

TOWN COUNCIL MINUTES
AUDITOR SELECTION COMMITTEE-EXECUTIVE SESSION
Town Hall Council Chambers
April 18, 2007 – Wednesday

Present: Paul J. Leary, Chairman
Gregory Shanahan, Co-Chairman
Kenneth DiFazio
Susan Kay
Michael Smart

Recording Secretary: Julie Umamo

Chairman Leary called the Auditor Selection Committee Meeting to order at 5:10 p.m.

Councilor Smart made a MOTION for the meeting to go into Executive Session and was seconded by Councilor Kay. The purpose of the executive session is to consider and interview applicants for employment by a preliminary screening committee. Roll call was taken as follows:

Michael Smart – y
Susan Kay - y
Kenneth DiFazio – y
Gregory Shanahan – y
Chairman Paul J. Leary – y UNANIMOUSLY VOTED

Candidate #16

Ann McNaughton was introduced to the Council. Councilor Leary asked her to give a brief overview of her background.

Ms. McNaughton stated she is a Hingham resident currently working for the Town of Hull as a Town Accountant. She stated her employment began there in early 2000, noting the last two years being part-time due to family obligations. She said that while she was in that position, the audit issues were cut in half.

Councilor Shanahan asked if she felt she had a solid understanding of municipal finance and accounting.

Ms. McNaughton stated she started with a blank slate and had to figure out what the municipal laws were. She stated that after two years of employment in her current position, she feels she knows the municipal laws well.

Councilor Shanahan asked Ms. McNaughton to discuss her experience with local government operations.

She stated she was involved with highway improvements and the municipal light plant where she had to document expenses. She also stated she processed abatements for the Sewer department and worked with Police and Fire on procurements and invoices.

Councilor Kay asked Ms. McNaughton if she was familiar with Municipal Finance Law on Procurement and Contracts.

Ms. McNaughton stated she was not certified.

Councilor Kay asked Ms. McNaughton if she felt she had strengths in Operational Performance auditing as required by the town charter.

Ms. McNaughton said she does.

Councilor Smart asked Ms. McNaughton if she uncovered a significant wrongdoing in the town government, who she would notify first and what action would she want to happen.

Ms. McNaughton stated that in the case of fraud, i.e. if checks were missing, she would call the bank immediately and initiate a stop payment. She stated she would then inform her supervisor.

Councilor Smart asked what she thought the outcome should be if the person was found guilty.

Ms. McNaughton stated she would have the individual reimburse the money that was stolen and have them terminated. She stated she would not want to prosecute.

Councilor Smart asked Ms. McNaughton if she had an understanding of the MUNIS system used by the town.

Ms. McNaughton stated she does not, but noted that the Town of Hull uses Data National.

Chairman Leary asked Ms. McNaughton what level of detail she would get into regarding the audit of cash receipts and disbursements for the town.

Ms. McNaughton stated she would learn about accounts, bank statements, and funds.

Chairman Leary asked why an annual physical inventory of town capital assets is important.

Ms. McNaughton stated she thought it was a good way to make comparisons for audits.

Councilor DiFazio asked Ms. McNaughton about her work situation from 2001-2003, noting a gap in her employment.

Ms. McNaughton stated she had worked for Fleet Bank, who had been through three bank merges, noting she would have lost her job through the third merge. She stated she opted to take a package and stay home with her young children.

Councilor Kay asked Ms. McNaughton if Hull government had an auditor.

Ms. McNaughton stated they did not.

Councilor Kay asked Ms. McNaughton if she created the Schedule A by herself.

Ms. McNaughton stated that she had created the spreadsheets on her own, but received assistance from auditors on the overview.

Councilor Kay asked Ms. McNaughton if she did cash reconciliations with the treasurer.

Ms. McNaughton stated she had.

Chairman Leary touched on the fact that in the Auditor position, she would be working with Department Heads and the Mayor's office, and this would be a full time position.

Ms. McNaughton stated she understood the situation.

Councilor Leary asked Ms. McNaughton when she would be available to start.

Ms. McNaughton stated she would be available one week from today.

There were no further questions and the Committee thanked Ms. McNaughton for coming.

Candidate #13

Philip Wolters was introduced to the Committee.

Chairman Leary asked Mr. Wolters to give an overview of his background.

Mr. Wolters stated he had worked as a Corporate Controller in New York City, and also with companies in Massachusetts. He stated he also worked as the Town Accountant for the Town of Randolph and later had to leave, as the town could not afford to keep his position budgeted.

Councilor Shanahan asked Mr. Wolters if he felt he had a solid understanding of municipal finance and accounting.

Mr. Wolters stated that in Randolph he had no municipal background, but acquired a good understanding of it, learning a lot in a short period of time.

Councilor Shanahan asked Mr. Wolters to discuss his experience with local government operations.

Mr. Wolters stated that he was the Town Accountant for the Town of Randolph where he implemented cash controls.

Councilor Kay asked Mr. Wolters if he was familiar with Municipal Finance Law on Procurement and Contracts.

Mr. Wolters stated that he was no expert. In his past experience, the Town of Randolph had no procurement person. He stated he is aware of the requirements, however.

Councilor Kay asked Mr. Wolters if he has strengths in Operational Performance auditing as required by the town charter.

Mr. Wolters stated that this was his strength, noting his public accounting background, explaining that corporate accounting and government accounting are basically the same.

Councilor Smart asked Mr. Wolters if he had an understanding of the MUNIS system used by the town.

Mr. Wolters indicated that he is very familiar with Randolph's system, stating he thinks all spreadsheet software programs are basically the same.

Councilor Smart asked Mr. Wolters if he uncovered a significant wrongdoing in the town government, who he would notify first.

Mr. Wolters stated he would report any wrongdoings to the Town Council.

Chairman Leary asked Mr. Wolters what level of detail he would get into regarding the audit of cash receipts and disbursements for the town.

Mr. Wolters stated that he would be very detailed and learn where the weaknesses are.

Chairman Leary asked why an annual physical inventory of town capital assets was important.

Mr. Wolters stated that capital assets are the most significant asset and that lower dollar amount limits should be put into place. He noted lack of control, citing laptop computers as an example.

Councilor DiFazio brought to Mr. Wolters' attention the fact that a lot of information is under the control of the Mayor, CFO, etc., and that the Auditor would serve as the interface between them and the Town Council. Councilor DiFazio asked if he and his fellow Councilors could depend on him to successfully handle this situation.

Mr. Wolters explained that he would learn the climate in the town and would feel confident in acting on behalf of the Council.

Councilor Kay asked Mr. Wolters that if there were concerns in DPW, would he do an operational audit and if so how would he proceed.

Mr. Wolters stated he would deal with the main concern and get the head of DPW's opinion. He further stated he would obtain information on controls and weaknesses. He noted that he would also try to include everyone to get their input and jointly form an implementation with all involved.

Chairman Leary added that the Auditor would report to the Town Council and that the Town Clerk and the Auditor are the only two positions that report to Town Council.

Chairman Leary asked Mr. Wolters when he would be available to start.

Mr. Wolters stated he could start immediately.

Mr. Wolters asked the Committee if they deal with the schools.

Council Leary stated they deal with all departments, citing School, Fire, and Police as examples.

Councilor DiFazio explained to Mr. Wolters that a majority of the Auditor's time would be spent reviewing budgets, noting the current Auditor looks at every department's budget for the Town Council, scrutinizes them and presents them to Council.

Mr. Wolters stated his desire to assist in the early preparation of every department's budget.

Councilor Smart commented that he highly doubts the Auditor would be invited to assist in forming budgets for departments, as this has never been done in the past.

There being no further questions, the Committee thanked Mr. Wolters for coming.

Candidate #25

Heidi Chuckran was introduced to the Committee.

Councilor Leary asked Ms. Chuckran to give a brief synopsis of her background.

Ms. Chuckran stated that she has been the manager of a firm for the last five years. She stated her duties include doing review work, tax returns, and a few audits. She also was an auditor for a company in Brockton, dealing with about ten towns, along with school districts.

Councilor Shanahan asked Ms. Chuckran if she felt she had a solid understanding of municipal finance and accounting.

Ms. Chuckran stated she was experienced in that field, having done municipal auditing for two years while in Brockton.

Councilor Shanahan asked Ms. Chuckran to describe her experience with local government operations.

Ms. Chuckran stated that other than auditing, she had no experience in town government.

Councilor Kay asked Ms. Chuckran if she was familiar with Municipal Law on Procurement and Contracts.

Ms. Chuckran stated that she was, having had to make sure that towns abided by procurement laws.

Councilor Kay asked Ms. Chuckran if she felt she had strengths in Operational Performance auditing as required by the town charter.

Ms. Chuckran stated that she did.

Councilor Smart asked Ms. Chuckran if she had an understanding of the MUNIS systems used by the town.

Ms. Chuckran stated that she has used similar software.

Councilor Smart asked Ms. Chuckran if she uncovered a significant wrongdoing in the town government, who she would notify first.

Ms. Chuckran stated she would go to the Town Council and discuss the issue and take it from there.

Councilor Smart asked Ms. Chuckran what she would expect to happen.

Ms. Chuckran stated that after examining the situation, she would have the appropriate measures taken.

Chairman Leary asked Ms. Chuckran what level of detail she would get into regarding the audit of cash receipts and disbursements for the town.

Ms. Chuckran stated that she would conduct surprise check-ups.

Chairman Leary asked why an annual physical therapy of town capital assets is important.

Ms. Chuckran stated that it is important to safeguard assets and examine the inventory.

Councilor DiFazio asked Ms. Chuckran why she chose municipal government.

Ms. Chuckran explained that she had an experience in the past where her boss became a partner and she had to leave the company, noting the Auditor position to be much more stable.

Councilor Kay questioned Ms. Chuckran on whether she had conducted audits.

Ms. Chuckran stated she had, as there were certain towns she worked for on a consistent basis.

Councilor Kay asked Ms. Chuckran how many people attended the audits with her.

Ms. Chuckran explained that three people went initially, and then after she become proficient , would complete the audits herself, sometimes taking up to a week to complete them.. She further stated that she did most of the audit work, but did not do the financial statements.

Chairman Leary indicated to Ms. Chuckran that she would be doing the audits in this position on her own and that Town Council would look to her for assistance.

Chairman Leary asked Ms. Chuckran if she had any questions for the Committee.

Ms. Chuckran inquired how long the current Auditor has been in the position.

Chairman Leary stated he had been in the position since 2000.

There were no further questions and the Committee thanked Ms. Chuckran for coming.

Candidate #2

James MacClarty was introduced to the Committee.

Chairman Leary asked Mr. MacClarty to give a brief synopsis of his background.

Mr. MacClarty stated he is a CPA and has had his own practice since 1991. He also stated he is a Suffolk graduate and undergraduate.

Councilor Shanahan asked Mr. MacClarty if he felt he had a solid understanding of municipal finance and accounting.

Mr. MacClarty stated he had no formal experience, but indicated he has read up on it.

Councilor Shanahan asked Mr. MacClarty to discuss his experience with local government operations.

Mr. MacClarty stated he has a general understanding, but no government experience.

Councilor Kay asked Mr. MacClarty if he was familiar with Municipal Finance Law on Procurement and Contracts.

Mr. MacClarty stated he was not entirely familiar, though does perform Department of Education audits.

Councilor Kay asked Mr. MacClarty if he feels he has strengths in Operational Performance auditing as required by the town charter.

Mr. MacClarty stated he does not, explaining that CPAs do not perform operational audits.

Councilor Smart asked Mr. MacClarty if he has an understanding of the MUNIS system used by the town.

Mr. MacClarty stated he does not, but assured that he could get up to speed with the program, as he has learned other programs on his own.

Councilor Smart asked Mr. MacClarty if he uncovered a significant wrongdoing in the town government, who he would notify first and what action he would want to happen.

Mr. MacClarty stated he would triple check the situation, then report it to the President of Town Council. He further explained how oftentimes on the surface there appears to be a problem, but it isn't always the case.

Chairman Leary asked Mr. MacClarty what level of detail he would get into regarding the audit of cash receipts and disbursements for the town.

Mr. MacClarty stated that he would assess cash collections in town and recommend that the town collect no cash and always accept checks so money is accounted for.

Councilor Leary asked Mr. MacClarty why an annual physical inventory of town capital assets is important.

Mr. MacClarty stated how easy it is for someone to steal items, especially PCs. He would implement spot checks to discourage theft.

Councilor DiFazio asked Mr. MacClarty to expand on his work experience since 1988.

Mr. MacClarty stated he has audited companies, performed compliance work for the Department of Education, worked on financial statements, and prepared tax returns.

Chairman Leary noted that the Auditor and Town Clerk report directly to the Town Council and the Council looks to the Auditor for assistance in audits of Fire, Police, etc.

Chairman Leary asked Mr. MacClarty when he would be available to start.

Mr. MacClarty stated he would be available to start in two weeks.

There being no further questions, the Committee thanked Mr. MacClarty for coming.

Candidate #11

Warren Sproul was introduced to the Committee.

Chairman Leary asked Mr. Sproul to give an overview of his background.

Mr. Sproul stated he had 24 years of municipal experience in systems in accounting, 22 of those years working for the Town of Quincy, dealing with the budget, all finances, purchasing, and auditing. He stated he was also the CFO for the City of Bedford.

Councilor Shanahan asked Mr. Sproul if he felt he had a solid understanding of municipal finance and accounting.

Mr. Sproul stated he does, noting his work on city budgets, expenditure testing, and analysis.

Councilor Shanahan asked Mr. Sproul to discuss his experience with local government operations.

Mr. Sproul noted his work in the treasurer's office, the tax collector's office, and implementing water liens and shutoffs. He stated his experience in working with a variety of offices and understanding their needs.

Councilor Kay asked Mr. Sproul if he was familiar with Municipal Finance Law on Procurement and Contracts.

Mr. Sproul stated he worked with 30 (b) issues.

Councilor Kay asked Mr. Sproul if he felt he had strengths in Operational Performance auditing as required by the town charter.

Mr. Sproul indicated that he provided revenue analysis for year-end reporting and computerized Schedule A.

Councilor Smart asked Mr. Sproul if he had an understanding of the MUNIS system used by the town.

Mr. Sproul stated he did have an understanding of MUNIS, but noted there are some loopholes, and would look to improve MUNIS.

Councilor Smart asked Mr. Sproul that if he uncovered a significant wrongdoing in the town government, who he would notify first and what action he would want to happen.

Mr. Sproul stated he would report it to the Council for further investigation and urge the Council to investigate further.

Chairman Leary asked Mr. Sproul what level of detail he would get into regarding the audit of cash receipts and disbursements for the town.

Mr. Sproul stated he would collect cash in a central location, noting its risk, and ensure proper documentation.

Chairman Leary asked Mr. Sproul why an annual physical inventory of town capital assets is important.

Mr. Sproul stated the need to make known the value on equipment. He also suggested that as new items are purchased they be added to the inventory system.

Councilor DiFazio noted how Quincy's government is very similar to Weymouth's. Additionally, Councilor DiFazio noted the fact that much information is under the control of the Mayor, Chief of Staff and Chief Financial Officer., and that the Auditor would serve as the interface between them and the Town Council. Councilor DiFazio asked Mr. Sproul how he would handle this situation.

Mr. Sproul stated it would be a cooperative venture and understands the differences.

Chairman Leary made reference to the fact that our charter is different from Quincy's in that the Auditor reports to the Town Council, along with the Town Clerk. Chairman Leary reminded Mr. Sproul that the Auditor has tremendous responsibility and would be looked upon for assistance from the Town Council.

Chairman Leary asked Mr. Sproul when he would be available to start.

Mr. Sproul stated he could start the first week in June.

Mr. Sproul addressed the Committee regarding the preparation of budgets and asked if the Auditor is involved in preparation of the budget.

Discussion ensued concerning the fact that administration prepares all of their department budgets and submits these to the Council for approval. The Auditor does not develop department budgets.

Mr. Sproul asked if the Council would permit the Auditor to work with the CFO for plans and implementations.

Councilor DiFazio stated that it would not be the Auditor's job to assist in preparing budgets.

There were no further questions and the Committee thanked Mr. Sproul for coming.

It was decided to review each of the eight candidates to narrow down the list so as to check references on the favored candidates. A scoring system was used by the Councilors and Councilor Kay tallied each candidate's scores and recorded them as follows:

Kevin Kavanaugh – 14
Nilsa Monteiro – 5
Maureen Treacy-Duffy – 22
Ann McNaughton – 11
Philip Wolters – 21
Heidi Chuckran – 10
Jim MacClarty – 9
Warren Sproul – 14

The scoring system revealed the top four candidates to be:

1. Duffy
2. Wolters
3. Sproul
4. Kavanaugh

Councilor Kay made a MOTION to obtain references on all four candidates, with the intention of selecting the top 2, should all references be acceptable. Councilor DiFazio seconded.

It was noted that Diane Hachey would perform the reference checks over the phone, in conjunction with Chairman Leary.

At 7:55 p.m., a MOTION was made by Councilor Smart to exit executive session and convene to open session, seconded by Councilor Kay, and roll call vote taken as follows:

Michael Smart – y

Sue Kay – y

Kenneth DiFazio – y

Gregory Shanahan – y

Chairman Paul J. Leary – y

UNANIMOUSLY VOTED

Adjournment

At 8:00 p.m., there being no further business, a MOTION to ADJOURN was made by Councilor Smart, seconded by Councilor Kay, and UNANIMOUSLY VOTED.

Approved by: _____
Paul J. Leary, Chairman