



## MINUTES AUDIT COMMITTEE

Thursday, November 1, 2023 – 10:00 AM  
Zoom Video/Teleconference Call

Dulles State Office Building, 4<sup>th</sup> Floor, Conference Room  
Watertown, New York

### **Committee Members Present:**

Mary Doheny, Chairperson  
Nancy Henry  
Dennis Mastascusa  
Brian McGrath\*

### **Staff Present:**

Carl Farone, Executive Director  
Jennifer Staples, Chief Financial Officer  
Angela Marra, Executive Assistant

### **Committee Members Absent:**

### **Guests:**

### **Other Board Members Present:**

Margaret Murray, Board Chairperson

\*Attended via videoconferencing

1. The meeting was called to order by M. Doheny at 10:01 am.
2. A roll call was completed, and a quorum of the committee was established.
3. M. Doheny turned the meeting over to J. Staples to review the results from the Request for Proposal (RFP) for Audit Services. At the committee's request, an RFP was sent on September 26 to 48 different certified public accounting firms. Of the 48 firms, 27 were New York State certified MWBE and four were New York State Service Disabled Veteran home businesses. This RFP was posted on the New York State Contract Reporter and the Authority website. Only two proposals we received, Lumsden McCormick and the EFPR Group. Their information was sent to committee members in the read ahead packet.

Both groups met the RFP minimum requirements. They both would be able to meet our tight schedule requirements between when we close our books on March 31<sup>st</sup> and the audit needing to be completed and Board approved by June 30<sup>th</sup>. Both firms have been in business for several years and have a number of qualified partners and staff. Lumsden and McCormick was able to provide 10% participation from MWBE and 0% from SDVOB, while the EFPR Group was able to provide 30% MWBE and 4% SDVOB. Lumsden and McCormick proposed a five-year cost of \$313,000, while the EFPR Group proposed \$275,500. Overall, both groups have good experience with government, public authorities, water authorities, and solid waste management facilities. Lumsden and

McCormick also have some experience with fiber optic networks. Both are well qualified and capable of doing this job. Additionally, one of our Board members has experience with the EFPR Group and provided good feedback when asked.

In 2021, the Audit Committee requested that we not make a recommendation, but present the information for their review so they may rank the firms and make a recommendation to the management team.

M. Doheny commented that she did not recall that the committee asked management not to recommend a firm.

C. Farone stated that both firms are qualified and could do a good job in a timely manner. The EFPR Group would be able to meet the MWBE requirements. Lumsden and McCormick did not provide us with the requested estimated hours, which is helpful information to compare between submitted proposals. The EFPR Group did come in less expensive, and 40% of the ranking is based upon cost. From here, staff would typically review the minimum requirements using a quantitative analysis to determine which firm they would recommend. As a state authority, this is part of the required process.

M. Doheny asked if other than the proposal itself, has there been any personal engagement with them. C. Farone responded that a Board Member, E. Virkler, utilizes the EFPR Group and we have spoken with him and he is satisfied with their work. We also called each firm's references.

M. Doheny asked in terms of processes, is this something the Audit Committee decides, or do they make a recommendation to the full Board. C. Farone responded that the actual bylaws state that the Audit Committee hires the audit firm. He further explained that because the members of the committee are independent, and we have Board members who serve in a public capacity, he would recommend that the Audit Committee make the selection and then report the decision to the full Board.

M. Doheny asked if anyone on the Audit Committee had any questions or comments and if the committee was okay with the process of the Audit Committee making this decision. B. McGrath responded that he ok with this process, and appreciated the explanation regarding how he was selected for this committee. C. Farone explained in more detail that the committee comprised of independent Board members.

C. Farone reviewed the ranking in detail, where each requirement was ranked on a scale of one to ten. The requirements include minimum requirements, audit approach, firm experience, partner experience, and cost. This ranking resulted in a total weighted score of 10 points for the EFPR Group and 9.45 points for Lumsden and McCormick, and C. Farone asked if all agree with the results of selecting the EFPR Group as our audit firm for the next five years.

M. Murray asked what was paid to the firm that we used this year. C. Farone responded that for the current year 2023 we are paying \$35,400, and for 2024 EFPR would be \$50,900. He further stated that 2024 with Bonadio would have been \$36,100 including the single audit.

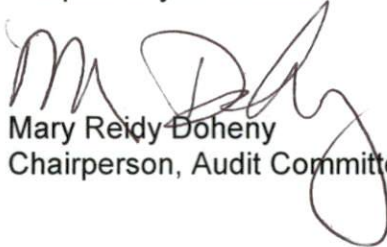
M. Doheny stated that even with Bonadio we could have potentially seen an increase because they had stated they were underpriced. C. Farone commented that they had not said anything about the price; they had claimed to be understaffed and did not even bid during this RFP process. J. Staples stated that they [Bonadio] had opportunity, as they were one of the 14 certified public accounting firms that we reached out to; however, they chose not to submit a proposal.

Upon a motion by B. McGrath, and seconded by D. Mastascusa, the Audit Committee unanimously approved EFPR Group, CPAs, PLLC as our audit firm for the period of five years, commencing FY2024.

M. Doheny requested that we reach out to the EFPR Group and come back with any issues or concerns.

6. Upon a motion by D. Mastascusa, and seconded by N. Henry, the Audit Committee meeting was adjourned at 10:17 AM.

Respectfully submitted:



Mary Reidy Doheny  
Chairperson, Audit Committee