

1. Meeting Agenda - January 12

Documents:

[MEETING AGENDA - JANUARY 12.PDF](#)

2. Minutes Subject To Approval - January 12

Documents:

[MINUTES SUBJECT TO APPROVAL - JANUARY 12.PDF](#)

3. Approved Minutes - January 12

Documents:

[APPROVED MINUTES - JANUARY 12.PDF](#)



**TOWN OF GREENWICH
BOARD OF ESTIMATE & TAXATION**

**AUDIT COMMITTEE MEETING
Thursday, January 12, 2017
8:00 A.M.
Gisborne Room**

AGENDA

1. Approval of the BET Audit Committee December 12, 2016 Meeting Minutes
2. Internal Audit Report
 - Update on Parking Services Audit Report
 - BANC Report
 - Audits-in-Progress – Cash Handling in the Office of the Town Clerk
3. Risk Management Report
 - Safety Inspection Updates:
 - Chubb Insurance Boiler Inspections
 - Central Middle School Gymnasium
 - Update on Safety Inspection of the Vocational and Technical Classrooms at GHS
 - Update on Program to Charge Employee at Fault Accident Repair Cost directly to Departments
 - Quarterly Update on Vehicle Accidents caused by Town Employees
 - FEMA Update
4. Old Business
 - Fiscal 2016 Audit
 - Management Letter 2016 Responses Update
5. Items for Future BET Audit Committee Meetings
6. Adjournment

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, January 12, 2017 – 8:00 A.M.
Gisborne Conference Room

Present

Committee: Arthur D. Norton, Chairman; Michael Mason, Jill Oberlander

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Director Risk Management; Melinda Frame, Internal Auditor

The regular meeting was called to order at 8:05 A.M.

1. Approval of Audit Committee Meeting Minutes of December 12, 2016

Upon a motion by Mr. Mason, seconded by Ms. Oberlander, the Committee voted 3 - 0 to approve the December 12, 2016 Meeting Minutes.

2. Internal Audit Report

• **Update on Parking Services Audit Report**

Prior recommendations for revenue control, operating and financial activities are being addressed by management. The Internal Auditor made an additional recommendation to retain all records, including software logs, to document activity in accordance with the Connecticut State Library Municipal Fiscal Records Retention Schedule, that mandate municipal records relating to receipts be retained on a continuous basis over a consecutive three-year period. This recommendation was implemented as of December 6, 2016.

Mr. Norton expressed concern over recommendation implementation dates. Ms. Frame has spoken with Ben Branyan, Town Administrator, currently immersed in the budget process. He would prefer a hands-on approach with the assistance of Rita Azrelyant, Director of Parking Services for implementation of new procedures. Ms. Oberlander mentioned a previous request by Mr. Norton for a copy change on Page 4 “management” to “Manager”. Mr. Lalli explained the wording choice as a long-term reference.

Ms. Azrelyant has executed an agreement with the ticket software vendor that delegates the majority of voiding responsibilities to it. It is in the early stages of implementation. The parking permit system will be switching to license plate recognition technology. Full implementation is expected 2017-2018. An additional management recommendation will be added to the report recommending periodic rotation of employees having cashier duties.

• **BANC (Byram Archibald Neighborhood Center) Report**

Social Services operates a Community Gifts Program (CGP) supported by private donation and other charitable funds. To ensure that gifts qualify as tax deductible under IRS regulations, receipts are overseen by the United Way of Greenwich, an independent 501(3)c fiduciary. Among other services, the CGP provides licensed after-school care at the Byram Archibald Neighborhood Center, to approximately 74 (seventy-four) students from the New Lebanon Elementary School. The Program requires a \$75 (seventy, five dollar) registration fee, and a monthly tuition, based on household income.

After meetings with both Dr. Alan Berry, Director Social Services and Monica Bruning, Social Services Admissions and Applications Team Administrator, and a review of policy and procedure documentation the following was realized:

- Cash controls over cash receipts and disbursements are in place, with Best Practices implemented.
- The need for BANC to withhold cash receipts from deposits for regular program expenses (arts and craft supplies, healthy snacks, etc.) justified due to its unique mission and operating environment under the CGP.
- Families are receipted for any on-site tuition and fee payments as a cash control, and as documentation for child and dependent care tax credit on income tax returns.

Dr. Barry is in the process of creating a foundation to replace United Way's financial services. Ms. Oberlander asked if they currently have an internal budget including petty cash. Mr. Mynarski explained that to establish a petty cash drawer the department must have authorization from the BET, per the Town Charter. This item will remain on the February agenda.

- **Audits-in-Progress – Cash Handling in the Office of the Town Clerk**

A review of cash handling with Kim Jordan, Assistant Town Clerk was delayed due to her absence the previous week. Update at February meeting.

Mr. Norton questioned why the Committee has not heard from Shawn McDonnell, Fire Marshal regarding the overdue six-month audit update, requested last month. Mr. Lalli offered to follow up with Peter Siecienski, Fire Chief.

3. Risk Management Report

- **Safety Inspection Updates**

- *Chubb Insurance Boiler Inspections:* On December 19, 2016, seven boilers were inspected by the Town's property insurance carrier, the Chubb Insurance Company. Mr. Lalli accompanied the inspector with a safety engineer from Frenkel & Co. The inspections disclosed that two safety valves were improperly installed, one at Town Hall, the other at the Central Middle School. Both discoveries have been remediated. The inspections also disclosed that the Town and the Board of Education are not testing boiler temperature and pressure relief values as required by standards. Noncompliance can result in facility closure due to the lack of inspection certificates. The Building Maintenance Departments at Town Hall and the BOE have agreed to incorporate semiannual testing of these valves for all Town facilities. The proactive response by both departments includes formally entering the testing procedure into work order system, which significantly increased accountability as open work orders are questioned by management. Both departments offered outstanding cooperation.
- *Central Middle School Gymnasium:* Inspection was performed resulting in several noted safety issues in shower room areas and the gymnasium. Some issues were scheduled to be immediately remediated by custodians. Report to follow.

- *Update on Safety Inspection of the Vocational and Technical Classrooms at GHS:* On January 3, 2017, Risk Management revisited the classroom with the original safety inspector from Frenkel & Co. Most previous recommendations have been implemented, except the band saw guard comment which remains open. A few additional recommendations will be written as a result of the January revisit. Additional reporting to follow.

- **Update on Program to Charge Employee at Fault Accident Repair Cost directly to Departments.**

The original test program in Parks and Recreation is already budgeted for Fiscal 2017.

Mr. Lalli proposed to expand this program to the Department of Public Works (DPW), the Greenwich Fire Department (GFD) and the Greenwich Police Department (GPD). When combined with Parks and Recreation, the four departments account for over 98% (ninety-eight percent) of the at fault vehicle accident cost Town wide. The program does not include repair costs for third party auto physical damage or bodily injury or worker's compensation cost. The program has been rolled out with Parks and Recreation in with Fiscal 2017. Since the program is functioning well, the proposal to complete the program for the remainder of the Town by rolling it out to the three largest departments that have a significant history with at fault accidents.

As of December 1, 2016, Risk Management has a surplus of \$450,000 (four hundred, fifty thousand dollars). Proposed allocations to these three departments would total \$115,000 (one hundred, fifteen thousand dollars), which Risk Management can readily handle. The transaction is budget neutral with the increases in the departmental budgets offset by an exact dollar match decrease in the Risk Management Finance Department budget.

- **Quarterly Update on Vehicle Accidents caused by Town Employees**

The downward trend continues since the implementation of many safety programs and the F2012 installation of GPS in Town vehicles. An additional Driver Safety Class for BOE personnel is planned for February 2017. Existing GPS software has improved enabling reports that list all safety violations under one vehicle number. The report can be scheduled monthly and forwarded directly by the software vendor to appropriate individuals. Ms. Oberlander asked if DWI instances are reported. Mr. Lalli receives updates on all license violations. The more serious violations are immediately shared with the operational departments as well as Human Resources.

- **FEMA Update**

A new State FEMA coordinator has been assigned. Risk Management is trying to develop a relationship with the new coordinator to expedite the two last open remaining project worksheets.

4. Old Business

- **Fiscal 2016 Audit**

- **Management Letter 2016 Responses Update**

Capital Assets: To satisfy the physical inventory of capital assets over \$10,000 (ten thousand dollars) comment, Mr. Mynarski worked with IT Director, Thomas Klein, to assess the cost for a fixed asset module. Annual fee \$42,500 (forty two thousand, five hundred dollars), \$22,950 (twenty two thousand, nine hundred, fifty dollars) for staff training and five days of Roland Gieger, Budget & Systems Director's participation. Mr. Mason, Mr. Norton and Mr. Lalli agreed that the solution is not cost effective.

Mr. Mynarski suggested that Mr. Gieger can generate a list of physical assets under \$25,000 (twenty five thousand dollars) for the Internal Auditor. Ms. Frame could conduct simple walk-thru physical audits every six months for the Fire Department and Parks and Recreation, similar to BOE's Tools for Schools program. Since the Committee does not support the estimate annual charge for the fixed asset module, Mr. Norton asked Mr. Mynarski to return to the Committee with a recommendation for his proposal.

Sewer Assessments: After returning from an extended absence, Lauren Elliott, Tax Assessor, is working with a Quality Data programmer to resolve this item.

Police Extra Duty Receivables: Angela Gencarelli, Financial Analyst from the Finance Department assisted Police personnel, but it is still not in compliance. The Police Department will attend the February meeting to discuss.

5. Items for Future BET Audit Committee Meetings

The RFP for External Auditors return date is January 20, 2017. The Audit Committee will conduct interviews following the February 9, 2017 meeting, with a decision in March.

Last fall Ms. Oberlander was asked for an update on the Harbor Management Audit regarding mooring applications and revenue handling. Mr. Norton and Mr. Mason agreed that the Harbormaster must initiate the audit request, not the Committee, since it is not a Town department.

8. Adjournment

Upon a motion by Ms. Oberlander, seconded by Mr. Norton, the Committee voted 3-0 to adjourn the meeting at 9:58 A.M.

The next Audit Committee Meeting, followed by the External Auditor interviews is scheduled for February 9, 2017 in the Gisborne Room.

Elaine JV Brown, Recording Secretary

Arthur D. Norton, BET Audit Committee Chairman

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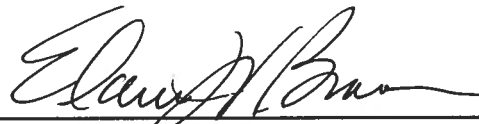
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