

AUDIT COMMITTEE MINUTES

December 30, 2021 – 1:00 p.m. PUBLIC MEETING

CITY OF PORTSMOUTH, NH – City Hall – 1 Junkins Avenue

The Audit Committee (AC) held the December 30, 2021 meeting in Conference Room A.

AC Members present: Chair Christopher M. White, Councilors Esther Kennedy and Petra Huda, Secretary Harry (Hawk) Furman and Jesse Lynch.

No one from City management was present.

Call to Order

Chair White called the meeting to order at 1:02 p.m.

Chair White took roll call. Councilors Kennedy and Huda, Mr. Furman and Mr. Lynch indicated that they are present.

Approval of December 15, 2021 Minutes

The minutes for the December 15, 2021 meeting were approved, 4 in favor with Mr. Lynch abstaining.

Welcome of Jesse Lynch

Jesse Lynch introduced himself to the Committee by describing his personal background, his connection with the City and his professional qualifications. He was welcomed by all of the Committee members.

Discussion of Upcoming Tasks

The Committee discussed the scheduled City Council work session with the auditor, set for January 13, 2022 at 6:30 pm. **Chair White will send an email to Mayor-Elect McEachern and City Clerk Kelli Barnaby to determine if there will be a period of public comment.** Per an email from City Manager Karen Conard dated December 22, 2021, the Audit Committee will receive a copy of the Annual Comprehensive Annual Report and the auditor's opinion letter approximately one week prior to the work session.

Chair White suggested that we will potentially need several meetings during the week of February 7th to review and select the auditor to recommend to City Council. The next City Council meeting is scheduled for February 21. We should be able to recommend the selected auditor for that meeting. Material should be ready for submission to the Council packet by February 16th.

There were two topics discussed under Initiatives. The first was the importance of the Audit Committee being involved in the development of the contract with the auditor chosen by the City Council. The Mayor's Blue Ribbon Audit Committee (MBRAC) played a valuable role in this

regard when it came time to negotiate the contract between the City and Melanson Heath in June 2021. Among other issues, the Audit Committee helped Attorney Woodland make certain there was agreement between Melanson's proposal and its contract. For the first time, the agreement with Melanson was memorialized in the form of a contract rather than a letter describing the scope of work. Both of these points were due to the MBRAC involvement. **Chair White will discuss this with Attorney Woodland and will report back to the Committee.**

The second topic was embodied in a motion made by Councilor Kennedy and seconded by Councilor Huda to transmit the Minutes of December 15, 2021 to State of New Hampshire officials seeking clarity of our role as the City's Audit Committee to help the City Council achieve audit independence, transparency and best practices. After further discussion, **Councilor Kennedy proposed a friendly amendment and Councilor Huda seconded to have the Audit Committee first request a work session with City Council through the two new members of City Council appointed by then-Mayor McEachern to the Audit Committee. The purpose of the work session would be to present to the City Council the rationale and objectives for the Audit Committee remaining involved in the audit after it recommends the auditor to City Council, including holding ongoing preliminary, interim and concluding meetings with the auditor. If the City Council does not agree to the Audit Committee playing such an active role, then it would submit the matter to the appropriate New Hampshire officials for the purpose of clarifying its role in achieving an independent and transparent audit employing best practices. This motion was passed unanimously.**

Mr. Lynch asked if the Committee had developed a case presentation for why the Audit Committee exists and why its work is so important to the City Council and to the City as a whole. Mr. Lynch said that such a statement of purpose might be very helpful for our work sessions with the City Council. **Chair White thanked Mr. Lynch for his question and asked that he draft such a statement of purpose. Chair White offered to help Mr. Lynch with this task.**

Thank-You to Councilors Kennedy and Huda

Chair White presented a small gift representing our immense gratitude to Councilor Huda and Councilor Kennedy for all their hard work on establishing and supporting the Audit Committee in 2021.

Other Business

The next Audit Committee meeting is scheduled for January 18, 2022 at 1:00 p.m.

Date approved: _____

Minutes Respectfully Submitted by

Christopher White, Chair