

ACCOUNTS COMMITTEE MEETING MINUTES

*The Accounts Committee met on **Tuesday, September 26, 2023** at 6:00 PM in the City Council Chamber, Brockton City Hall, 45 School Street, to consider the following:*

1. Discussion about School finances

Irene Giannopoulos- Interim Auditor

- Under authority of the CFO and Dr Cobbs we have started a weekly roundtable discussion regarding internal controls that can be implemented immediately to prevent any future deficit spending.

Councilor Minichiello

- Are there new protocols on the city side?
- Are you confident the right controls are in place and what are the proper safe guards?
- Are departments notified in a timely way of over spending?

Irene Giannopoulos- Interim Auditor

- Yes, the CFO and his team have been tracking expenditures now in real time.
- We have FY24 in control and are digging more into FY23.
- There will be new protocols for opening requisitions, a tightened workflow process.
- Making sure the school auditing standards are upheld similar to the city operations.
- The CFO tracks via a spreadsheet that changes to red when a budget is a concern.

Councilor Teixeira

- Is the CFO you are speaking of the city CFO or school CFO?

Irene Giannopoulos- Interim Auditor

- It is the city CFO, I do not believe they have hired a new school CFO yet.

Councilor Lally

- Will open checkbook allow the school budget to be looked at like the city?
- It would be huge for public trust to be able to log in and look at everything.
- There had been conversations regarding the finance office in the school department and their connection to the city finance dept and if it should just operate as one.
- Is there anything in your professional experience that would be prudent to implement?

Irene Giannopoulos- Interim Auditor

- Open checkbook is still on schedule for October. Separate finances for school.
- Will alert the committee if it goes beyond November for city, we will work on school.
- First hearing of a combined finance department will look into.
- Transparency is what needs to be and has been implemented.

2. Review of Vendor Warrants P23-154 through P23-172 and P24-001 through P24-024

Councilor Minichiello

- What is Beta Group Inc and what is the expenditure for PO#18640000?

Irene Giannopoulos- Interim Auditor

- City planner's general funds, can get back to the committee with more detail.

Councilor Minichiello

- I think invoices should be more detailed so would not have to check.
- Veteran cash benefits.

Councilor Lally

- Why would there be a one-time vendor for real estate taxes?

Irene Giannopoulos- Interim Auditor

- Refunds typically due to overpayment of escrow.

Councilor Lally

- What is Elan Financial? Seems to be a catch all.

Irene Giannopoulos- Interim Auditor

- It is the city's credit card that departments use with permission from the CFO for business trips, dinners, Ubers etc that do not take purchase orders.

Councilor Lally

- Invoice on page 5 from May 11th for \$4,600 at The Stoneforge for 'in-state travel'

Irene Giannopoulos- Interim Auditor

- This was a celebratory dinner with the Cape Verdean President.

Councilor Lally

- A lot of people for \$4,600. Done at a restaurant in Brockton not Stoneforge.

Councilor D'Agostino

- \$500 for a performance. What kind of performance?

Councilor Lally

- Would like a roster of attendees.
- Mass Assoc of School Committees, all same description. What's the difference between MASC & MASBO, NESDEC with the different memberships?
- Moran Insurance for athletics?
- Metro South Chamber of Commerce. We are paying a lease but we have not been there for a while.

Irene Giannopoulos- Interim Auditor

- Yearly memberships for Aldo Petronio, the superintendent, etc and affiliation fees.
- Student athletic accident insurance.
- Rental for antenna's for Parking Authority.

Councilor D'Agostino

- I see we have BCBS, HPHC and Abacus Insurances. Different plans for active employees, retirees?
- CJC Realty.

Irene Giannopoulos- Interim Auditor

- The city is self-insured and we offer multiple plans to choose from.
- CJC Realty lease Facilities Dept Westgate Mall

Councilor Lally

- Who signed lease agreement? Real estate actions (purchases, leases, sales) must, by law, come through this council. I was here in FY22 & FY23 and do not recall this.
- Tenant is listed as City of Brockton, we did not approve this. Questions lease term.
- Would like to know how many leases they have, what are they paying, how long are they and what did not come through council. If they did not go through council does it invalidate the lease? Verify whether they have authority to sign the lease without going to council and what now if not?
- Question remains, how many and how much?

Councilor Teixeira

- Questions rent amount, what amount of space is rented. \$35,000+

Councilor D'Agostino

- Clifton Larsen Allen, are they the outside auditors the city typically uses?
- Does it include school?
- What is the depth/scope of what they do for the city?

Irene Giannopoulos- Interim Auditor

- It does include school.
- In line with generally accepted accounting principles we have to be in line with the UMAS schedule. They check everything from the general fund through the treasury. They want to know about fixed assets, look at our bills, check PO's looking at invoices to ensure they are in line with expenditures.
- Tracking similar in the school dept with their grant processes.
- Anything the auditor would normally do internally is now being done externally to ensure we are in line with the DOR.
- They verify lease agreements. Makes sure we are not paying without contracts.
- A financial statement that shows areas of concern. Audited once per year.

Councilor D'Agostino

- Clarifying that through their processes they are verifying our information follow DOR regulation but may not have been aware of the overspending.
- I find it odd that we have an auditing firm as part of standard practice to not be aware.
- Do they alert with reports? How often do they audit?

Councilor Lally

- Based on timeframe they would not have caught school dept issue yet but would eventually? Acknowledged they would when FY23 audit completed.

Councilor D'Agostino

- Questions payments to the IRS and BRA.
- Questions PO for IT services if we have our own IT dept.
- Questions mail currier and what services are provided.
- Action Apparel. Assumes they were not part of collective bargaining agreement to pay for their uniforms. Wants clarification on 2300 articles of clothing purchased.

Irene Giannopoulos- Interim Auditor

- PCORI is related to the ACA and will bring more information to the council.
- CDBG expenses, BRA receives reimbursement for their programs through HUD.
- Certain software has fees for additional technical support.
- Mail delivery between city, school and post office.
- Transportation uniforms.

Councilor Lally

- Even if it is in collective bargaining, why is it? That is a lot and it shouldn't be.

Councilor D'Agostino

- There are names on this list that are not part of the collective bargaining unit.
- Questions vehicle purchase. Sold as is, no warranty, is this typical?
- PO for police detail.
- DeerHill Inc

Irene Giannopoulos- Interim Auditor

- Wheelchair busses. Will look in to used vs new with warranty.

- Police details are invoiced. The dept using their service pays with their budget.
- Annual software data back-up.

Councilor Teixeira

- Questions Criminal History Systems Board. Is it out of the Police Dept budget?
- Julio Denis Fernandes
- Greater Boston Police Council
- Homer Contract Inc, is this from ARPA money?
- Janco Sales
- Poptops Inc
- Village Uniforms
- Bridgewater State University.

Irene Giannopoulos- Interim Auditor

- Firearms license fees. Paid out of a trust fund.
- Janitorial services through the general fund.
- Annual membership fees paid through their general fund.
- Grant funded roof replacement for the War Memorial building. Will clarify if ARPA.
- Walk in cooler at the high school, paid through a grant.
- Sport T-Shirts
- Food Service Uniforms
- Bilingual Endorsement Certificate Program. Will gather detail, how many it applies to and why is the city paying for it.

Councilor D'Agostino

- Question regarding additional union fund separate from the city. Will gather more detail on the vendor.

3. Questions/Comments?

Councilor Minichiello

- Accounts review. Is it possible for us to get a report where the city is regarding budgeting and expenditures to make it part of our regular routine? We can check year to date spending. To essentially become the watchdogs in light of the circumstances.

Councilor Lally

- Schools have a sister committee but I don't think anyone really has a problem with us checking their work.

Councilor D'Agostino

- There is an E-sum report can be acquired for the CFO's office.
- Prudent for this committee to extend further into the school accounts
- Resolve is being written to bring Troy(CFO) to full council for the FY24 YTD report.
- Requested FY23 as well.

Councilor Minichiello

- Need report written out what is budget, spent and percentage of budget spent.
- School committee packets, financial reports, can they be kept in the Auditors office?

Irene Giannopoulos- Interim Auditor

- Questioning which reports and documents are being requested.
- We save all meetings and documents on our shared drive.

