1. BET Audit Comm. Meeting Agenda
   Documents:
   BET_AUDIT_COMM_MEETING_AGENDA_01-10-19.PDF

2. SUB TO APP BET Audit Comm. Meeting Minutes
   Documents:
   SUB_TO_APP_BET_AUDIT_COMM_MEETING_MINUTES_01-10-19.PDF

3. APPROVED BET Audit Comm. Meeting Minutes
   Documents:
   APPROVED_BET_AUDIT_COMM_MEETING_MINUTES_01-10-19.PDF
TOWN OF GREENWICH
BOARD OF ESTIMATE & TAXATION

AUDIT COMMITTEE MEETING
Thursday, January 10, 2019
8:30 A.M.
Mazza Room

AGENDA

1. Approval of the BET Audit Committee Meeting Minutes of December 13, 2018

2. Internal Audit Report
   • Senior Center Update Re: POS System Implementation
   • Audit Fieldwork: Follow-up of controls over revenue in the Parking Services Department
   • Pre Audit: Follow-up of cash handling controls in the Office of the Town Clerk
   • Septage disposal revenue numbers to-date update
   • Development of Accounting Process Manuals for Tax Collector’s Office

3. Risk Management
   • Cos Cob School Insurance Claim Update
   • Greenwich High School Mechanical Room Insurance Claim Update
   • Greenwich High School Performing Arts Center Insurance Claim Update
   • Summary of Third Party Claims Paid 7/1/18 – 12/31/18

4. Old Business
   • Board of Education Capital Project Review

5. New Business
   • None

6. Items for Future BET Audit Committee Meetings

7. Adjournment
The regular meeting was called to order at 8:35 A.M.

1. Acceptance of Audit Committee Meeting Minutes of December 13, 2018

Upon a motion by Ms. Hess, seconded by Mr. Duus, the Committee voted 4-0-0 to accept the December 13, 2018 Meeting Minutes.

Mr. Weisbrod requested a Motion to change the Order of Business to accommodate the discussion of Greenwich Public Schools items.

Upon a motion by Mr. Duus, seconded by Ms. Oberlander, the Committee voted 4-0-0 to change the Order of Business.

3. Risk Management

- **Cos Cob School Insurance Claim Update**
  Ms. Damato commented that the communication between the BOE Facilities Director, the Insurance Adjuster, the Building Consultant (hired by the insurance carrier), the various Vendors and the Town’s Risk Manager, facilitated the gathering of information and preparation of the claim, which is estimated at approximately $1.4 million. An initial partial reimbursement of $500,000 has been received. There is a deductible of $25,000 on the policy. The students are all now back in their respective classrooms at Cos Cob School and the last portion of the project are wardrobes which will be shipped on January 15, 2019.

- **Greenwich High School Mechanical Room Insurance Update**
  The Order ofMagnitude totals $216,900 and a partial reimbursement of $50,000 has been received to date. There is a $25,000 deductible on this policy. Ms. Damato commented that the Town and BOE’s new insurance broker, Arthur J. Gallagher, who has offices in Glastonbury CT, has been very responsive. There will be a delay in the replacement of the heat exchanger due to the vendor that was contracted to install the equipment is no longer able to do so. Mr. Mayo expressed BOE’s gratitude to the Greenwich Fire Department on their rapid response and efficiency limiting water damage on both this and the Greenwich High School Performing Arts Center claim.
• **Greenwich High School Performing Arts Center Insurance Claim Update**
  The current estimated damages to the Performing Arts Center are approximately $423,900. It was noted that the estimate included interim relocation of sports games, practices, concerts and other activities along with transportation of students. The deductible for this policy is $25,000.

The Committee discussed exploring the feasibility and merits of consulting with a forensic engineer to survey BOE and TOG buildings and their equipment. The Committee also discussed other ideas for managing capital such as annual service contracts.

Mr. Weisbrod requested a Motion to change the Order of Business to discuss a Board of Education Capital Project Review to complete presentation of Greenwich Public School items.

  Upon a motion by Ms. Hess, seconded by Mr. Duus, the Committee voted 4-0-0 to change the Order of Business.

4. **Old Business**
   • **Board of Education Capital Project Review**
     Mr. Mayo commented that the BlumShapiro Consulting review of BOE capital construction and maintenance projects was on-going. A follow-up meeting is being scheduled to hear preliminary observations with another meeting to be scheduled toward the end of January to receive a final report and recommendations.

3. **Risk Management (continued)**
   • **Summary of Third-Party Claims Paid 7/1/18 - 12/31/18**
     Ms. Damato reported that 14 claims, excluding lawsuits, had been filed during the first half of the fiscal year. Two claims were for alleged personal injuries, the total of those not yet determined, and 12 for property damages totaling $19,252.99.

2. **Internal Audit Report**
   • **Senior Center Update: POS System Implementation**
     Ms. Frame updated the Committee on the implementation of the Center’s POS System conversion from manual to computer-based transaction processing and record-keeping. A completion date of February is projected. She will provide the Audit Committee with a report detailing the project and its results once all of the elements are in place.

   • **Audit Fieldwork: Follow-up of controls over revenue in the Parking Services Department**
     Ms. Frame noted she had received copies of the new accounting policies and procedures developed by the Parking Services consultant from the Business Operations Supervisor. She is in the process of reviewing the new processes and expects to have a draft report ready to present at the next meeting.

   • **Pre-Audit: Follow-up of cash handling controls in the Office of the Town Clerk**
     The initial request for records and other information has been made, but the review will not start until February. Ms. Frame expects to have a draft report for the Committee at its March meeting.

   • **Septage disposal revenue numbers to-date update**
     Ms. Frame reported that an analysis of septage disposal fee revenue reported in MUNIS over the past four fiscal years revealed an overall increase of 211% to date. She stated that increase was the result of DPW’s new septage disposal monitoring and enforcement efforts. She emphasized that the MUNIS numbers reflect disposal permit ticket sales and
do not reflect actual disposal activity. She said septage disposal activity generally declines in the colder months due to a decrease in overall volume and colder temperatures. Therefore, there it was impossible to correlate monthly variations in ticket sales to actual monthly activity.

- **Development of Accounting Process Manuals for Tax Collectors Office**
  Ms. Frame said that Quality Data, the Tax Collectors Office software vendor, would be doing onsite training for both Finance Department and the Tax Collector management and staff at the end of the month. The goal is to clearly define the roles and responsibilities of each Department when reporting and transmitting financial activity between Quality Data and MUNIS. Ms. Frame intends to take the information from the training session and organize it into an easily referenced procedure manual for use by both Departments.

5. **New Business**
- **Gallagher Insurance presentation is scheduled for February 1.**
  Ms. Damato proposed that members of the Committee submit questions to ensure the vendor would address appropriate topics such as broadening the Committee’s understanding of the self-insurance option; suggestions on coverage; retainage; appropriate number of carriers; areas of weakness; possibilities for reducing premiums; and, TOG insurance coverage compared to comparable town. It was decided to dedicate on-hour of the next meeting’s Agenda to the presentation and invite members of the BET to attend.

It was proposed that the next meeting’s Agenda include an update on the BlumShapiro consultant’s report with additional comments from the BET Education Liaisons and the Superintendent of Greenwich Public Schools.

Ms. Hess asked if Internal Audit could prepare a preliminary audit scope for its upcoming reviews of the School Lunch Fund and the School Activity Fund and present it at the next meeting. Prior internal audit reports regarding the two areas will be distributed for review prior to the next meeting.

6. **Items for Future BET Audit Committee Meetings**
- DH Skating Rink
- DPW Environmental Specific Project Plan
- DPW Holly Hill Transfer Station
- TNW Inventory Control
- Invitation to the Police Department to discuss its IT System security (Risk Manager)
- Update Annual Calendar; reduce frequency of Town Internal Audit to an annual cycle

3. **Adjournment**

   Ms. Hess made a motion, seconded by Mr. Duus, to adjourn the meeting at 9:55 A.M. The Committee voted 4-0-0 in favor of the motion.

The next Audit Committee Meeting is scheduled for Friday, February 1, 2019 at 8:30 A.M. in the Gisborne Room.

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Catherine Sidor, Recording Secretary
Schedule of 2019 Audit Committee Meetings

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April 11, 2019 (Thursday) at 8:30 A.M.
May 9, 2019 at (Thursday) 8:30 A.M.
June 20, 2019 (Thursday) at 8:30 A.M.
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The regular meeting was called to order at 8:35 A.M.

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