



Town of Concord
Concord Financial Audit Advisory Committee
AGENDA

April 14, 2026, at 5:00 PM

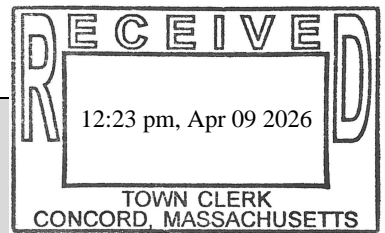
Town House, 22 Monument Sq., 2nd Fl. Select Board Conf. Room.

Notice of public meeting as required by M.G.L. Chpt.30A §18-28

HYBRID IN-PERSON AND VIRTUAL MEETING VIA ZOOM

Join the meeting: <https://concordma.zoom.us/j/83346566605>

Meeting ID: 833 4656 6605 Dial in: 646 558 8656



*Please be advised that this open meeting is being broadcast live via Zoom and MMN and recorded for playback online, video-on-demand viewing at <https://concordma.gov/2409/Government>. The listings of matters are those reasonably anticipated by the Chair 48 hours before said meeting, which may be discussed at the meeting. Not all items listed may be addressed. Items may be taken out of order and at times differ from those listed below. Other items not listed may also be brought up for discussion to the extent permitted by law. **Video or call will be muted upon joining meeting please use the "raise your hand" feature in the zoom meeting to ask to speak. ATTENDEES ARE REMINDED THAT BY ATTENDING THIS MEETING THAT YOU CONSENT TO YOUR LIKENESS AND AUDIO BEING USED AND REBROADCAST BY MMN.***

5:00 PM	1. Call to Order
5:05 PM	2. Public Comment Public Comment is limited to up to 10 minutes, with no more than 3 minutes allocated to any one speaker. Public Comment is limited to items that are not on the agenda.
5:15 PM	3. Minutes <ul style="list-style-type: none"> • Approve the minutes of April 1, 2026
5:20 PM	4. Correspondance <ul style="list-style-type: none"> • Email to FAAC Members dated 4/5/2026 • Town Manager Authority to Appoint Auditor
5:25 PM	5. Summary Audit Reports <ul style="list-style-type: none"> • FY2024 Town Letter • CY2024 Concord Municipal Light Plan • FY2024 Concord-Carlisle Regional School District letter
5:45 PM	6. Meeting Cadence <ul style="list-style-type: none"> • Historical FAAC Meeting Cadence • Outstanding FY2025 Audit timeframe • Expectations for CY 2025 CMLP, FY2026 Town and FY 2026 CCRSD • Additional topics for review
6:10 PM	7. Committee Charge Discussion <ul style="list-style-type: none"> • Review of charge
6:40 PM	5. Other Business <ul style="list-style-type: none"> • Set date for next meeting • Any other business
6:45 PM	6. Adjournment



**Financial Audit Advisory Committee
AGENDA ACTION REQUEST**

April 14, 2026

1

Call to Order

Requested by: FAAC Chair

Action Sought: Open Meeting

Proposed Motion(s)

Move to vote to call the April 14, 2026, Financial Audit Advisory Committee meeting to order at XX:XX PM.

Additional Information

None.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>



Financial Audit Advisory Committee
AGENDA ACTION REQUEST

April 14, 2026

2

Public Comment

Requested by: FAAC Committee Chair

Action Sought: Public Comment

Proposed Motion(s)

None anticipated.

Additional Information

Public Comment is limited to up to 10 minutes, with no more than 2 minutes allocated to any one speaker. Public Comment is limited to items that are not on the agenda.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>



**Financial Audit Advisory Committee
AGENDA ACTION REQUEST**

April 14, 2026

3

Minutes

Requested by: FAAC Chair

Action Sought: Vote/Approval

Proposed Motion(s)

MOVE to vote to approve the Financial Audit Advisory Committee minutes for the April 1, 2026, meeting.

Additional Information

None.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

**Town of Concord
Minutes of the April 1, 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; Sandeep Pisharody, School Committee Representative; Chris Schaffner (remote), Municipal Light Board Representative

Others Present

Jennifer Barrett, Chief Financial Officer (CFO); Ryan Ferrara, Assistant CFO; Scott McIntire (remote), CBIZ, External Audit Firm; Bob Conry, Assistant Superintendent, Concord-Carlisle Regional School District; Richard Mathieu, Assistant Business Manager, Concord-Carlisle Regional School District; Kerry Lafleur, Town Manager

1. Call to Order and Introductions

Select Board Representative Wendy Rovelli called the Financial Audit Advisory Committee meeting to order at 9:05 a.m. She introduced Chris Schaffner as the Municipal Light Board's nominee to fill the vacancy created by Bianca Taylor's resignation, noting his appointment will not be official until the following Monday.

2. Public Comment

Eric Dahlberg, a Finance Committee member attending as a member of the public, requested that future meetings be scheduled outside standard working hours. Ms. Rovelli acknowledged the concern and committed to considering evening options for future FAAC meetings where scheduling permits.

3. Minutes

A motion was made to approve the minutes of the March 9, 2026, meeting.

Vote: Unanimous. Motion passed.

4. Follow-Up Items from FY24 Town and CY24 CMLP Audits

The Committee discussed reference to an 11-page document of general ledger entries and inquired with Mr. McIntire whether these might represent a previously requested list of corrected and/or uncorrected misstatements. Mr. McIntire explained the document largely consists of reclassification and conversion entries required to translate to the town's Uniform Massachusetts Accounting System (UMAS) based records into Generally Accepted Accounting Principles (GAAP) compliant financial statements, rather than audit-driven corrections.

The Committee also reviewed the single audit covering the town's compliance with federal grant requirements. Ms. Rovelli noted the single audit is not ordinarily within the Committee's primary purview but was included in the meeting packet in the interest of transparency. The document is filed with the Federal Audit Clearinghouse, which is publicly searchable, making the town's material weakness findings visible to federal officials.

Mr. McIntire described the materiality framework across the town's major funds, with thresholds ranging from 3% of expenditures for the general fund to 4% of revenues for enterprise funds and 4% of liabilities for the federal grant fund, consistent with prior years and comparable towns. Testing is conducted at the financial statement line-item level. Ms. Rovelli requested that Mr. McIntire forward his presentation materials from the FY24 Town and CY24 CMLP audit reviews.

5. FY24 Concord-Carlisle Regional School District Audit

Mr. McIntire presented the results of the FY24 Concord-Carlisle Regional School District (CCRSD) audit via a prepared slideshow. The audit resulted in an unmodified opinion. The governance letter found the district's books and records to be in good order, with cash and key accounts reconciled on a regular and timely basis, and no disagreements with management on the application of GAAP. No material weaknesses were identified. Mr. McIntire also confirmed that the FY25 audit, issued earlier in the week, was likewise clean.

Key financial results included a general fund unassigned fund balance of \$2.0 million as of June 30, 2024, a decrease of \$65,281 including \$695,888 in use of Excess and Deficiency Funds. The General Fund carried a restricted fund balance of \$607,168 for Debt Service and approximately \$1.0 million in committed and assigned balances. Pension liabilities are 90.24% funded at a 6.5% discount rate, with past service costs projected to be fully funded by June 2033. OPEB liabilities are approximately 61% funded at a 6.75% discount rate, with full funding projected around 2043. Mr. McIntire noted Concord-Carlisle is among the better-funded regional school OPEB plans in the Commonwealth. Key assumptions are detailed in footnotes 15 and 17.

Committee discussion covered several topics including the timing of the FY24 audit, which was issued in September 2025 due to CBIZ's internal quality control process; the 60-40 cost-sharing split between Concord and CCRSD for most shared expenses; the treatment of encumbrances and carry-forwards in the budget, illustrated by the example of school buses ordered in one fiscal year and delivered in the next; the Circuit Breaker special education reimbursement program and the district's practice of carrying approximately one year of receipts in reserve; the review and resolution of student activity fund reconciliation issues brought to the school committee annually; and the accounting relationship between the district, CPS, and the town, with the district maintaining its own general ledger that feeds into the town's Munis system at a higher level of aggregation. In response to a question, Mr. Conry confirmed cash reconciliation generally occurs with 30 days of month close but can take longer in some instances.

6. Auditor Discussion

Following Mr. McIntire's departure, the Committee discussed the FY24 audit experience with Mr. Conry and Mr. Mathieu. Mr. Conry noted the district felt substantially complete by May 2025 but experienced a four-month delay due to CBIZ's internal quality control process and a dependency on the Concord Retirement Board audit. The quality control process appeared to be part of a larger organizational process and outside the control of the audit partner. FY25 proceeded substantially more smoothly with greater continuity of audit team personnel. Mr. Mathieu noted that CBIZ staff for the FY25 audit worked exclusively remotely and expressed a preference for on-site work as it provides better context and a more efficient resolution of questions. Historically, when the same audit firm was used across budget entities, some delays were encountered because audits were planned sequentially. Mr. Conry recommended continuing with CBIZ on a year-to-year basis. The Committee affirmed this approach, noting contracting authority rests with the Superintendent, and agreed any evaluation or recommendation for a change in audit firm should be communicated to the School Committee given the current level of public attention on audit matters.

7. Draft Audit Letters

Ms. Rovelli presented draft letters to the Select Board and CMLP Board summarizing the committee's findings and recommendations from the FY24 Town and CY24 CMLP audits. The letters include an overview of the committee's role, a summary of the audit timeline, financial highlights, internal control findings with the auditor's conditions and recommendations, and management's formal response.

Mr. Booth raised the question of what the Committee itself intends to do differently, noting the Select Board will likely ask this. The Committee acknowledged that meeting only when triggered by audit availability was insufficient given the scope of the material weaknesses. Mr. Feigh proposed monthly meetings in the near term with regular cash reconciliation updates and offered to draft a proposed schedule of topics. The Committee agreed to add language to the draft letters committing to more frequent meetings and a routine cadence independent of audit timing.

The Committee also agreed to invite Ms. Barrett to present at a future meeting on internal controls implemented or planned in response to audit findings, and to request an update from the finance and CMLP teams on system integration work underway to reduce reconciliation complexity. Ms. Rovelli asked all members to review the committee's charter before the next meeting, noting it was adopted in 2015 and last modified in 2016, and may require clarification in areas including auditor selection, meeting cadence, and the provision favoring a single auditor across all town entities.

8. Other Business

The next meeting was scheduled for April 14, 2026, at 5:00 p.m., to allow members who work standard business hours to attend. The agenda will include finalization of the draft letters to the Select Board, CMLP Board, CCRSD School Committee and a review of the committee's charge. A separate meeting in May will be scheduled to review the

FY25 Concord-Carlisle Regional School District audit, pending coordination with Mr. McIntire and Mr. Conry.

9. Adjournment

Ms. Rovelli adjourned the meeting at 11:00 a.m.



Financial Audit Advisory Committee
AGENDA ACTION REQUEST

April 14, 2026

4

Correspondence

Mail, letters, emails, presentations, etc.

Requested by: FAAC Chair

Action Sought: Review Correspondence

Proposed Motion(s)

None anticipated.

Additional Information

- 1) Email to FAAC Members dated 4/5/2026
- 2) Town Manager authority to appoint auditor

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>



Follow-up: Checklist, Charge and Select Board report

From Brecht Feigh <brehtfeighfaac@gmail.com>

Date Sun 4/5/2026 10:27 PM

To Wendy Rovelli <wrovelli@concordma.gov>; courtbooth@gmail.com <courtbooth@gmail.com>; spisharody@concordps.org <spisharody@concordps.org>; bwatson@concordcarlisle.org <bwatson@concordcarlisle.org>; tncba@tiac.net <tncba@tiac.net>; chris@greenengineer.com <chris@greenengineer.com>

 1 attachment (486 KB)

FAAC Checklist.pdf;

FAAC members,

I am following up on three items from last week's meeting. I would ask that no one respond to this email so we don't run afoul of OML. Let's allow Wendy to consider the content of this email for the agenda of our next meeting.

1. FAAC Charge Checklist

Attached is a draft checklist designed to ensure the Committee fulfills the specific duties outlined in the FAAC's Charge. Moving forward, the Committee should establish a standardized calendar to ensure these milestones are met during "normal" operating cycles (I guessed on the months included in the attached document), not the situation the town currently finds itself.

2. External Auditor Selection

During our last meeting, it was shared that the Town Manager has the authority to sign contracts. However, this authority is not absolute; much like procurement rules for a large paving contract, specific procedures must be followed.

As I read the Charge, the FAAC (not the Town Manager) is authorized to initiate the selection process for an external auditor. While the Town Manager "engages" the auditor, that engagement should only occur upon the FAAC making a recommendation of appointment. Engage and appoint are distinctly different and there may be benefit to amending some of the language in the Charge.

- **Appoint:** To formally assign a role or capacity.
- **Engage:** To enter into a contractual agreement for services.

In the current situation, the clearly intended governance process of the Charge was bypassed:

- **Process Failure:** Town staff, rather than the FAAC, initiated the selection. While time constraints were cited, convenience should not supersede adopted governance protocols.
- **Coordination Failure:** The Charge expresses a clear intent to maintain a single audit firm for the Town, CMLP, and CCRSD. The decision to bifurcate these audits was apparently made without consulting the CCRSD's Superintendent or CFO. Having served as a CFO, I can attest that managing two separate audit firms, as CMLP and CCRSD/CPS administrative staff will now face, creates significant risk for inefficiency and frustration.

- **Intent Failure:** The Town Governance Committee of 2014 voted 10-0 to form an audit committee to prevent the type of transparency and process failures that have occurred. The Town hired the Town Manager as CFO shortly after the FAAC's charge was amended in 2016, so clearly the FAAC's charge remained a matter of import to the town's governance processes.

We should consider consulting legal counsel regarding the interpretation of the Town's Charter, the FAAC's Charge and other applicable governance rules to address ambiguity or conflict in governance processes. Alternatively, the FAAC could recommend to the Select Board, School Committees and CMLP that the Charge be revised to make explicitly clear the separation of "appointing" and "engaging" for all three bodies. The town will likely have three different audit firms for each of the Town, CCRSD and CMLP based on our meetings, unless we take charge of the situation.

3. Report to the Select Board, School Committees and CMLP

The current delays in the 2024 and 2025 audits, coupled with four material weaknesses, are deeply troubling. The fact that Town leadership was made aware of these weaknesses on November 5, 2025, yet no FAAC meeting was called even after a resident obtained a draft report, suggests a focus on "damage control" (referenced in one of the emails) rather than transparency. The FAAC, Select Board, School Committees and CMLP should have all been made immediately aware as all are inextricably reliant on various Town accounting processes. If I were Moody's, I might have serious questions regarding the Town's commitment to transparent governance and potential underlying intentional or unintentional faulty decision-making processes, put aside the serious accounting internal control issues identified by CBIZ. Ratings are in part determined based on not just control processes, but also disclosure processes.

Our report to the Select Board, School Committees and CMLP board should outline the specific actions the FAAC is taking, in addition to the actions the Town's CFO is taking.

1. **Compliance:** Implementing the attached checklist and reviewing the Charge for potential amendments.
2. **Meeting Regularity:** Shifting from three annual meetings to monthly until the Committee feels such regularity is no longer warranted.
3. **Internal Control Verification:** Verifying with the CFO that all four material weaknesses have been remediated and are operating effectively. For example, we should require monthly reporting on cash reconciliation timing against the current 45-day goal.
4. **Audit Status:** Receiving regular updates on the current audits and establishing clear timelines for the FY26 cycle.
5. **Onboarding:** Developing an orientation package for new FAAC members so all understand, not just expectations, but the structure of the town's accounting organizations, external audit requirements and communication responsibilities.

I would suggest, in addition to the reports, that we create powerpoint slides with the actions above and we present them to Select Board, School Committees and CMLP board and update them on at least a quarterly basis. The FAAC needs to be seen as an informative partner to the Select Board, School Committees and CMLP board.

In addition to our immediate oversight duties, I believe the FAAC should consider two projects.

1. **Accounting Organizational & Cost Analysis:** Based on my nearly 20 years of experience as a CFO, I am concerned by the fragmentation of the town's accounting structure. We recently learned that individual town departments have hired two full-time employees (FTEs) specifically to manage their financial planning. Furthermore, the CCRSD's CFO reported that Town payroll entries were often delayed by months, and the retirement system has shifted its payroll processing to a small firm in Western Massachusetts. We need to understand the root causes—why are these

departments and entities not timely receiving or opting out of centralized services? Every time we fragment teams, vendors, and processes, we increase the risk of error, create operational silos, and drive-up costs for taxpayers. I think we should discuss the merits of the FAAC engaging outside experts to review our town's accounting people, system and processes.

- 2. Third-Party Internal Controls Review:** The town should consider engaging an independent third party to conduct a comprehensive review of internal controls across the Town, CCRSD, and CMLP. This would not be intended to be a punitive audit, but rather an independent voice to advocate where more, different or improved resources or systems are merited. The discovery that Town accounting staff was both creating and entering journal entries directly into the general ledger without separate review points to a failure in basic accounting control understanding or, more concerning, a failure in the "tone at the top."

CLA might be a good firm to do either or both of these potential projects since they have helped the Town address MUNIS general ledger conversion issues and also helped the Town and CMLP with two years of cash reconciliations.

Concord should strive for the best governance and administrative processes in the Commonwealth. This is a moment for the FAAC to show transparent, rigorous leadership.

Breht

ANDERSON KREIGER

To: Kerry Lafleur, Town Manager Town of Concord
Wendy Rovelli, Select Board Member, Town of Concord

From: Mina S. Makarious
Anderson & Kreiger LLP

Re: Town Manager Authority to Appoint Auditor

Date: April 8, 2026

You have asked me to review the Town Manager's authority to appoint the Town's financial auditor under the Town Charter (the "Charter") and the committee charge for the Financial Audit Advisory Committee ("FAAC").

Section 9 of the Charter describes out the Town Manager's powers and duties. Those include the following powers:

- Section 9(A) to "supervise and direct" and to "be responsible for the efficient administration of all officers, boards and committees appointed by the town manager and their respective departments."
- Section 9(F) the power to "**award** all contracts for all departments of the town," including, where a department is not expressly under the Town's Manager's authority "upon requisition duly authorized by the head of such department." (emphasis added)
- Section 9(G) the power to "administer...all provisions of general and special laws applicable to the town and bylaws and votes of the town, within the scope of the town manager's duties, and all rules and regulations made by the select board."

These provisions make it clear that under the Charter the Town Manager enters into all contracts on behalf of the Town, and by *awarding* contracts, selects who the contracts are made with, subject to applicable state procurement laws. This is consistent with the Town's practice with respect to auditors and most other positions. Where a power is reserved to the Select Board, it is specifically called out in the Charter (see e.g., Section 9(H) requiring the Select Board to approve litigation and the settlement of litigation).

In addition, G.L. c. 44, §35 and the Department of Revenue require municipalities to conduct periodic audits of their accounts according to standards established by the Director of Accounts and to engage a professional auditing firm or other independent accountant for that purpose. The auditor relationship is contractual, and again contracts are awarded through the Charter authority

assigned to the Town Manager under Section 9(F), as is the more general responsibility to ensure the Town complies with applicable laws.

Given that the Charter assigns this role to the Town Manager, the Select Board cannot delegate that role to an advisory committee such as the FAAC. A Charter has the effect of an act of the State Legislature under state law. The Charter governs the Board's actions and supersedes the authority of even Bylaws issued by Town Meetings. Committee charges rank below all of these as directives of the Town's Select Board as its Executive Branch.

However, in this case, there is not any material conflict in the FAAC charge on this point. The FAAC charge explicitly states that the "Town manager is responsible for engaging a professional external auditor or audit firm to conduct the Town's audit" and the CMLP audit (the Superintendent selects the CCRSD auditor). This is the same role contemplated by the Charter.

The only portion of the FAAC charge that creates some confusion on this point is the final paragraph of the first page and the list of duties on page 3. These suggest that the FAAC may carry out a selection process to recommend a new auditor. The Select Board appropriately delegated these advisory powers to the FAAC, but the final selection of an auditor remains with the Town Manager.

The Select Board may want to make this point clearer by revising the charge, including by explaining more fully how the FAAC initiates the recommendation process. For instance, the Board can explain how the FAAC will give the Town Manager sufficient notice it is going to conduct a selection process. A revised Charge should also be clear that the Manager will receive recommendations of a potential auditor but is not bound by them.

Finally, you have asked about the applicability of the Charter and the FAAC Charge to the Concord Carlisle Regional School District or the Retirement System. The District and Retirement System are both separate legal entities from the Town and are not governed by the Charter or the Board. The FAAC, which derives its advisory charge from the Board, therefore has no role with respect to the District's or the System's selection of an auditor.



Financial Audit Advisory Committee
AGENDA ACTION REQUEST

April 14, 2026

5

Summary Audit Reports

Requested by: FAAC Chair

Action Sought: Discussion

Proposed Motion(s)

None anticipated.

Additional Information

- 1) FY2024 Town Letter
- 2) CY2024 Concord Municipal Light Plant
- 3) FY2024 Concord Carlisle Regional School System letter

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

To: Concord Select Board
From: Financial Audit Advisory Committee
Date: April XX, 2026
Re: FY2024 Town of Concord Audit Report

Financial Audit Advisory Committee Report – FY2024

The Financial Audit Advisory Committee (FAAC) was established to support the organization, execution, and review of the Town's annual financial audit, including an ongoing review of fiscal accountability matters. The committee's scope encompasses audited reports for the Municipal Light Plant, the Concord Carlisle Regional School District (CCRS), and the Town. This report is submitted upon completion of the Town's FY2024 audit cycle, consistent with the committee's charge.

The Town operates on a June 30 fiscal year-end. As a Town department, the Municipal Light Plant's audited financial statements — prepared on a December 31 fiscal year-end, as required by the Department of Public Utilities — are incorporated into the Town's audit. The Concord Public School Department's financial statements are also included in the Town's consolidated audit.

Committee Responsibilities

The FAAC's audit-related duties include:

- Recommend to the Town Manager and Superintendent of Schools the selection of the independent external auditor
- Reviewing the scope, arrangements, and progress of the annual audit
- Participating in the external auditor's presentation of annual financial statements
- Reviewing draft audited financial statements and evaluating management letter recommendations alongside management's responses
- Reviewing internal accounting and control procedures as needed
- Participate in presentation of the annual audited financial statements by the external auditor at a public meeting of the Select Board and the CCRS School Committee

- Preparing reports and recommendations to the Select Board (and, as applicable, the Municipal Light Board and CCRSD School Committee) as deemed to be in the best interest of the Town or CCRSD

FY2024 Audit Overview

CBIZ CPAs P.C. was engaged to conduct both the FY2024 Town audit and the CY2024 Municipal Light Plant audit. The FY2024 Town audit was delayed, with substantive work not beginning until spring 2025, following the completion of the Town's Enterprise Resource Planning (ERP) system transition. Audited financial statements were made available on November 19, 2025, and management's response to audit findings was received on December 22, 2025.

The independent auditor's report concluded: *In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Town of Concord, Massachusetts, as of June 30, 2024 (except the Concord Contributory Retirement System and Concord Municipal Light, which are as of December 31, 2024) and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States.*

Financial Highlights

Overall, the Town's financial results were strong. Unassigned fund balances increased primarily due to investment earnings and unspent appropriations. The condensed government-wide statements reflect a total net position of \$308,049,218 — an increase of \$17,809,871 over the prior fiscal year. Pension liabilities are approximately 90% funded, while Other Post-Employment Benefits (OPEB) liabilities are approximately 68% funded.

Key Internal Control Findings and Planned Remediation

The FY2024 audit identified four material weaknesses in the Town's internal financial controls. Material weaknesses represent significant deficiencies that increase the risk of material misstatement in financial reporting. The condition and context, auditor recommendation, and management response for each finding are summarized below.

1. Reconcile Cash and Receivables on a Timely Basis

Condition and Context

During fiscal year 2024, the Town did not reconcile its Cash and Receivable accounts until approximately 12 months after year-end. Reconciliations of water and sewer fund receivables remains unresolved.

Recommendation;

The Town should reconcile all key accounts monthly to ensure the reliability of financial reporting. Completed reconciliations should be forwarded to the Finance Director for approval. If the Town falls behind in preparing reconciliations, the Town should consider outsourcing this function.

Management Response:

As noted, due to turnover in the Accounting and Treasurer/Collector positions, as well as a computer system conversion, the reconciliation process was delayed. While we recognize the importance of timely reconciliation, Fiscal Year 2024 presented unique challenges with multiple compounding setbacks. As this letter has been provided eighteen months following the close of the year, we want to emphasize that we are actively working on current reconciliations. To ensure improved timeliness moving forward, we have implemented an internal commitment to complete all month-end reconciliations between the Deputy Treasurer and Town Accountant within a 45-day timeframe. All cash reconciliations will be up-to-date by March 2026 and receivables by June 30, 2026.

2. Improve Cut Off and Capitalization Controls

Condition and Context;

During fiscal year 2024, the Town did not charge expenditure to the proper fiscal period on numerous occasions resulting in significant audit adjustments. Significant audit adjustments were also required for the accounting of capital assets

Auditor Recommendation;

The Town should reestablish effective cut-off and capitalization controls to ensure the completeness and accuracy of financial reporting

Management Response;

The Accounting Division has collaborated to establish best practices for recording capital assets beginning with the Procurement Specialist, through recording by the Accounting Specialist and finalization by the Town Accountant. In addition, through targeted departmental training and enhanced communication efforts leading up to year-end, we will implement a more stringent process for posting year-end expenditures beginning in June 2026 through the July 2026 final warrants.

3. Improve Budget Posting

Condition and Context;

During fiscal year 2024, the Town's budget as posted in the general ledger did not agree with amounts appropriated and expected revenues.

Auditor.Recommendation;

The Town should reestablish effective monitoring controls to ensure the completeness and accuracy of financial reporting.

Management.Response;

In Fiscal Year 2024, a late adjustment to the overall budget resulted in the creation of two different budget documents. Although the total approved budget remained consistent, an incorrect distribution was uploaded into the financial system. Additionally, estimated revenue figures were imported instead of the certified budget amounts. To address these issues, Finance Administration has adopted a proactive approach assigning the Senior Analyst to verify all budget data both before and after system import to ensure accuracy and consistency. This item has been resolved in December 2025.

4. Improve Controls Over Journal Entries

Condition.and.Context;

During fiscal year 2024, the Town did not have a process in place whereby journal entries were approved by an individual other than the preparer.

Auditor.Recommendation;

The Town should establish effective monitoring controls to ensure all journal entries are appropriately approved

Management.Response;

The Accounting Division has established a standard internal procedure for cross-checking journal entries between the Assistant Accountant and the Town Accountant. This collaborative review process is designed to strengthen monitoring controls and ensure the accuracy and integrity of financial records. This item has been resolved in December 2025.

FAAC Follow-Up Findings and Concerns

The committee conducted follow-up meetings with Jason Bulger, Director of the Concord Municipal Light Plant (CMLP); Nan Okarma, CMLP Financial Manager/Accountant; Jennifer Barrett, Chief Financial Officer; and members of the Finance Department to explore the root causes underlying the current audit findings.

Several contributing factors were identified during the audit period: ongoing turnover among financial staff and leadership, an extended vacancy in the Assistant Town Accountant position, and the Town's migration to a new Enterprise Resource Planning (ERP) system (Munis). As of January 2026, the Finance Department is fully staffed. The Munis implementation was led by Mr. Bulger, with support from IT staff, and affected personnel were well-trained and prepared for the transition. Ms. Barrett confirmed that system

training is not a concern for the current Finance team; however, training for external departments is currently being developed to improve system knowledge and operational efficiency.

A persistent systemic issue is the complexity and limited integration between the Town's accounting system and CMLP's utility billing system (NICS). Transactions recorded individually in the CMLP system are often consolidated into a single entry on the Town's side; conversely, a single payment recorded in the Town's system may correspond to multiple invoices in the CMLP system. This reconciliation challenge has grown more complex as the CMLP system was expanded to incorporate invoicing for Water and Sewer services.

The committee reviewed in detail communications surrounding the audit, delays in completing the audit and the decision to engage a new auditor for FY2025. While a new auditor provides an opportunity to expedite the completion of the FY2025 audit, the committee, based on its charge, should have been more actively involved in the evaluation.

Recommendations

Considering the issues noted above, the committee will take the following actions:

1. The FAAC will establish a regular meeting schedule to monitor and confirm all material weaknesses have been fully remediated, including documented compliance with the 45 day cash reconciliation target.
2. While targeted workflow changes have already been put in place, the FAAC believes that a broader review of internal controls is warranted. Ms. Barrett has agreed to present an overview of implemented and planned internal controls to the committee later this spring.
3. The FAAC recommends that CMLP and Finance Department staff jointly evaluate both the Munis and NCIS systems to determine whether enhanced reporting capabilities, improved data integration, or system upgrades and modifications can be implemented to strengthen reconciliation controls and improve efficiency. The FAAC requests that the findings and recommendations from this evaluation be presented to the committee by September 2026.
4. The FAAC will reevaluate its meeting cadence and scope to ensure audit planning, auditor evaluation processes and communications are improved

Acknowledgments

The FAAC extends its appreciation to Scott McIntyre of CBIZ CPAs P.C. for his informative presentation and engaged discussion with the committee. The FAAC also thanks Jennifer

Barrett, Chief Financial Officer; Ryan Ferrara, Assistant Chief Financial Officer; and the entire finance teams of the Town and the Municipal Light Plant for their responsiveness to the committee's requests and for their assistance in helping the committee understand the audit results and the range of issues affecting the Town's financial reporting and internal controls.

The Financial Audit Advisory Committee:

Court Booth, At-large member

Bruce Button, At-large member

Breht Feigh, At-large member

Sandeep Pisharody, CPS Committee Representative

Wendy Rovelli, Select Board Representative, Chair

Chris Schaffner, CMLP Board Representative

Brian Waterson, CCRSD Committee Representative

To: Concord Municipal Light Plan Board
From: Financial Audit Advisory Committee
Date: April XX, 2026
Re: CY2024 Concord Municipal Light Plant (CMLP) Audit Report

Financial Audit Advisory Committee Report – CY2024

The Financial Audit Advisory Committee (FAAC) was established to support the organization, execution, and review of the Town's annual financial audit, including an ongoing review of fiscal accountability matters. The committee's scope encompasses audited reports for the Municipal Light Plant, the Concord Carlisle Regional School District (CCRS), and the Town. This report is submitted upon completion of the CMLP CY2024 audit cycle, consistent with the committee's charge.

The Municipal Light Plant, a department of the Town of Concord, is separately audited on a December 31 fiscal year basis for the purposes of its required reporting to the Massachusetts Department of Public Utilities.

Committee Responsibilities

The FAAC's audit-related duties include:

- Recommend to the Town Manager and Superintendent of Schools the selection of the independent external auditor
- Reviewing the scope, arrangements, and progress of the annual audit
- Participating in the external auditor's presentation of annual financial statements
- Reviewing draft audited financial statements and evaluating management letter recommendations alongside management's responses
- Reviewing internal accounting and control procedures as needed
- Participate in presentation of the annual audited financial statements by the external auditor at a public meeting of the Select Board and the CCRSD School Committee
- Preparing reports and recommendations to the Select Board (and, as applicable, the Municipal Light Board and CCRSD School Committee) as deemed to be in the best interest of the Town or CCRSD

CY2024 Audit Overview

CBIZ CPAs P.C. was engaged to conduct the CY2024 Municipal Light Plant audit. The completion of the CY2024 Town audit was delayed due to cash reconciliation dependencies with the Town. Audited financial statements and management's response to the audit findings was finalized and returned to CMLP on February 24, 2026.

The independent auditor's report concluded: f In.our.opinion?the.financial.statements. referred.to.above.present.fairly?in.all.material.respects?the.respective.financial.position.of. the.Plant?as.of.December.97?8680?and.the.respective.changes.in.financial.position?and? where.applicable?cash.flows.thereof.for.the.year.then.ended.in.accordance.with. accounting.principles.generally.accepted.in.the.United.States.of.Americaf

Financial Highlights

As of December 31, 2024, the CMLP reported a total net position of \$53,839,109, comprising \$37,095,236 invested in capital assets net of related long-term debt, \$9,031,746 restricted for the depreciation fund, and \$7,712,127 in unrestricted funds. The net position increased by \$3,153,144 for the year ended December 31, 2024, exceeding forecast due to stronger-than-anticipated operating income driven by higher electric and internet sales revenues. Unrestricted assets grew by \$587,563, representing an 8.2% increase over the prior year.

Key Internal Control Findings and Planned Remediation

The CY2024 audit identified one material weaknesses in CMLP's internal financial controls. Material weaknesses represent significant deficiencies that increase the risk of material misstatement in financial reporting. The condition and context, auditor recommendation, and management response for each finding are summarized below.

1. Reconcile Cash and Receivables on a Timely Basis

Condition.and.Context;

During.calendar.year.8680?the.Plant.did.not.complete.reconciliations.of.its.unrestricted. cash.accounts.between.its.ERP.system.and.Town.records.until.approximately.78.months. after.year_end;

Recommendation;

CMLP and the Town should reconcile all key accounts monthly. Completed reconciliations should be reviewed and approved by the Finance Director. If reconciliations fall behind, management should consider outsourcing or external assistance.

Management Response:

Management accepts the finding and concurs with the recommendation to prioritize timely monthly reconciliations. While CMLP maintains ultimate responsibility for its financial records, the reconciliation process is inherently integrated with the Town's Treasury functions, as CMLP is bound by statute to utilize the Town's centralized cash management services. During the 2024 calendar year, several systemic and transitional challenges occurred simultaneously that hindered the reconciliation timeline. Specifically, CMLP faced significant technical hurdles caused by a lack of a dedicated bank account and a persistent posting lag between the Light Plant's ERP system (NISC) and the Town's financial system (Munis). These structural issues were compounded by a period of turnover in key personnel within the Town and CMLP Finance departments, alongside a complex Town accounting system conversion. To remediate these challenges and ensure future compliance with GASB internal control standards, Management has established the following process improvements: In response to related material audit findings, the Town's Chief Financial Officer has implemented a formal commitment to complete all month-end reconciliations between the Deputy Treasurer and Town Accountant within a 45-day timeframe. As CMLP's cash reconciliation is a downstream process that relies upon accurate balances within the Town's system, this new control provides the necessary assurance to allow CMLP to meet its own 90-day reconciliation target, consistent with historical practices. In December 2025, CMLP Management proactively engaged CliftonLarsonAllen (CLA) to perform a transaction-by-transaction forensic reconciliation between the NISC and Munis systems dating back to 53 January 2023. This process identifies lagging entries (such as police detail and interdepartmental transfers) that have historically bypassed standard monthly matching. Completion of the forensic process will establish a verified baseline for January 1, 2025 and eliminate the moving target of beginning balances that hampered previous cycles. As of February 2026, CLA has successfully reconciled 16 of the 24 months in question (through April 2024). Moving forward, using the methodology established in the forensic reconciliation, the CMLP Finance Manager will maintain the reconciliation process with a target completion of 90 days in conjunction with monthly close, contingent upon the Town's adherence to its 45-day closing commitment. Management and the Town have evaluated the feasibility of a separate bank account for CMLP. However, due to the complexity of consolidated utilities billed through the NISC ERP, it was determined that a separate account would currently introduce a higher risk of error. The Town remains committed to exploring this option further should future changes to the billing system or enterprise structure allow for a more streamlined approach.

FAAC Follow-Up Findings and Concerns

The FAAC conducted follow-up meetings with Jason Bulger, Director of the Concord Municipal Light Plant (CMLP); Nan Okarma, CMLP Financial Manager/Accountant; Jennifer Barrett, Chief Financial Officer; and members of the Finance Department to explore the issues underlying the current audit findings.

While CMLP had a vacancy in the Financial Manager position from September 2024 – March 2025, contracting resources were acquired to supplement staff resources. As noted above the dependency on Town resources confounded the ability for CMLP to complete timely reconciliations.

The FAAC had detailed discussion on the complexity and dependency of the reconciliation workflows between the Town and CMLP systems. A persistent systemic issue is the complexity and limited integration between CMLP's utility billing system (NICS) and the Town's general ledger cash accounts (which is required to be used for cash management). On the revenue side, multiple individual CMLP transactions are consolidated into a single aggregated journal entry in the Town's system, making transaction-level matching difficult. On the expenditure side, multiple CMLP invoices are mapped to a single payment entry in the Town's system, and adjustments are sometimes posted directly to the general ledger rather than through the accounts payable module. This reconciliation challenge has grown more complex as the CMLP system was expanded to incorporate invoicing for Water and Sewer services.

The committee reviewed in detail communications surrounding the audit, delays in completing the audit and the decision to engage a new auditor for CY2025. While a new auditor provides an opportunity to expedite the completion of the CY2025 audit, the committee, based on its charge, should have been more actively involved in the evaluation.

Recommendations

Considering the issues noted above, the committee will take the following actions:

1. The FAAC will establish a regular meeting schedule to monitor and confirm all Town material weaknesses have been fully remediated, including documented compliance with the 45 day cash reconciliation target. In addition, the FAAC will request reporting to confirm CMLP will meet its own 90-day reconciliation target.
2. The FAAC recommends that CMLP and Finance Department staff jointly evaluate both the Munis and NCIS systems to determine whether enhanced reporting capabilities, improved data integration, or system upgrades and modifications can be implemented to strengthen reconciliation controls and improve efficiency. The FAAC requests that the findings and recommendations from this evaluation be presented to the committee by September 2026.

3. The FAAC will reevaluate its meeting cadence and scope to ensure audit planning, auditor evaluation processes and communications are improved

Acknowledgments

The FAAC extends its appreciation to Scott McIntyre of CBIZ CPAs P.C. for his informative presentation and engaged discussion with the committee. The FAAC also thanks Jason Bulger Director Concord Municipal Light Plant, Jennifer Barrett, Chief Financial Officer; and the entire finance teams of the Town and the Municipal Light Plant for their responsiveness to the committee's requests and for their assistance in helping the committee understand the audit results and the range of issues affecting the CMLP's financial reporting and internal controls.

The Financial Audit Advisory Committee:

Court Booth, At-large member

Bruce Button, At-large member

Breht Feigh, At-large member

Sandeep Pisharody, CPS Committee Representative

Wendy Rovelli, Select Board Representative, Chair

Chris Schaffner, CMLP Board Representative

Brian Waterson, CCRSD Committee Representative

To: Concord Carlisle regional District School Committee
From: Financial Audit Advisory Committee
Date: April XX, 2026
Re: FY2024 Concord Carlisle School District Audit Report

Financial Audit Advisory Committee Report – FY2024

The Financial Audit Advisory Committee (FAAC) was established to support the organization, execution, and review of the Town's annual financial audit, including an ongoing review of fiscal accountability matters. The committee's scope encompasses audited reports for the Municipal Light Plant, the Concord Carlisle Regional School District (CCRSD), and the Town. This report is submitted upon completion of the CCRSD FY2024 audit cycle, consistent with the committee's charge.

The CCRSD is separately audited on a June 30 fiscal year basis.

Committee Responsibilities

The FAAC's audit-related duties include:

- Recommend to the Town Manager and Superintendent of Schools the selection of the independent external auditor
- Reviewing the scope, arrangements, and progress of the annual audit
- Participating in the external auditor's presentation of annual financial statements
- Reviewing draft audited financial statements and evaluating management letter recommendations alongside management's responses
- Reviewing internal accounting and control procedures as needed
- Participate in presentation of the annual audited financial statements by the external auditor at a public meeting of the Select Board and the CCRSD School Committee
- Preparing reports and recommendations to the Select Board (and, as applicable, the Municipal Light Board and CCRSD School Committee) as deemed to be in the best interest of the Town or CCRSD

FY2024 Audit Overview

CBIZ CPAs P.C. was engaged to conduct the FY2024 CCRSD audit. The FY2024 CCRSD audit was completed on September 16, 2025. Confirmation of the audit completion was

not conveyed to the FAAC until early 2026. The audit was presented to the Financial Audit committee on April 1, 2026.

The independent auditor's report concluded: f In.our.opinion?the.accompanying.financial. statements.referred.to.above.present.fairly?in.all.material.respects?the.respective.financial. position.of.the.governmental.activities?each.major.fund?and.the.aggregate.remaining.fund. information.of.the.District?as.of.June.96?8680?and.the.respective.changes.in.financial. position.for.the.year.then.ended.in.accordance.with.accounting.principles.generally. accepted.in.the.United.States.of.America;

Financial Highlights

Overall, the CCRSD financial results were strong. The condensed government-wide statements reflect a total net position of \$36,289,698 — an increase of \$980,479 over the prior fiscal year. The Total Unassigned Fund balance as of June 20, 2024 was a \$761,511. Pension liabilities are approximately 90% funded, while Other Post-Employment Benefits (OPEB) liabilities are approximately 60% funded.

Internal Control Findings

The auditor did not need to issue a Management Letter in association with the audit suggesting that internal controls are strong and operating procedures are appropriate and efficient.

FAAC Recommendations

The committee would like to ensure that timely communication and collaboration occur regarding CCRSD annual audit plans and the initiation of processes for recommending an independent auditor. Consequently, the committee will take the following actions:

1. The FAAC will reevaluate its meeting cadence and scope to ensure audit planning, auditor evaluation processes and communications are improved.

Acknowledgments

The FAAC extends its appreciation to Scott McIntyre of CBIZ CPAs P.C. for his informative presentation and engaged discussion with the committee. The FAAC also thanks Bob Conry, Assistant Superintendent, CCRSD for his candor and responsiveness to the committee's requests and assistance in understanding the audit process, internal controls and the financial statements.

The Financial Audit Advisory Committee:

Court Booth, At-large member

Bruce Button, At-large member

Breht Feigh, At-large member

Sandeep Pisharody, CPS Committee Representative

Wendy Rovelli, Select Board Representative, Chair

Chris Schaffner, CMLP Board Representative

Brian Waterson, CCRSD Committee Representative

DRAFT



Financial Audit Advisory Committee
AGENDA ACTION REQUEST

April 14, 2026

6

Meeting Cadence

Requested by: FAAC Chair

Action Sought: Discussion

Proposed Motion(s)

None anticipated.

Additional Information

- 1) Historical FAAC Meeting Cadence
- 2) Outstanding FY2025 Audit timeframe
- 3) Expectations for CY 2025 CMLP, FY2026 Town and FY 2026 CCRSD
- 4) Additional topics for review

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

Annual Financial Advisory Committee: Audit Activity Schedule

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
CMLP	Audit Plan		Field Work			Draft Report	Final Report	Draft FAAC Letter	Select Board Review			
Town	Final Report	Draft FAAC Letter	Select Board Review			Audit Plan		Field Work				Draft Report
CCRS	Draft Report	Final Report	Draft FAAC Letter	CCRS Board Review		Audit Plan			Field Work			

1. Audit Planning Meeting – Review external auditor’s plan. Discuss issues carried over from prior year and highlight any significant issues effecting financials
2. Draft Report* – Review audit findings, draft financial statements including MD&A, management letter and management response (if available). Review compliance and risk management. (FAAC can approve as Final depending upon open items from the review.)
3. Final Report - Receipt of Final Audit report. FAAC committee review and discussion of comments to include in Report to Select Board/CCRS School Board

* Schedule is dependent upon completion of OPEB and Retirement Board Actuarial reporting

Annual Financial Advisory Committee: Audit Activity Schedule

	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
CMLP		Draft Report	Final Report	Draft FAAC Letter	Select Board Review				Audit Plan		Field Work	
Town		Audit Plan		Field Work				Draft Report	Final Report	Draft FAAC Letter	Select Board Review	
CCRS		Audit Plan			Field Work				Draft Report	Final Report	Draft FAAC Letter	CCRS Board Review

1. Audit Planning Meeting – Review external auditor’s plan. Discuss issues carried over from prior year and highlight any significant issues effecting financials
2. Draft Report* – Review audit findings, draft financial statements including MD&A, management letter and management response (if available). Review compliance and risk management. (FAAC can approve as Final depending upon open items from the review.)
3. Final Report - Receipt of Final Audit report. FAAC committee review and discussion of comments to include in Report to Select Board/CCRS School Board

* Schedule is dependent upon completion of OPEB and Retirement Board Actuarial reporting



Financial Audit Advisory Committee
AGENDA ACTION REQUEST

April 14, 2026

7

Committee Charge Discussion

Requested by: FAAC Chair

Action Sought: Discussion

Proposed Motion(s)

None anticipated.

Additional Information

Review of Financial Audit Advisory Committee charge.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>

FINANCIAL AUDIT ADVISORY COMMITTEE

The Financial Audit Advisory Committee is established to assist the Select Board, Town and Concord Public School /Concord-Carlisle Regional School District financial management officials in the organization, implementation and review of the annual examination of financial reporting and control procedures and in the continuous review and improvement of fiscal accountability matters. Financial management operations for the Concord Public Schools (CPS) and the Concord-Carlisle Regional School District (CCRSD) are fully integrated under the direction of a joint superintendent. For financial reporting purposes, CPS is a department of the Town while CCRSD is a separate political subdivision of the Commonwealth. All CPS transactions are processed through the Concord town treasury and are recorded in summary on the books of the Concord Town Accountant.

SCOPE

Separate audit examinations of the financial statements of the Town of Concord (which includes the Concord Public Schools) and of the Concord-Carlisle Regional School District are carried out annually as of each June 30 in conformance with provisions of the Massachusetts General Laws and consistent with voluntary standards set forth by the Governmental Accounting Standards Board. Upon completion of the annual audit, the financial statements of the Town and the CCRSD are published and available for public review and use.

The audit examination includes sampling of financial transactions and examination of financial control procedures in order to render an opinion that the financial statements of the town and of the CCRSD fairly represent the result of operations for the year. For this purpose, the Town Manager is responsible for engaging a professional external auditor or audit firm to conduct the Town's audit and the Superintendent of Schools is responsible for engaging a professional external auditor or audit firm to conduct the CCRSD audit. For the Town of Concord, The Select Board, as the Town's elected executive body, receives reviews and accepts the annual report of the auditor and any accompanying management letter addressing any improvements needed with respect to internal financial controls. For the CCRSD, the Regional School Committee is the elected executive body for such purposes.

The Concord Municipal Light Plant (CMLP), a department of the town organized under the Town Manager, also issues separate audited annual financial statements on a calendar year basis as of each December 31 in accordance with requirements of the Commonwealth of Massachusetts established for the operation of municipal light plants. The audited financial statements of CMLP are incorporated into the audited financial statements of the Town of Concord. The Town Manager is responsible for engaging a professional external auditor or audit firm to conduct the CMLP audit.

Currently, the Town of Concord, CCRSD and CMLP audit examination is carried out by a single external auditor. It is the objective of the Town and CCRSD that this level of coordination be maintained. Whenever it is determined by the Financial Audit Advisory Committee that it is in the best interest of the Town and CCRSD to initiate a selection process for the engagement of an external auditor or audit firm to conduct the annual audits of the Town, CCRSD and CMLP, the Committee shall be responsible for carrying out such selection process with the assistance of the Town Finance Director and the CPS/CCRSD Deputy Superintendent. The Committee shall make its recommendation for appointment of the auditor to the Town Manager and Superintendent of Schools.

MEMBERSHIP

The Financial Audit Advisory Committee shall consist of seven members appointed by the Select Board, as follows:

1. A current member of the Select Board, named annually by the Chair of the Select Board and effective as of June 1 for a one-year term ending the following May 31;
2. A current member of the Concord Public School Committee, named annually by the Chair of the Select Board as submitted by the Chair of the CPS Committee and effective as of June 1 for a one-year term ending the following May 31;
3. A current member of the Concord-Carlisle Regional School Committee, named annually by the Chair of the Select Board as submitted by the Chair of the CCRSD Committee, and effective as of June 1 for a one-year term ending the following May 31.
4. A current member of the Concord Light Board, named annually by the Chair of the Select Board as submitted by the Chair of the Light Board, and effective as of June 1 for a one-year term ending the following May 31;
5. Three citizens, each determined to have basic familiarity with Massachusetts local government financial management either through past town service or professional expertise, and at least one of whom shall have direct experience in financial operations, internal financial controls and/or the preparation and analysis of financial statements, preferably in the public sector, for a three-year term, with initial appointments staggered as follow:
 - Initial term ending May 31, 2016
 - Initial term ending May 31, 2017
 - Initial term ending May 31, 2018

The Select Board, School Committee and Light Board members may be reappointed for two additional years so long as they remain in their elected or appointed office. The citizen appointees may serve a maximum of two additional three-year terms beyond the initial appointment term stipulated in clause 4 above. Thereafter, citizen appointees shall serve a maximum of two full three-year terms plus the completion of any unexpired term to which the citizen was initially appointed.

The Select Board may fill vacancies as they occur. At any time, the Select Board may set an initial original or partial term of less than three years for a new citizen appointee if it becomes necessary to do so in order to maintain the staggered schedule of terms for citizen members.

MEETINGS

The Financial Audit Advisory Committee shall be chaired by the select board member. The committee shall meet at least three times a year – at the initiation of the annual Town of Concord and CCRSD audit examination, during the audit examination, and at the conclusion of the audit examination to review draft financial statements and management letter comments with the external auditor. The Committee may set additional meetings as necessary.

As the CMLP audit is conducted on a different schedule from the Town Audit, the committee shall meet at least once annually on the CMLP audit, separately or in combination with another meeting agenda, at the conclusion of the CMLP audit to review draft financial statements and management letter comments.

The Town Finance Director and the Deputy Superintendent of CPS/CCRSD, or their designee, shall staff the Financial Audit Advisory Committee. For any meeting covering CMLP matters, the CMLP director or designee shall attend. Those individuals may invite other town and school staff members to meetings as necessary.

DUTIES

The Financial Audit Advisory Committee shall:

- Recommend to the Town Manager and Superintendent of Schools the selection of the independent external auditor;
- Review the arrangements for and the scope and progress of the annual audits;
- Review the draft audited financial statements and consider the management letter recommendations and management's response;
- Review internal accounting and control procedures as necessary;
- Participate in presentation of the annual audited financial statements by the external auditor at a public meeting of the Select Board and the CCRSD School Committee respectively;
- Prepare such reports and recommendations to the Select Board and Regional School Committee from time to time, within its assigned scope, as it may deem to be in the best interest of the Town and the District.

For the sole purpose of advising the Town Manager and Superintendent of Schools regarding areas of financial administration under their responsibility, the Financial Audit Advisory Committee may take up any other matter or study any issue or concern that relates to the presentation and improvement of public understanding of the annual financial statements and/or that addresses internal financial controls, policies and practices. Such matters shall be limited to those assigned to it by the Select Board or that arise within the Committee through its own deliberations and review.

COMMITTEE OPERATION

The Committee shall operate in all respects in conformance with the Open Meeting Law. Administration of the Committee is assigned to the Town Finance Director's office.

Michael Lawson, Chair



Financial Audit Advisory Committee
AGENDA ACTION REQUEST

April 14, 2026

8

Other Business

Requested by: FAAC Chair

Action Sought: Discussion

Proposed Motion(s)

None anticipated.

Additional Information

- 1) Set date for next meeting
- 2) Any other business

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>



Financial Audit Advisory Committee
AGENDA ACTION REQUEST

April 14, 2026

9

Adjournment

Requested by: FAAC Chair

Action Sought: Vote/Adjournment

Proposed Motion(s)

None anticipated.

Additional Information

Move to vote to adjourn the April 14, 2026, Financial Audit Advisory Committee meeting at XX:XX PM.

Board Action

<i>Motion</i>	<i>Second</i>	<i>In favor</i>	<i>Opposed</i>	<i>Disposition</i>