A meeting of the Banking & Audit Committee of the Board of Finance was held on April 22, 2022 at 9:00 a.m. in the Meeting Room of City Hall West, 111 North Main Street, Bristol.

Members Present: Jon Mace, Glenn Heiser, Dave Maikowski
Also Present: Robin Manuele, Diane Waldron, Jessica Pilgrim and Nikoleta McTigue, CLA.

1. Call to order.

Chairman Smith called the meeting to order at 9:09 a.m.

2. To discuss the 2020-2021 Audit and to take any action as necessary.

Nikoleta provided an executive summary of the audit, an unmodified opinion on the basic financials was issued where no findings were reported on internal controls over financial reporting. The State Single Audit also had an unmodified opinion on the major programs with one finding to report. A finding was noted where an OPM form was not filed on time due to staff changes, but the City has filed the report correctly, just not on time.

Nikoleta reviewed the financial highlights of the government wide financial statements and governmental funds. Page 75 shows a restatement.

The Federal Single Audit is normally due March 31 but because of COVID the federal government extended the deadlines to September, a draft has been issued to Management. After the initial Principal review (Nikoleta), there is a second review which is currently in process.

Commissioner Maikowski questioned if CLA will be doing the ARPA grants, which Nikoleta confirmed since they are over $750,000 high risk grants they will test them.

Commissioner Heiser asked for the audit process to be explained and if there were any management comments. Nikoleta explained management meetings are held reviewing the engagement including management responsibilities, expectations, scope, and timing of the upcoming audit. Interviews are held with key staff at the City, BOE and BBHD as well as Purchasing and Human Resources. Final fieldwork is usually conducted at the end of October, and wrapped up with a draft issued late November. After the audit is issued a meeting is held with the governing board to review the audit, and review any new GASB standards for the next year.

Chairman Smith questioned if there were any issues with the Student Activity Funds. Nikoleta stated there were none and Diane explained they are being accounted for in MUNIS collectively, not by individual activity.

For 2022 the GASB statement for leases will be implemented. This was delayed a year due to COVID but has been discussed for a while. The Comptroller's Office is in process of collecting all the leases. Any leases over 12 months need to be reported.

Chairman Smith questioned the penalty if the audit isn't filed on time. The State of Connecticut allows six extensions for filing the audit and State single audit of 30 days from December 31. After 6 months, it's a $1,000/day penalty which has never been enforced. Nikoleta explained the merger with a national firm made every client like a new client using new working papers and forms so that contributed to this year's delay in completing the audit.

Commissioner Heiser asked if there were more Banking & Audit Committee meetings during the process. Diane explained most of it is handled internally, John stated the Audit Committee could run side saddle with the Comptroller's Office and meet more periodically.

John expressed his concerns regarding the ARPA funds, which this group may want to review further.

Glenn asked if the Staff had any concerns. Robin explained the leases and new staff, and Diane mentioned the auditors required more pension information this year than in prior years. John questioned who audits the Water/Sewer Department, which Nikoleta explained they also audit them as well. Nikoleta suggested with the merger of Water/Sewer the Board approve Sewer as an Enterprise Fund or Water as a Special Revenue Fund. They will be listed separately on the financials. John stated the ultimate responsibility is here, as the Water Department does not have a separate audit committee and by Charter they are part of the City. Robin stated the draft of the financials are reviewed by Water Department. John suggested interviewing the Chairman of the Retirement Board. It was suggested to have BBHD and Water sign the management representation letter as well.

3. Adjournment.

Commissioner Maikowski made a motion seconded by Commissioner Mace "to adjourn" at 9:52 a.m.

Jodi A. McGrane
Recording Secretary