

CITY OF NEWTON

IN BOARD OF ALDERMEN

PROGRAMS AND SERVICES COMMITTEE AGENDA

WEDNESDAY, NOVEMBER 17, 2010

8:00pm Room 222

ITEMS SCHEDULED FOR DISCUSSION:

#298-09 ALD. MANSFIELD proposing Home Rule Legislation to amend **Article 2, Section 2-1(c) Composition; Eligibility; Election and Term** of the Newton Charter to establish four-year terms for Aldermen-at-Large with the provision for one Aldermen-at-Large to be elected from each ward at each biennial municipal election. [09-29-09 @ 6:45 PM]

#262-07 ALD. VANCE AND HESS-MAHAN seeking approval by the Board of Aldermen of a home rule petition to the General Court that would authorize an amendment to the charter of the City of Newton that would change the length of terms of the members of the Board of Aldermen to three years and would provide for electing one-third of the aldermen, one from each ward, every year. [08/22/07 @ 3:53 PM]

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

#322-10 HIS HONOR THE MAYOR requesting authorization to transfer the sum of forty thousand dollars (\$40,000) from the FY11 Budget Reserve Account to the Department of Veterans Services for the purpose of supplementing the FY11 budget for veterans' benefits. [11/08/10 @ 6:42 PM]

REFERRED TO PROG. & SERV. AND FINANCE COMMITTEES

#262-10 PRESIDENT LENNON AND ALDERMAN FULLER recommending that the 2010 – 2011 Rules and Orders of the Board of Aldermen be amended to establish a FINANCIAL AUDIT ADVISORY COMMITTEE. The advisory committee will report to the Board of Aldermen through the Finance Committee. The focus of the committee's work will be on the annual financial audit of the City and any other fiscal accountability matters, as deemed important by the Finance Committee, needing review. [09-13-10 @ 1:52 PM]

APPROVED BY FINANCE 7-0

The location of this meeting is handicap accessible, and reasonable accommodations will be provided to persons requiring assistance. If you have a special accommodation need, please contact the Newton ADA Coordinator Kathleen Cahill, 617-796-1125, via email at KCahill@newtonma.gov or via TDD/TTY at (617) 796-1089 at least two days in advance of the meeting date.

APPROVED BY RULES SUBCOMMITTEE 4-0 ON 11-10-10

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #273-08 ALD. JOHNSON proposing a RESOLUTION to His Honor the Mayor requesting that the Executive and Human Resources Departments develop a comprehensive human capital strategy for the city to include: performance management, talent development, succession planning, and compensation. [07/17/08 @ 9:53 AM]
FINANCE VOTED NO ACTION NECESSARY ON 3/8/10

REFERRED TO PROG. & SERV. AND PUBLIC FACILITIES COMMITTEES

- #271-08 ALD. JOHNSON proposing a RESOLUTION to His Honor the Mayor requesting that he work with the Board of Aldermen, the Parks and Recreation Department, and the Department of Public Works in order to determine the most effective and efficient way to organize the work of managing our public resources. [07/17/08 @ 9:53 AM]
FINANCE VOTED NO ACTION NECESSARY ON 3/8/10

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #270-08 ALD. JOHNSON proposing a RESOLUTION to His Honor the Mayor requesting that he work with the Board of Aldermen, School Department, and School Committee in order to determine the most effective and efficient way to organize the Information Technology Departments. [07/17/08 @ 9:53 AM]
FINANCE VOTED NO ACTION NECESSARY ON 3/8/10

REFERRED TO PROGRAMS AND SERVICES COMMITTEE

- #301-10 PROGRAMS AND SERVICES COMMITTEE proposing a Resolution to the Commissioner of Health and Human Services for the purpose of increasing the tobacco seller's license fee.
- #363-09 ALD. SANGIOLO requesting a discussion to increase the tobacco seller license fee. [09/13/19 @ 1:07 PM]

ITEMS NOT YET SCHEDULED FOR DISCUSSION:

- #83-07(2) ALD. YATES proposing a RESOLUTION to the City's representatives and senator in the General Court asking them to co-sponsor the legislation of the Massachusetts Municipal Association that would give cities and towns the same power to determine their health care costs that agencies of the State have. [9/13/2010 @ 9:38am]
- #98-10 ALD. YATES requesting that the Board of Aldermen and His Honor the Mayor take all possible steps to change state law to save local costs by giving cities and towns the right to negotiate health plans on the same basis as the Commonwealth. Such steps would include, but not be limited

to, joining the Coalition to Save our Communities and notifying our city legislators of our urgent concern about this matter. [03/23/10 @ 4:29 PM]

- #316-10 PRESIDENT LENNON appointing Alderman John Rice as a member of the Newton Child Care Commission for a term to expire on December 31, 2011 [10/25/10 @ 9:30pm]
- #317-10 PRESIDENT LENNON re-appointing Melissa Hanenberger of 56 Valentine Street, as the parent member of the Newton Child Care Commission for a term to expire on December 31, 2012 [11/4/10 @ 9:54pm]
- #318-10 PRESIDENT LENNON re-appointing Katey Grossman of 47 Brookline Street, as the child care provider member of the Newton Child Care Commission for a term to expire on December 31, 2012. [11/4/10 @ 9:54pm]

REFERRED TO PROG. & SERV., PUB.FAC. AND FINANCE COMMITTEES

- #89-08 ALD. PARKER requesting the following:
- A) review of the maintenance practices for buildings, parks and other properties owned by the City (including School Department facilities and grounds)
 - B) development of a comprehensive maintenance plan that includes regular schedules for preventive maintenance for each specific site or facility
 - C) a RESOLUTION requesting that implementation of said maintenance plan be funded using operating budget funds.
- [02/13/08 @ 12:07 PM]

FINANCE VOTED NO ACTION NECESSARY ON 3/8/10

PUBLIC FACILITIES NO ACTION NECESSARY ON 11/3/10

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #360-09(2) PROGRAM & SERVICES COMMITTEE requesting a discussion to explore possible sources of revenue to fund an off leash dog park system in the City. [11/06/09 @ 10:44 AM]

FINANCE VOTED NO ACTION NECESSARY ON 3/8/10

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #360-09(3) PROGRAMS AND SERVICES COMMITTEE requesting the creation of a revolving account for the purpose of managing the fees collected from the granting of off-leash dog licenses. [10/07/2010 @ 2:30pm]

- #306-08 ALD. BAKER, DANBERG, MANSFIELD & PARKER requesting discussion of how swimming at Crystal Lake might be lawfully and safely extended beyond mid-August. [08/26/08 @ 5:03 PM]

REFERRED TO FINANCE AND APPROPRIATE COMMITTEES

- #311-10 HIS HONOR THE MAYOR submitting the FY'12-FY'16 Capital Improvement Program, totaling \$174,246,135 pursuant to section 5-3 of the Newton City Charter and the FY'11 Supplemental Capital budget which require Board of Aldermen approval to finance new capital projects over the next several years. [10/18/10 @5:24PM]

REFERRED TO PROGRAMS AND SERVICES AND FINANCE COMMITTEES

- #307-10 PROGRAMS AND SERVICES COMMITTEE proposing a RESOLUTION to the Interim Director of Health and Human Services to increase the tobacco seller's license fee. [10/25/210 @ 4:34pm]

REFERRED TO PUBLIC FACILITES, PROG&SERV AND FINANCE COMMITTEES

- #312-10 ALD. LENNON, LAPPIN, SCHNIPPER, SANGIOLO requesting a discussion with the School Committee on its plans to address space needs in the Newton public schools. [10-27-10 @ 11:07 AM]

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- 206-10 VETERANS' AGENT requesting a discussion and support for the replacement of the WWII Honor Roll on the grounds of City Hall at the intersection of Walnut Street and Commonwealth Avenue. [07/06/10 @ 4:41 PM]
- #95-09(2) PROGRAMS & SERVICE COMMITTEE requesting establishment of an Advisory Committee to review processes of the Board of Aldermen and report recommended efficiency improvements to the Board of Aldermen. Members of the Advisory Committee shall be appointed by the Chairman and Vice Chairman of the Programs & Services Committee and the President of the Board. [11/16/09 @ 3:59 PM]

REFERRED TO PUBLIC FACILITIES COMMITTEES AND PROG AND SERV

- #8-09 ALD. HESS-MAHAN, LINSKY, ALBRIGHT, FREEDMAN, MANSFIELD, JOHNSON, HARNEY & VANCE proposing an ordinance requiring that the installation of synthetic in-filled turf athletic fields on city-owned property shall use sustainable, recyclable, lead-free, non-toxic products to the maximum extent feasible. [12/30/08 @ 9:55 AM]

REFERRED TO LAND USE AND PROGRAMS & SERVICES COMMITTEES

- #474-08(2) ALD. HESS-MAHAN & VANCE proposing that Article X of the Rules & Orders of the Board of Aldermen be amended to conform with a proposed amendment to Chapter 30 re transfer of the special permit granting authority to the Zoning Board of Appeals and/or the Planning & Development Board for projects that are not classified as Major Projects pursuant to Article X. (*referred to rules subcommittee*)

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #258-08 ALD. SANGIOLO requesting discussion with the Executive Department regarding reorganization of senior transportation services and establishment of intra-village transportation systems.
[07/08/08 @ 1:29 PM]
FINANCE VOTED NO ACTION NECESSARY ON 3/8/10

REFERRED TO PROGRAMS & SERVICES AND FINANCE COMMITTEES

- #207-08 ALD. BRANDEL AND SANGIOLO proposing that the following question be put before the Newton voters:
“Shall the City of Newton be allowed to exempt from the provisions of Proposition 2 ½ the amounts required to pay for the bond issuance in order to fund Newton North High School?” [05/21/08 @ 12:58 PM]
FINANCE VOTED NO ACTION NECESSARY ON 3/8/10
- #129-08 ALD. JOHNSON, SANGIOLO AND BRANDEL requesting establishment of a new Rule of Board of Aldermen stating that any new item submitted but not yet approved or accepted by the Full Board of Aldermen is prohibited from any formal or informal discussion by any formal, informal or special committee of the Board.
[03-24-08 @ 9:11 AM]
- #287-07(2) ALD. PARKER requesting a discussion with Parks and Recreation Department in regards to an appropriate marker or plaque to honor and recognize Olympic figure skater and Newton resident Tenley Albright and her skating exhibition at the Crystal Lake upon her return from the 1956 Olympic Games where she won a gold medal. [09/20/07 @ 1:22 PM]
- #82-07 ALD. YATES requesting that the City of Newton take all possible steps to persuade the General Court to allow the cities and towns to tax all telecommunications facilities in the City (which would yield at least \$1.6 million per year for Newton). [02/27/07 @ 10:21 PM]
- #52-07 ALD. PARKER, SANGIOLO, MANSFIELD, HARNEY, DANBERG, VANCE, LINSKY, HESS-MAHAN, BURG, ALBRIGHT & JOHNSON requesting an ordinance amendment to create a health care advisory committee whose function would be to recommend measures to control the rate of increase of health insurance costs, as recommended by the Newton Finance & Management Working Group in 2005 and the Blue Ribbon Commission on the Municipal Budget in 2007.
[02/09/07 @ 12:36 PM]
- #422-06(2) ALD. HESS-MAHAN requesting that a task force be established to meet and prepare a report and recommendations regarding the regulation of noise, air pollution and best practices with respect to the operation of

power equipment used in landscaping, property and yard maintenance, including, without limitation, leaf blowers. [01/27/09 @ 3:47 PM]

#370-06 ALD. SANGIOLO, PARKER, MANSFIELD requesting home rule legislation to allow advisory questions to be asked in a Newton special election.

REFERRED TO FINANCE AND PROGRAMS AND SERVICES COMMITTEES

#245-06 ALD. JOHNSON AND HESS-MAHAN requesting an amendment to the City Charter to require the Mayor annually to prepare and submit to the Board of Aldermen a long-term financial forecast of anticipated revenue, expenditures and the general financial condition of the City, including, but not limited to identification of any factors which will affect the financial condition of the City; projected revenue and expenditure trends; potential sources of new or expanded revenues; anticipated municipal needs likely to require major expenditures; and a strategic plan for meeting anticipated municipal needs, to include, but not be limited to, any long or short-term actions that may be taken to enhance the financial condition of the City.
FINANCE VOTED NO ACTION NECESSARY ON 3/8/10

#329-05(3) ALD. YATES requesting a discussion relative to amending the noise control ordinance to (A) prohibit the cumulative noise level from multiple pieces of equipment operating simultaneously on the same site to exceed the maximum noise levels allowed when measured at the nearest lot line and (B) to eliminate various exemptions in residential districts.

Respectfully Submitted,

Amy Sangiolo, Chairman

Karyn Dean

From: "Carlisle Planning board" <Carlplan@RCN.com>
To: "Karyn Dean" <kdean@newtonma.gov>
Subject: RE: November 4 Prog & Serv meeting
Date sent: Mon, 26 Oct 2009 18:13:56 -0400

Karen,

I think it would be advisable for the Committee to discuss the concept before asking the Law Dept. to draft language for home rule legislation. The primary purpose of my proposal is to simplify the biannual election process. Voters would only have to choose candidates in a maximum of 9 races (8 Aldermen-at-Large and one ward Alderman) rather than the current 17 races that are on the ballot every two years. It could be implemented without a comprehensive Charter change, which in my opinion would be required to change the responsibilities of the Board if the number of Board members were reduced by 1/3, which has often been proposed as another way of simplifying the ballot. Most of the public concern with the size of the Board, I believe, has to do with the complexity of the choices they have to make at the ballot box.

A second effect of this proposed change would be to create a distinction between the office of Alderman-at-Large and Ward Aldermen, and perhaps reduce campaign finance costs. If you are only running in one Ward, campaign costs should be less, but, in turn, you may have to mount a campaign every two years. The number more expensive city-wide campaigns would likely be reduced with 4-year terms. Yet, every Ward would still potentially have two seats available for residents to seek every two years.

Finally, this plan would eliminate the awkwardness of an Alderman-at-Large essentially running in tandem with another Alderman-at-Large, and create more clearly defined one-on-one contests, at least in the final elections.

Please feel free to share these thoughts with the Committee. I will be glad to attend the meeting to explain them more fully.



SETTI D. WARREN
MAYOR

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Office of the Mayor

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November 8, 2010

Honorable Board of Aldermen
Newton City Hall
1000 Commonwealth Avenue
Newton, MA 02459


Ladies and Gentlemen:

I write to request that your Honorable Board docket for consideration a request to transfer the sum of \$40,000.00 from the FY11 Budget Reserve Account to the Department of Veterans Services for Veterans Benefits.

Benefits in the amount of \$25,687 have already been disbursed this fiscal year as compared to just under \$15,000 disbursed at this point last year. Per the attached memo, this account has been on an upward trend over the past few years, with more veterans needing assistance. Please note, 75% of the annual benefits' disbursement will be reimbursed to the City by the Commonwealth of Massachusetts in the form of FY2012 Cherry Sheet Aid.

Thank you for your consideration of this matter.

Very truly yours,


Setti D. Warren
Mayor

10 NOV - 8 P 6:42
CITY CLERK
NEWTON, MA 02459

1000 Commonwealth Avenue Newton, Massachusetts 02459

www.newtonma.gov



DEDICATED TO COMMUNITY EXCELLENCE

October 28, 2010

To: Setti Warren
Mayor
From: John M. MacGillivray
Veterans Service Officer
Subj.: Explanation of Request for Supplemental Increase

The Department of Veterans Services needs a Supplemental Increase for Veterans Benefits which is line item 0150301-5709 for Fiscal Year 2011. This increase is necessary to allow us to continue to help veterans and their dependents through the remainder of the fiscal year. It appears that Fiscal Year 2011 is following the trend set in Fiscal Year 2009. The following depicts the previous 4 fiscal years and indicates a trend towards an increase in Veterans Benefits:

	<u>FY' 11</u>	<u>FY' 10</u>	<u>FY' 09</u>	<u>FY' 08</u>	<u>FY' 07</u>
Original	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
Supplemental		\$30,000	\$16,000	0	\$30,000
Transfer			\$500	0	0
Expended		\$57,047	\$43,363	\$24,529	\$43,071

It is difficult to accurately predict the need for Veterans Benefits as you can see from the above. Veterans and their dependents who are on fixed incomes are frequently long term recipients of Veterans Benefits. The amount(s) that they receive are usually small in nature. Veterans who receive short term Veterans Benefits (for instance, someone who was injured or unemployed) usually receive a larger amount of assistance. Finally, we frequently assist in the burial of indigent veterans by contributing \$2000 to the cost of the funeral and burial. All of the above is unpredictable. However, one can see that the expenditure of Veterans Benefits is trending upwards. That is because in difficult economic times we will encounter more applicants for Veterans Benefits. Also, it is my opinion that given that the US population is aging that we will see an increase in the number of elderly veterans and their dependents who apply for veterans benefits. Therefore, we should anticipate continued increases in Veterans Benefits for the near future.

Please note that the budget that we use to determine eligibility for Veterans Benefits is set by the Department of Veterans Services for the Commonwealth and frequently increases. This means that even with no increase in our case load our expenditures for Veterans Benefits could increase. It should also be noted that the Commonwealth reimburses Newton 75% of these funds.

Attached please find the proposed rules for a new Financial Audit Advisory Committee.

The goal of establishing a formal Financial Audit Advisory Committee is two-fold. First, we want to make sure that financial audit issues are addressed regularly and thoroughly. Currently, the Finance Committee has an Audit Sub-Committee. It does not necessarily meet frequently enough or review sufficiently the full scope of financial audit issues. Second, we would like to ensure that we have sufficient expertise on the committee when reviewing these matters.

To meet these goals, we are suggesting two major changes to the Audit Sub-Committee:

Composition: We are proposing a larger group (9 members) that supplements four members of the Board of Aldermen with (1) one School Committee member since the Financial Audit Advisory Committee will continue to oversee the auditing function of the entire City, including the schools; and (2) four citizens with relevant financial expertise to bolster the expertise of the committee.

Responsibilities: As in the past, the committee will have five major areas of responsibility: financial statements, internal control, external audit, compliance, and reporting. The rules lay out these responsibilities in detail.

The Financial Audit Advisory Committee will continue to report to the Finance Committee. As the committee has citizen members, items cannot be docketed directly to it. Rather, items will be docketed to the Finance Committee and then referred to the Financial Audit Advisory Committee.

CITY OF NEWTON
IN BOARD OF ALDERMEN
RULES SUBCOMMITTEE AGENDA
WEDNESDAY NOVEMBER 10, 2010

#262-10 PRESIDENT LENNON AND ALDERMAN FULLER recommending that the 2010 – 2011 Rules and Orders of the Board of Aldermen be amended to establish a FINANCIAL AUDIT ADVISORY COMMITTEE. The advisory committee will report to the Board of Aldermen through the Finance Committee. The focus of the committee’s work will be on the annual financial audit of the City and any other fiscal accountability matters, as deemed important by the Finance Committee, needing review. [09-13-10 @ 1:52 PM]

ACTION: APPROVED 4-0

NOTE: The subcommittee considered proposed revisions to the draft of the Financial Audit Advisory Committee text. This version has been rewritten from the prior version through a process of review by Ald. Baker, Atty. Lawlor, Ald. Fuller, Ald. Blazar, and Mr. Olson. A copy circulated to President Lennon, David Wilkinson, Ms. LeMieux, and Ald. Gentile prior to the meeting on Nov. 10. Mr. Wilkinson responded with a suggestion to clarify that it was important to provide for review of external financial statements. Other edits were small edits for form, and to clarify why this proposal should be a resolution. Passing this as a resolution affirms that it conforms to the provision of the Board Rules and fits into the framework of the Charter. It was agreed that a copy of this should be inserted into the back of the spiral bound Rules and Orders of the Board booklet as a continuing resolution since its effect is intended to outlast its adoption. Note that the substance of the proposal adopted by the Finance Committee is largely unchanged, but the form has been updated to track the Charter and our Rules, as well as clarify that this committee is advisory only. (Members are urged to read the draft for further information because it is lengthy.)

Respectfully Submitted,

Lisle Baker, Chairman

RESOLUTION CREATING A FINANCIAL AUDIT ADVISORY COMMITTEE¹

RESOLVED: that the Board of Aldermen hereby sets out its purpose to create a Financial Audit Advisory Committee to assist the Comptroller and the Board's Finance Committee in the review of audit and fiscal accountability matters.

**Financial Audit Advisory Committee
Purposes, Composition and Appointment, Meetings and Duties**

Purpose:

The Financial Audit Advisory Committee will advise the Board of Aldermen through the Board's Finance Committee and has as its purpose to allow and encourage the Board to devote more time to fiscal accountability matters, and thereby elevate the importance of fiscal accountability through strong internal controls, budgetary and other legal compliance, accurate and timely financial reporting and a culture of ethical behavior.

The Financial Audit Advisory Committee will assist Newton's Board of Aldermen and the Comptroller in fulfilling its oversight responsibilities for the financial reporting process to ensure transparency and integrity, effective systems of internal control, auditing, and monitoring of compliance with laws and regulations.

Composition and Appointment:

The Financial Audit Advisory Committee shall consist of nine members as follows:

- The Finance Committee Chairman, and three other aldermen appointed by the President of the Board of Aldermen, and four citizens of the City with financial expertise² appointed by the President of the Board of Aldermen with input from members of the Board of Aldermen, all of whom shall serve at the pleasure of the President of the Board.

¹Note: in order to conform to Article IV, Section 3 of the Board Rules, this is a resolution, but it is intended that it be reprinted as a continuing resolution with the Rules and Orders of the Board so that it will be easily available to Board members and the public after its adoption.

² Financial expertise may include the person having completed a program of learning in accounting or auditing; having experience as a principal financial officer, comptroller, public accountant or auditor; having experience overseeing or assessing the performance of companies, non-profits or municipal organizations or accountants with respect to the preparation of financial statements; or having other relevant experience. For example, the person may have an understanding of generally accepted accounting principles (GAAP) and financial statements; the ability to apply such principles in connection with the accounting for estimates, accruals, and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raised by the City's financial statements, or experience actively supervising one or more persons engaged in such activities; and an understanding of internal controls and procedures for financial reporting.

- One School Committee member appointed by the President of the Board upon the recommendation of the Chair of the School Committee, who shall serve at the pleasure of the Chair of the School Committee.

The President, in consultation with the Finance Committee Chairman, will appoint the Chairman of this Audit Committee from among the members of the Board of Aldermen on the Committee.

Initial citizen terms shall be staggered as follows: one for a term of one year, one for a term of two years, and two for a term of three years. Thereafter, each citizen appointment shall be for a term of three years. No citizen member shall be eligible to serve as a member for more than two consecutive full terms, not counting any initial one or two year term appointment.

Meetings

The Committee is expected to meet at least four times a year, customarily on the Wednesday following the fourth Monday of the month. The committee may invite members of the Executive Department, management, auditors, or others to attend meetings and provide pertinent information, as necessary. It may hold meetings with auditors and, when appropriate, with the Chief Operating Officer, the Chief Financial Officer, the Treasurer, the Comptroller, the City Solicitor, or others.

Duties

The Financial Audit Advisory Committee will advise and assist the Board, acting through the Finance Committee, and the Comptroller, by:

- Recommending to the Board of Aldermen appointment of registered public accounting firms employed by the City for auditing and financial review.
- Assisting in oversight of registered public accounting firms employed by the City for auditing and financial review.
- Assisting in resolving any disagreements between the City and the auditor regarding financial reporting.
- Helping pre-approve auditing and non-audit services by outside firms.
- Advising the Board about when it is appropriate to request funding from the Mayor to retain independent counsel, accountants, or others to advise the Financial Audit Advisory Committee.
- Requesting information from employees or external parties.
- Meeting with City officials, external auditors, or outside counsel, as necessary.

The Financial Audit Advisory Committee will report and make recommendations to the Finance Committee. The Finance Committee will receive and, as appropriate, vote on recommendations from the Financial Audit Advisory Committee. As the Financial Audit Advisory Committee has citizen members, items docketed to the Finance Committee may

then be referred to the Financial Audit Advisory Committee by vote of the Finance Committee.

In its advisory function, the committee will carry out the following responsibilities:

Financial Statements

- Obtain from Comptroller and/or external auditors information on significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review the external annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- Review with City officials and the external auditors all matters required to be communicated to the committee under generally accepted auditing standards.
- Review draft external financial reports with management and the external auditors before filing, and consider whether they are complete and consistent with the information known to committee members.

Internal Control

- Consider the effectiveness of the City's internal control systems, including information technology security and control.
- Evaluate areas of significant risk or exposure facing the City; assess the steps City officials have taken or propose to take to minimize such risks; and periodically review compliance with such steps.
- Understand the scope of external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Review with the Executive and School Departments the policies and procedures with respect to use of appropriated monies and funds within its control.

External Audit

- Review the external auditors' proposed audit scope, approach, and fees, including coordination of audit effort with internal employees.
- Review the performance of the external auditors, and exercise approval on the appointment, replacement, reassignment, or dismissal of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the City, including non-audit services, and discussing the relationships with the auditors.
- Establish a regular schedule for periodically discussing whether to re-bid the audit contract with an outside CPA firm.
- Review with City officials and the external auditors the results of the audit, including any difficulties encountered.

- Review City's responses to the audit.
- Review with the independent auditor all critical accounting policies and practices used and alternative treatments of financial information within generally accepted accounting principles.
- On a regular basis, meet with the external auditors to discuss any matters that the committee or auditors believe should be discussed.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating any code of conduct in effect as well as conflict of interest policies to City and School personnel, and for monitoring compliance therewith, including whistleblower policies in effect.
- Review the procedures for the receipt, retention, and treatment of complaints (including confidential or anonymous ones) received by the City regarding accounting, internal accounting controls, auditing matters, or suspected fraud that may be submitted by internal or external parties; as well as assisting any Finance Committee review of any complaints that have been received, current status, and resolution.
- Obtain regular updates from management and City legal counsel regarding compliance matters.

Reporting Responsibilities

- Report regularly to the Board of Aldermen about committee activities, issues, and related recommendations.
- Provide an open avenue of communication between the Comptroller, the external auditors, the Executive branch, the Board of Aldermen, and the School Committee on financial management and audit matters.

Other Responsibilities

- Perform other activities related to this resolution as requested by the Board of Aldermen.
- Assist the Finance Committee in any special investigations relating to the Financial Audit Advisory Committee's scope of responsibilities, as requested.
- Review and assess the adequacy of these Financial Audit Advisory Committee purposes and duties annually, requesting Board of Aldermen approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Report annually confirming that the responsibilities outlined in these purposes and duties have been carried out.