

TRUSTEES OF THE PUBLIC LIBRARY OF THE CITY OF BOSTON

Meeting of the Trustees Finance and Audit Committee Thursday, April 27, 2018 at 8:00 a.m. Central Library, Kirstein Business Library-Exchange 700 Boylston Street, Boston, MA 02116

MINUTES

A meeting of the Boston Public Library Trustees Finance and Audit Committee was held on Thursday, April 27, 2018 at 8:00 a.m., Boston Public Library, Central Library, Kirstein Business Library-Exchange, 700 Boylston Street, Boston, MA 02116.

Present at the meeting were: Finance and Audit Committee Chair Evelyn Arana-Ortiz and Committee members Representative Byron Rushing, Zamawa Arenas, and President David Leonard.

Also present were Boston Public Library staff including Chief Financial Officer Ellen Donaghey, and Clerk of the Board Pamela Carver. Other library staff were Sean Monahan, Supervisor of Accounting and Jane Sproul, Budget and Procurement Manager.

Ms. Arana-Ortiz, Chair of the Trustees Finance and Audit Committee (“Committee”) presiding, called the meeting to order at 8:03 a.m.

Ms. Arana-Ortiz asked if the trustees had edits to the draft minutes of the January 16, 2018 and March 1, 2018 meetings. With no comments, upon motion made and duly seconded, Minutes of Trustees Finance and Audit Committee Meetings of January 16, 2018 and March 1, 2018 were approved.

Chief Financial Officer, Ellen Donaghey, explained that the BPL received three bids for the Annual Independent Audit Services contract from CohnReznick, LLP, O’Connor & Drew, P.C. and CliftonLarsonAllen. The proposals were first reviewed to ensure they’d met minimum qualifications. The Finance team then reviewed and evaluated the substantive portion of the proposals. Proposals were ranked on: specific audit approach, additional services offered and recommendations/references. The review team stated that their reviewed found that all firms were capable of providing the service and that the Trustees interview should be the determining factor. The Committee will rank the firms based on their recommendations and the BPL finance team will open the pricing after the conclusion of the meeting. The results of the grading, rank and pricing will be presented to the Committee on May 3, 2018 for a vote to recommend to award the contract.

The Committee heard the first company, O’Connor & Drew’s presentation. Principal, Mike Cosgrove, Audit Manager, Brian Crowley attended in person while David DiIulis, Audit Principal and Owner participated via conference call. Mr. Cosgrove started with a brief introduction of the company. He explained that it was established 70 years ago, consists of approximately 100 staff members, and the main office was based locally out of Braintree, MA but they had national resources. They reviewed some of their affiliations and noted the practice includes forty organizations that report on GASB, including clients Bridgewater State University,

Boston Water and Sewer, and the trust funds for the City of Boston. They have a great relationship with the State Comptroller's office and the BPL Foundation, and the City of Boston. Next, Mr. Crowley gave a brief overview of their expected schedule for the audit between field work in June and presenting draft in September. The committee asked a few questions pertaining to their anticipated challenges and style for handling any findings. The firm agreed to send in a breakdown of their firm's diversity.

Then next presenters were CohnReznick, P.C. Audit Senior Manager, Matt Quinn presented in person and Concurring Quality Parker and Engagement Partner, Russell Phillips presented via conference call. Ms. Quinn gave a brief background on the firm. He explained it was the 11th largest in the country and that they have always worked with governmental agencies. They are a national company with a Boston office of 100 employees. They are very familiar with government standards and GASB standards. They expressed their national resources provide great value at a minimal cost. Mr. Quinn explained their approach from a timing aspect to perform an interim audit and try to understand controls, cash management and assessments of our IT group from a financial standpoint. They explained they would do field work in August and September and present a final draft in October. Ms. Donaghey explained that the report is due to the City by mid-September. They explained their strategies on finding higher risk items through the IDEA software. The Committee asked a few questions in regards to the management letter and Mr. Quinn offered to provide the Committee with a diversity breakdown of their employees at the request of Representative Byron Rushing.

Mr. Matthew Hunt, Principal at CliftonLarsonAllen presented last to the Committee. Mr. Hunt stated it was an honor to be the auditor for the BPL for the past six years. He presented the firm's Annual Report to better showcase who the firm is and what they do. He gave a brief review of the past three years to note some accomplishments to where they feel they have added value to the BPL. (Noting the revamping of the duplication operations). They have met all deadlines and helped to implement GASB reports and change orders without charging the BPL additional fees. They feel it is important to add special projects to the audit, collaborating with the Trustees and provide a scope of additional procedures that would be chosen by managers. He also explained that if preferred they could rotate new manager for fresh set of eyes. Mr. Hunt explained that ensuring their work adds value to the BPL is a top priority. The Committee asked a few questions regarding the management letter and requested a diversity breakdown of their employees.

Upon the conclusion of the interviews, the Committee members discussed the presentations. After some discussion, the Committee agreed that their ranking order as matter of preference was:

1. CliftonLarsonAllen
2. O'Connor & Drew
3. CohnReznick

It was decided to recommend CliftonLarsonAllen as their 1st choice for the Independent Audit Services pending the results from the diversity breakdowns and pricing which will be presented to them at their next meeting on Thursday, May 3, 2018 for a vote to recommend to the Board of Trustees to award the contract to their selected firm at their Annual Meeting on May 8th.

With no further business or public comment, upon a motion duly made and seconded, the Trustees voted to adjourn the meeting at 9:30 a.m.

Respectfully submitted,



Pamela R. Carver, Clerk of the Board