



Town of Concord
Minutes of the March 9, 2026
Financial Audit Advisory Committee Meeting
Hybrid Meeting

Members Present

Wendy Rovelli, Select Board Representative; Bruce Button, At-Large Member; Brehm Feigh, At-Large Member; Brian Waterson, Concord-Carlisle Regional School Committee Representative; Court Booth, At-Large Member

Members Absent

Sandeep Pisharody, School Committee Representative

Others Present

Kerry Lafleur, Town Manager; Jennifer Barrett, Chief Financial Officer (CFO); Ryan Ferrara, Assistant CFO; Richard Delorey, Town Accountant; Colleen Rhinhart, Deputy Treasurer/Collector; Jason Bulger, Director of the Concord Municipal Light Plant (CMLP); Nan Okarma, CMLP Financial Manager/Accountant

1. Call to Order

Select Board Representative Wendy Rovelli called the Financial Audit Advisory Committee (FAAC) meeting to order at 1:02 p.m.

2. Public Comment

No public comments were received.

3. Minutes

A motion was made to approve the minutes of February 26th, 2026.

Vote: Unanimous. Motion passed.

4. FY24 Town Audit & CY24 CMLP Audit Discussion

The Committee reviewed a substantial meeting packet compiled in response to information requests made at the February 11th and February 26th meetings. The engagement letters from Roselli, Clark & Associates (RCA), who is currently working on the FY25 Town audit, and CBIZ, which completed the FY24 Town and CY24 CMLP audits, were included in the packet. The CBIZ engagement letter was signed by the Town in fall of 2024, approximately one year before the financial statements were finalized. Substantive audit activity did not begin until spring of 2025, in part due to the Town's Enterprise Resource Planning (ERP) transition, and CBIZ worked entirely remotely. All required documentation was confirmed received by late summer; final financial statements were not received until late fall of 2025.

The Committee reviewed the management letter timeline. A verbal confirmation of a control weakness was provided in early November, followed by a draft management letter in early December. The Town's formal response was returned in late December, and the finalized letter came back within days, post-dated to the November financial

statement issuance date, which is standard practice. Ms. Rovelli noted that the unusual sequence meant the Select Board conducted its own detailed review of the management letter in late January 2026 prior to the Committee completing its review, a reversal of the Committee's normal advisory role that is not expected to recur.

The auditor selection process was raised as a separate concern. Ms. Rovelli noted that the FAAC charge contemplates the FAAC's involvement in auditor selection and references the use of a single auditor across Town and CCRSD audits. Ms. Lafleur acknowledged that the transition to RCA happened quickly, as the firm had been approached to work on the FY26 audit, but was available to begin work on the FY25 audit. and that greater visibility and involvement of the Committee should have occurred. The committee agreed to discuss the FAAC charge provisions and auditor selection at the next meeting, including implications for the regional school district audit, for which CBIZ's contract continues through FY25.

The following items remained outstanding for follow-up with Scott McIntire of CBIZ, who is expected to attend the next meeting: a list of roster adjustments (corrected misstatements incorporated during the audit); confirmation of whether any uncorrected misstatements existed; clarification regarding the database into which material findings were uploaded; confirmation of any grant-reporting obligations triggered by the material weakness; and the materiality thresholds applied by CBIZ. Mr. Button separately requested copies of the CliftonLarsonAllen (CLA) engagement letters.

The Committee reviewed organizational charts compiled in six-month intervals covering the Finance Administration and Accounting Divisions from July 2023 through the current period, as well as the Concord Municipal Light Plant (CMLP) finance team. The charts documented significant staff turnover, including an extended vacancy in the Assistant Town Accountant position that weakened second-reviewer controls for ledger posting and journal entries. The finance team is currently fully staffed. Departmental organizational charts are also available online through the budget book.

Ms. Rovelli asked about staff training on the Munis ERP system. The Committee was advised that internal cross-training is ongoing and that a broader curriculum is being developed for departmental staff covering report writing, budget review, and journal entry timeliness, with the goal of enabling departments to self-identify posting gaps. Modules continue to be rolled out, and a proposed Point of Sale (POS) system to allow payments to be posted directly in Munis at the Treasurer/Collector's and Town Clerk's Offices is the subject of a pending Town Meeting article. A potential utility billing module is under evaluation, and broader system integration questions are expected to be taken up following Town Meeting.

Ms. Okarma and Mr. Bulger provided an update on the CMLP cash reconciliation. CLA was engaged to reconcile CY23 and CY24 CMLP cash after the volume and complexity of transactions, which made staff completion impractical. The reconciliation through November 2024 is substantially complete, with the December close expected imminently. The largest variance identified relates to an Other Post Employment

Benefits (OPEB) entry booked in different periods between the Town and CMLP systems, with a smaller number of police detail discrepancies also noted. Once CLA's report is received, remaining variances will be reviewed and adjusting entries made.

Mr. Button asked why cash reconciliation remains difficult. Ms. Okarma reiterated that a single Munis transaction often corresponds to dozens of entries in the National Information Solutions Cooperative (NISC) software, and that the two systems do not communicate directly. The Committee noted that reconciliation issues predate the Munis launch and that unreconciled balances were present when the new CFO joined in October 2023, coinciding with the Munis go-live. Mr. Bulger described the dual-entry burden this creates and noted that CBIZ convened an internal team to explore solutions, ultimately recommending CLA for further analysis. He emphasized that any path forward must preserve or strengthen controls rather than reduce them.

5. Recommendations and Next Steps

The Committee discussed what form its recommendations to the Select Board and CMLP Board should take. Given the interconnected nature of the Town and CMLP cash reconciliation issues, the two letters are expected to share some common content. Ms. Rovelli indicated she will draft letters to both boards for review at the next meeting. The Committee identified the following items for follow-up: Questions to be addressed by Mr. McIntire at the next meeting; a presentation on internal controls implemented or planned, to be scheduled after Town Meeting; an assessment of Munis capabilities and system integration options; and a benchmarking exercise comparing the cost and outputs of the Town's finance and accounting function against peer communities. Mr. Booth suggested identifying the point in the reconciliation process where the greatest risk of error occurs. Mr. Feigh emphasized the importance of examining internal controls more broadly, including areas that may not have been surfaced through the audit process itself.

Mr. Bulger provided an update on a working group that has been examining CMLP governance for approximately the past year. The CMLP has operated as a department of the Town since 1898, and a court case in the late 1980s or early 1990s raised questions about the legal relationship between the Town and the light plant under Massachusetts General Law. The Town has engaged with this governance question intermittently since that time. A proposal for a revised governance structure is expected to be brought to the Select Board in late spring or early summer of 2026, with Town Meeting authorization, if required, likely to occur at the April 2027 Annual Town Meeting. Ms. Rovelli noted this development is relevant to the Committee's work given the fiscal interdependencies between the Town and CMLP.

6. Other Business

The next meeting was scheduled for April 1, 2026, from 9:00 to 11:00 a.m., to include a review of the FY24 Concord-Carlisle Regional School District audit with Scott McIntire of CBIZ and Bob Conry of the Regional School District.

7. Adjournment

A motion was made to adjourn the meeting. The meeting was adjourned at 2:31 p.m.