

**IPSWICH AD HOC SCHOOL AUDIT COMMITTEE**  
**IPSWICH TOWN HALL, Room A**  
**25 Green Street**  
**October 29, 2014, 7:30 PM**

**Committee Members in Attendance:** Kevin Murphy, Nishan Mootafian, Carl Nysten, Moriah Marsh, Steve Fortado, Larry Seidler. Not attending Tom Doane

**Other Officials in Attendance:** None

**Abbreviations Used:** BOS – Board of Selectman, FinCom – Finance Committee, SC – School Committee

**Documents Used:** Draft Audit RFP, bidder questions, RFP responses from two consultants, reference checks, bid scoring sheets

**Citizen Queries:** none

**Review of Minutes:** none to review

**Meeting Notes:**

Open discussion about consultant interviews and proposals

Comments made from Mr. Seidler that both firms were clearly qualified and expressed appreciation for them attending the interviews.

Mr. Fortado remarked that he was impressed the Abrahams brought their whole team while Evergreen sent only one person and did not send the project lead.

Mr. Murphy remarked that we saw two different approaches to the interviews, one focused on the merits of the company (Evergreen) and the other focused on the project approach (Abrahams)

Mr. Murphy remarked that she was concerned about Evergreen's responses on the Hamilton Wenham study with regard to the reasons for the recommendation to reduce faculty positions based solely on data comparisons

Discussion on reference checks was held. Reference Documents included below.

**Audit Committee - Reference Check - The Abrahams Group**

**School District:** Hanover Public Schools

**Contact:** Matt Ferron, Superintendent, 781-878-0796 x11

**Contract value:** \$30K in 2013 Audit

**Description:** Operational Efficiency Study

**General satisfaction?**

Yes! Report also generated a lot of credibility for the schools in the community. Financial audit produced over 30 recommendations to strengthen budgeting, accounting & financial reporting. Also recommended improvements to leadership & governance, curriculum & instruction, assessment, HR & professional development & student support.

**Did they finish on time?** Yes - no issues with timeliness

**Did they ask for more money?** No

**Were their recommendations reasonable and were they implemented?** Yes, current Superintendent was brought in to implement audit recommendations. Recommendations were pragmatic and reasonable.

**What was the contract value?** \$30K, as stated

**Were you involved at the time the work was performed?** Arrived during performance of the audit and charged with implementing recommendations

### **Audit Committee - Reference Check - The Abrahams Group**

**School District:** Braintree Public Schools

**Contact:** Shannon Hume, former SC Chair (339-235-0481)

**Contract value:** \$40K in 2013 Audit

**Description:** Review of the Efficiency of Various Depts & Operations

**General satisfaction?** Yes, absolutely

**Did they finish on time?** Yes and they were very accommodating with the staff in that they worked with the staff to find time when they could be available

**Did they ask for more money?** No

**Were their recommendations reasonable and were they implemented?** Yes. Most recommendations were implemented. One recommendations to go to a common financial system and budget format saved \$300K. One recommendation for outsourcing was not implemented

**What was the contract value?** \$40K, as stated

**Were you involved at the time the work was performed?** Yes, Shannon was the primary contact person for the audit. She states they would use The Abrahams group again

### **Wayland Public Schools, Town of Wayland. Contact: Donna Bouchard, School Committee**

**Contract Value:** \$30,000, \$50,000 and \$30,000

**Audit Description:** School Finance, Operational Review, Restatement

**General Satisfaction:** "A +". We were so pleased with their work product that we requested another \$30,000 to restate the school budget after the school finance and operation review. The team was very professional and was able to get good "buy in" with no division between school and town. Their knowledge of all the subtleties and nuances of the Department of Revenue Regulations really stood out. His team was great. Mentioned were David King and Kathy Griffin. The Finance Committee was so impressed with Kathy Griffin that they specifically wanted her on the restatement report as well. They won't steer you wrong!

**Did they finish on time?** Yes

**Did they ask for more money?** No

**Were their recommendations reasonable and were they implemented?** Absolutely! The first that comes to mind is the \$600,000 balance they found in unused revolving accounts was reverted to the general fund.

**Were you involved at the time the work was performed?** Yes

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### **Abrahams Group - Town of Wayland/Wayland Public Schools**

**Contact:** Donna Bouchard, School Committee

**Contract Value:** \$54,000

**Audit Description:** Budget and Reporting Review – Evaluate non-educational services delivery and school administrative structures. Restate balance

**District Size:** 2,690

**General Satisfaction:** Thrilled with their work

**Did they finish on time?** Yes

**Did they ask for more money?** No, the town/schools chose to give them more money to expand the scope of their work

**Were their recommendations reasonable and were they implemented?** Yes. 30 or more recommendations have been implemented and they continue to pursue remaining recommendations.

**Detail Notes from Conversation:**

- Hired Abrahams again the next year for \$30k due to how pleased they were with their work. Hired to re-state budget actuals. Resulted in \$600k in “savings”
- Abrahams was extremely knowledgeable, town/schools still talk about Abrahams work and still pursue their recommendations
- 30-40 recommendations implemented, e.g. outside programs budgets and expenses (after school program) counting all expense including OPEB
- Very familiar with MA law and DESE, DOR regulations
- Mark and Kathy Griffin were particularly helpful and knowledgeable
- Town/School Opportunities pursued: finance offices, not a consolidation, alignment of MUNIS with budget structure and approvals, providing policy makers such as Finance Committee with detailed information to work with. In the past they had not been able to obtain that information from the Finance Director
- Scope of citizen petition was schools but Finance Committee chose to add/include the town. FinCom added to the project. Original school audit budget was \$30k. Total with Town added was \$54k
- Findings can be controversial and make someone look bad. Abrahams was very good at not embarrassing anyone, not creating controversy, and gaining buy in from participants. e.g. recommendations could have been explained in a way that would have questioned the Finance Director but Abrahams presented findings in a way that was suggestive and helpful, not critical.
- Very engaged with all staff that participated in the project
- Public presentations were done but they distributed the report first. Held meetings where Abrahams reviewed findings with Committee with questions from Committee, followed by public Q&A
- No all recommendations for Town and Schools have been formally quantified but Donna believes the savings numbers are in the millions (more town than school though). E.g. Overlay reserves for abatements. Had been collecting \$1.7M annually but only averaging \$600k in annual abatements.
- More of the benefit from the study and recommendations came from the town

**EVERGREEN SOLUTIONS - Toledo Public School District, Ohio**

**Contact:** Matt Cleland, Treasurer

**Contract Value:** unknown

**Audit Description:** Performance Audit of District Operations

**District Size:** 35,000?

**General Satisfaction:** Unknown

**Did they finish on time?** Yes

**Did they ask for more money?** No

**Were their recommendations reasonable and were they implemented?** Unknown

**Were you involved at the time the work was performed?** Yes

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Entire response from Toledo appears below:  
Carl,

I will not have time to talk but I will tell you that Evergreen delivered what they promised on time and on budget. My advice to you regardless of vendor is to be careful to ask for what you want as you will likely receive what you ask for.

Matt Cleland  
Treasurer  
Toledo Public Schools  
(419)671-8245

**Manchester, CT Public Schools. Contact: Patricia Brooks, Assistant to the Supt.**

**Contract Value:** \$50,000

**Audit Description:** Organizational, Efficiency and Effectiveness Study

**District Size:** 7,000 students - \$106M budget

**General Satisfaction:** Overall satisfied. "Good report". The report validated that the Manchester, CT Schools were a well run district. Evergreen was thorough. Ms. Brooks spent 40 to 60 hours with the auditors. Overall the report was well received in the community. The intent of the report was to find large scale savings. There was a limited number of cost saving recommendations, so therefore people believe the report validates present operations. Report did recommend continued or increased collaboration with the town.

Issues: Comments "Fully did not understand CT". "Did not know CT rules and regulations" "Did not understand CT is different". Savings were double counted in some recommendations. Example: renegotiating contracts

**Did they finish on time?** Yes

**Did they ask for more money?** No

**Were their recommendations reasonable and were they implemented?** Yes and no. Some of the recommendations were very general in nature "renegotiate all contracts with town .. staff, etc" "improve communication with town and residents". Areas where the schools were already working. Money saving recommendations were hard to implement because first they required contract renegotiations and two the potential savings did not include any contract give backs to achieve recommendations.

**Were you involved at the time the work was performed?** Yes

**South Carolina – Evergreen**

No response

**Barnstable - Abrahams**

Mark Miln

- Very satisfied with Abrahams
- Did not ask for money
- Finished work on time
- Did follow through on and implement recommendations on town/school

**Needham – Evergreen**

- Gave Evergreen a "B"
- Did not feel Evergreen was familiar enough with MA law and regulations

- Felt that the distance of staff (Texas, Florida, etc) was an issue

### **Longmeadow – Abrahams**

- Thrilled with Abrahams Group
- At the time Abrahams Group was hired Longmeadow Schools were going through difficult changes
- Implemented almost every recommendation except one

A review of the scoring of the consultants ensued

- Maria Marsh scored Abrahams Group 9.25 and Evergreen 2.8
- Carl Nysten scored Abrahams Group 9.65 and Evergreen 5.75
- Kevin Murphy scored Abrahams Group 9.65 and Evergreen 8.15
- Nishan Mootafian scored Abrahams Group 9.1 and Evergreen 7.9
- Larry Seidler scored Abrahams Group 8.9 and Evergreen 8.05
- Steve Fortado scored Abrahams Group 9.8 and Evergreen 6.6

Discussion was held reasons on reasons for the scores

Nishan Mootafian made a motion to recommend the hiring of Abrahams Group based on the proposal scoring and pending the opening of the cost proposal. Second Larry Seidler. Unanimously approved

Opening of costs proposals proceeded

Evergreen proposal cost is \$49,750

Abrahams Group proposal cost is \$50,000

Need to clarify the Abrahams Group language on reimbursed costs. Need to remind Abrahams Group that no additional costs beyond \$50,000 will be covered.

Discussed the next steps on issuing a contract to Abrahams Group. Kevin Murphy will inform the Town Purchasing Director on the decision as well as the SC, BOS and FinCom. Larry Seidler will follow up with Purchasing Director to assist as needed. Purchasing Director will inform the consultants of the recommendations.

Question on what next steps after contract will be. Suggestion that we wait for the contract to be signed and then finalized a schedule with Abrahams

### **New Business:**

Motion to Adjourn moved by Nishan Mootafian, seconded by Carl Nysten. Meeting adjourned at 8:57 PM.