500	1 past three yrs was 5	11	5	Partner 50 Manager 110 Staff 310 470

* Current auditor since 2008

FY 2015 cost \$53,000; FY 2014 cost \$52,520; FY 2013 cost \$52,000

A posting on the GFOA CT website was done to ask how long Town's keep their auditors 15 Towns responded with the average term being 5 or 7 years. Contracts were for three or five years with two one-year extensions. All towns except Glastonbury allowed the incumbent auditor to submit an RFP. Berlin was the only town that did not exercise it's extensions.



Town of South Windsor

1540 SULLIVAN AVENUE • SOUTH WINDSOR, CT 06074-2786

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FAX 860/644-3781

OFFICE
OF THE
TOWN COUNCIL

March 20, 2018

Blum, Shapiro & Company, P.C.
Attn: Leslie Zoll
29 South Main Street
P.O. Box 272000
West Hartford, CT 06127

Dear Mrs. Zoll:

At its Regular Meeting of March 19, 2018, the South Windsor Town Council approved the following Resolution:

BE IT RESOLVED that the South Windsor Town Council hereby reappoints the firm of Blum, Shapiro & Company, P.C., of West Hartford, Connecticut, if approved by the Audit Committee, to audit the books and accounts of the Town of South Windsor, as provided in the General Statutes of the State of Connecticut; and

BE IT FURTHER RESOLVED that the fee for said auditing services by Blum, Shapiro & Company, P.C. will be \$54,800.00 for Fiscal Year ending June 30, 2018, for a term expiring December 2018.

Respectfully submitted,

Deborah W. Reid
Clerk of the Council

cc: Matthew B. Galligan, Town Manager
Patricia Perry, Interim Director of Finance