

1. BET Audit Comm. Webinar Agenda 1-14-2022

Documents:

[BET AUDIT COMM WEBINAR AGENDA 1-14-2022.PDF](#)

2. BET Audit Comm. Packet 1-14-2022

Documents:

[BET AUDIT COMM PACKET_1-14-2022.PDF](#)



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

**AUDIT COMMITTEE WEBINAR
Friday, January 14, 2022 – 8:30 A.M.**

Join Webinar:

<https://greenwichct.zoom.us/j/81795844541?pwd=K1BleU4yK1A1cG03eG9zaU1UN3pudz09>

Password: 7137384

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Webinar ID: 817 9584 4541

Password: 7137384

AGENDA

1. Acceptance of the BET Audit Committee Meeting Minutes of December 16, 2021
2. Internal Audit
 - Police Special Duty/Side Jobs Audit Update
 - Draft Internal Audit Plan for Calendar Years 2022 & 2023
3. Risk Management
 - Introduction for new members to Risk Management at the Town of Greenwich
4. Old Business
 - CLA (CliftonLarsonAllen LLP) Engagement Letter for Outsourced Internal Audits for Fiscal Years 2021-2022 & 2022-2023
5. New Business
 - Request for Proposal for Auditing Services for years starting July 1, 2022
6. Items for future BET Audit Committee Meetings
 - The Nathaniel Witherell Write Off Update
7. Adjournment

The Town complies with all applicable federal and state laws regarding non-discrimination, equal opportunity, affirmative action, and providing reasonable accommodations for persons with disabilities. If you require an accommodation to participate, please contact the Commissioner of Human Services at 203-622-3800 or Demetria.Nelson@greenwichct.org as soon as possible in advance of the event.



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**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
AUDIT COMMITTEE MEETING MINUTES**

**Thursday, December 16, 2021
Greenwich Town Hall - Cone Conference Room**

Present

Committee: William Drake, Chairman; Andy Duus, Laura Erickson, David Weisbrod

Staff: Peter Mynarski, Comptroller; Heather Smeriglio, Tax Collector; Megan Zanesky Esq., Risk Manager

BET: Miriam Kreuzer, Elizabeth K. Krumeich, Leslie Moriarty (by Telephone), Leslie Tarkington

BET-Elect: Nisha Arora, Michael Basham, Dan Ozizmir

Guests: Scott Bassett, Partner, RSM US LLP; Melissa Quinn, Snr. Manager, Assurance, RSM. Jeffrey Ziplow, Senior Partner, Clifton Larson Allen LLP, Lindsey Intrieri, Director West Hartford, Clifton Larson Allen LLP;

The meeting was called to order at 8:30 A.M.

1. Approval of the BET Audit Committee Meeting Minutes

Ms. Erickson made a motion, seconded by Mr. Duus, to approve the Minutes of the BET Audit Committee Regular Meeting of November 16, 2021, the Committee voted 4-0-0. Motion carried.

2. Acceptance and Recommendation of the Fiscal Year 2021 Annual Comprehensive Financial Report (ACFR) & Discussion on the status of the State & Federal Audits

Mr. Bassett and Ms. Quinn presented the recently completed annual audit, commenting on the important items, including the Management Letter. It was noted that the State's Office of Policy & Management (OPM) will receive the Town's regular audit by the deadline of December 31, 2021, however, final guidance for submission of the State's Single Audit has not yet been received. An extension will be obtained. Mr. Bassett undertook a detailed review of the financial statements followed by comments and questions from Committee members.

Ms. Erickson made a motion, seconded by Mr. Weisbrod, to accept the RSM's audit of the Town's financial statement ending June 30, 2021, and the Committee voted 4-0-0. Motion carried.

The Chair requested a change in the Order of Business to accommodate a speaker. The Committee unanimously approved.

Tax Delinquencies – Status and Policy

The Tax Collector Ms. Smeriglio with the BET Liaisons had developed an internal procedure and policy for tax delinquent accounts. The Tax Collector will make a presentation once a year, in March, to the BET on tax accounts deemed to be uncollectible taxes.

Internal Audit

- **Griffith E. Harris Golf Course Audit Update**

Mr. Ziplow commented that the requested changes to the draft audit had been made and the internal audit. The audit of the Golf Course resulted in a satisfactory audit report. It was decided that no audit was necessary of the Pro Shop at this time but a future Pro Shop audit could be made. Recommendations were made that a monthly cash report should be maintained. Management comments were received and incorporated into the final Audit.

Mr. Duus made a motion, seconded by Ms. Erickson, to accept the Griffith E. Harris Golf Course Audit, and the Committee voted 4-0-0. Motion carried.

- **Police Special Duty Audit Update**

Mr. Ziplow commented that the materials for testing had been received and a draft report is being prepared for distribution the beginning of January. Findings, recommendations and management comments will be integrated in the draft.

- **CLA (Clifton, Larson, Allen LLP) Engagement Letter for Outsourced Internal Audits for Fiscal Years 2021-2022 & 2022 – 2023.**

Mr. Mynarski reminded the Committee that the FY 2022 Plan still had audits to be completed of Police Side-Jobs, as well as HR Healthcare Benefits and Building Permit Process Audits. He mentioned that he and Mr. Ziplow were considering BOE Purchasing and TOG Purchasing processes and Capital Projects as possible future internal audits for FY 2023.

Firefighters' Collective Bargaining Agreement: Lessons Learned

The Committee discussed how the Town could become better informed and prepared about the economic impact of major issues such as COLA & Pensions for the future. A model of net present value of "give ups or concessions" needs to be structured and documented. This model and information should be available prior to negotiations.

New Business

- **Internal Audit Plan for Calendar Years 2022 & 2023 – First Read**

A preliminary Internal Audit Master Plan 2021-2022 was reviewed. After discussion, the following suggestions were made: combine Municipal and BOE Procurement audits; defer the Cafeteria/School Lunch Inventory Control audit for one year to better define its scope; and consider adding an audit of BOE Grants and a limited scope audit of The Nathaniel Witherell. The Committee expressed its thanks to CLA for the quality of its work on the internal audits already completed.

- **Request for Proposal for Auditing Services for years starting July, 2022**

RSM will draft an engagement letter for review.

Items for future BET Audit Committee Meetings

Nathaniel Witherell Account Receivable Write-Off Update

Risk Management

- CyberSecurity Liability Insurance Renewal Update

Ms. Zanesky described seeking benchmarking information in the marketplace. A comparison between previous year's prices for coverage and current Cyber Liability prices shows an extraordinary increase in premiums and a simultaneous large reduction in coverage limits. Chubb is offering 2 layers of insurance through December 2022.

Closing Remarks

Mr. Weisbrod offered a salute and sincere thanks to Mr. Duus on his retirement from the BET and Audit Committee and for his contributions. Mr. Drake echoed the thanks.

Adjournment

Mr. Drake made a motion, seconded by Mr. Duus, to adjourn the meeting at 10:35 AM, and the Committee voted 4-0-0. Motion carried.

Catherine Sidor, Recording Secretary

William Drake, Audit Committee Chairman



FINANCE DEPARTMENT
INTERNAL AUDIT WORK PLAN
FISCAL YEARS
2022 – 2024

INTRODUCTION

The Finance Department (the Department) Plan that follows is the proposed guideline for use of Internal Audit resources for the Calendar Years 2022 & 2023, ending with the start of the January 2024 Audit Committee meeting. The timeline is designed to coincide with the terms of the BET members elected every two years. The plan includes reviews and audits of the Town's various operational activities, compliance efforts, and internal controls over financial activity and reporting. To provide the Committee with a practical assessment for achieving goals, the Department has categorized its objectives by audit area.

As with any long-term plan, its achievement is subject to changing conditions. Internal Audit Plan changes usually result due to special requests from Department Management, the Comptroller's Office, or the Audit Committee. It is the responsibility of the Department to estimate the impact of additional work on the plan. All proposed changes are to be brought to the attention of the Comptroller and the Audit Committee for discussion as soon as possible.

PROPOSED INTERNAL AUDIT PROJECTS AND REVIEWS.

The audits and descriptions that follow are not presented in any order of priority.

1. **Police Special Duty (Side Jobs)** – In recent years the Town has started paying the Greenwich Police Department personnel for a variety of side-jobs through the payroll system. Whereas the billing and payment of the side jobs was done previously off-line. Proposed scope of services:
 - Review and confirm the police union contracts/agreements from 2019 through 2021 and document the provision/rules associated with the use of regular, compensatory, overtime and vacation time.
 - Obtain institutional knowledge of past practices related to time tracking, accrual processing and how special duty jobs are assigned and tracked.
 - Review the processes and controls of time entry, payroll process, vacation/extra vacation time tracking and accruals and private duty job processing.
 - Confirm how invoices of the Special Duty jobs are generated.
 - Confirm how monies for the Special Duty jobs are billed and collected.
 - Confirm how differences in invoices and monies collected and billed are tracked and monitored.
 - Confirm the technologies used to process Special Duty jobs.
 - Test invoices generated, and monies received transactions.
 - Test the accruals processed and tracked.

- Provide management with a report of our findings and recommendations.
- Meet with management to review the results of the report.

THIS IS A CARRY OVER AUDIT STARTED IN NOVEMBER 2021 AND EXPECTED TO BE COMPLETED IN JANUARY 2022 FOR PRESENTATION AT THE FEBRUARY 2022 AUDIT COMMITTEE MEETING

2. **Department of Public Works Building Inspection Division and Assessor's Officer:** The Review should concentrate on the building permitting cash handling process, proper valuation of the work performed, adequate follow-up to outstanding permits and a review of the valuations for each property assessed to the property cards in the Assessor's Office. Follow-up to the last audit performed in 2011. Building permit revenues are over approximately \$4 million to \$5 million, depending on the economy. Proposed scope of services:
- Review internal controls and supporting documentation for the building permit process.
 - Confirm and test how permits are processed, tracked, and reconciled with the Building Inspection Division.
 - Assess the permit collection and reconciliation process for cash drawers and bank deposits.
 - Identify and test the controls to process, reconcile and secure Inspection and Permit Department deposits.
 - Confirm user access within the Permit System including password security parameters.
 - Identify security and controls associated with the ability to change permit amounts.
 - Test monthly Building Permit transactions including:
 - Cash receipt testing to verify collection type (cash/check) to the deposit slip and amounts turned over to the finance department.
 - Recalculation of permit fees charged for certain permit types based on permit applications.
 - Confirm how deposits, adjustments and other related financial information is properly accounted for in both the Permit and Municipal computer systems.
 - Test the Certificate of Occupancies issued and forwarded to the Assessor's Office for compliance and timing.
 - Provide management with a report of our findings and recommendations.
 - Meet with management to review the results of the report.

THIS IS A CARRYOVER AUDIT PLANNED FOR JANUARY 2022 START

3. **Employee Benefits: Financial Review of Controls Over Health Insurance Administration-** The MUNIS records of employees eligible for health coverage will be reviewed for accuracy. Files will be tested for the timeliness of removal of ineligible employees and their covered family members. An attempt will be

made to reconcile eligible members to their health care providers. Vendor invoices will be examined for accuracy.

THIS IS A CARRYOVER AUDIT PLANNED FOR FEBRUARY/MARCH 2022 START

4. Municipal Town and Greenwich Public Schools (GPS) Purchasing Departments –Procurement Process Audit

- Review the Town’s and GPS procurement policies and procedures including but not limited to, procurement practices, bids and Request for Proposal (RFP) processes, Evaluation/Assessment of proposals, formal selection of vendors, contract negotiation/finalization, and contract monitoring.
- Review and document (if currently undocumented), the Town’s and GPS processes for monitoring older purchase orders (greater than 60-90 days).
- Assess the Town’s and GPS purchasing processes based on best practices for municipalities as it pertains to procurement.
- Review current automated systems used to support the procurement process.
- Test and validate the protocols for accepting purchase orders.
- Document findings and operational/control gaps observed.
- Provide management with a report of our findings and recommendations.
- Meet with management to review the results of the report.

5. Greenwich Capital Projects Audit (5 large projects over \$1 million)

- Review the current operational processes, controls and budgetary/spending practices within the Town and Greenwich School District related to capital projects.
- Interview relevant personnel to identify the capital project budgeting process along with monitoring and tracking procedures for the capital project’s financial operations.
- Review the current technologies used to process the aforementioned information.
- Perform a risk assessment of management’s ability to override budgets, spending and operational controls associated with capital projects.
- Review internal control procedures and identify control weaknesses within these areas and develop control improvements (where needed).
- Document findings and gaps observed as part of the review.
- Test monthly capital project transactions.
- Provide management with a report of our findings and recommendations.
- Meet with management to review the results of the report.

6. Grant Management Process(es) Assessment and Audit

- Review the documented policies, procedures, processes and controls within the Town related to grants acceptance and grant management.

- Confirm how grant monies are distributed, monitored, and tracked.
- Review the controls around grant reconciliation.
- Confirm the technologies used to process grant transactions.
- Test monthly grant transactions for selected grants.
- Test grant reporting requirements for selected grants
- Provide management with a report of our findings and recommendations.
- Meet with management to review the results of the report.
- Document findings and gaps observed as part of the review.

7. **Tax Collector Audit**

- Confirm the process and evidence used to validate and reconcile the Assessor's tax information to the Tax Collector's computer system.
- Confirm and test how tax payments are processed, tracked, and reconciled within the Department.
- Assess the tax collection and reconciliation process for cash drawers and associated bank deposits.
- Identify and test the controls to process, reconcile, and secure tax deposits.
- Confirm user access within the Tax Collection System, including password security parameters.
- Identify security and controls associated with the ability to adjust tax and/or interest amounts.
- Identify security and controls associated with the ability to process delinquency notices.
- Confirm how deposits, adjustments and other related financial information is properly accounted for in both the tax collection and finance software systems.
- Provide management with a report of our findings and recommendations.

8. **School Lunch Program -Follow-up Audit**

- Review the documented processes and controls of the School Lunch program (since time of last audit).
- Review the controls for reconciling School Lunch registers (sample to be tested).
- Confirm how differences in monies collected are tracked/monitored (since time of last audit).
- Confirm how/who can void register transactions (since time of last audit).
- Confirm cash collection procedures (if any changes from first audit).
- Identify who has the ability to make changes to financial information contained in the School Lunch POS system.
- Test a sample of monthly School Lunch collection and correction reports.

- Review changes in inventory control procedures and how inventory controls have been implemented (since first audit).
- Review all findings and recommendations as well as any identified managerial comments/action plans from the initial School Lunch Program audit and document their current implementation status (Not started, In Progress, or Completed.)
- Provide management with a report of our findings and recommendations.

THIS FOLLOW-UP AUDIT CURRENTLY PLACED ON HOLD AT THE RECOMMENDATION OF THE AUDIT COMMITTEE

9. **Greenwich Library and Perrot Memorial Library:** Reviews of Cash Receipt Handling Internal Controls for each operation. The reviews to center on the collection of library fines and photocopying receipts. The Greenwich Library collects about \$125,000 in annual receipts and the Perrot Memorial Library collects about \$15,000. Last audit of the Greenwich Library performed in 2014.

10. Review and Follow-up of Previous Completed Audits

Discuss with the Audit Committee the timing of follow-up on audits previously completed, which audits to review and when.

INTERNAL AUDITS COMPLETED

2021-2022

- **Human Services Department Report**
- **Griffith E. Harris Golf Course Report**
 - **Fleet Department Report**

2020-2021

- **Greenwich Public Schools Cafeteria (School Lunch Program) Report**
- **Parks and Recreation Financial Review of Activities at the Dorothy Hamill Skating Rink Report**
 - **Holly Hill Transfer Station Report**
- **Greenwich Public Schools Follow up Review and Audit of the School's Student Activity Funds Report**
 - **Parks and Recreation Marinas Audit Report**

2019-2020

No Internal Auditor

2018-2019

- Town Clerk Follow-Up Audit to the March 15, 2019 Report
- Parking Services Follow-Up to the June 2017 Report

2017-2018

- DPW Septic Haulers Audit Report
- Internal Controls over Cash Handling in the Tax Collector's Office
 - Town Clerk Cash Handling Audit Report
- Human Services Review of Internal Controls over Cash Handling
- RSM Forensic Investigation of TOG Parking Services Department (not performed by the Internal Auditor)

2016-2017

Parking Services Audit Report

2015-2016

No Internal Auditor

2014-2015

**Annual Management Review of Motor Vehicle Records of Town Employees
Commission on Aging's Cash Handling, Internal Controls and Accountability
Review
Health Dept. Cash Handling Internal Controls and Accountability Review**

2013-2014

**Greenwich Library's Internal Controls for Cash Receipts
Land Use Zoning Enforcement Department's Internal Controls for Cash Receipt
Annual Management Review of Motor Vehicle Records of Town Employees
Senior Center's Internal Control for Cash Receipts
Parks and Recreation Cash Handling Practices at 1) Town Hall, 2) Eastern
Greenwich Civic Center and 3) the Ferry Dock
Parking Services Revenue and Internal Controls Report
BOE Enrollment Verification Audit
Harbor Management Internal Audit Review**

2012-2013

**BOE Food Service Audit
Internal Audit of the Greenwich Fire Marshal's Office
Internal Audit of the BOE Student Activity Funds**

2011-2012

**BOE & Town Selected Contracts Compliance Audit
Audit of all Town and BOE Petty Cash and Cash Working Funds Report
Review of Building Inspection Division and Assessor's Officer Report**

DRAFT

Town of Greenwich - Internal Audit Master Plan 2021-2022 & 2022-2023

As of January 7, 2022

Completed

1	BOE	Student Activity Funds	Oct-20
2	Town	Skating Rink	Nov-20
3	Town	Marina	Jan-21
4	Town	Transfer Station	May-21
5	BOE	School Lunch Program	Jun-21
6	Town	Human Services	Aug-21
7	Town	Fleet Department	Oct-21
8	Town	Golf Course	Nov-21

In Progress

9	Town	Police Special Duty	Completion-January 2022
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To Do

10	Town	Building Dept Permits	Begin - January 2022
11	Town	EE Benefits Controls	Begin - February-March 2022

Internal Audits To Consider

12	Both	Cybersecurity & Vulnerability Assessment	Recently Completed
13	Both	IT Systems Evaluation	Recently Completed
14	Both	Purchase Order Process	Town and School
15	Both	Capital Projects	Town/School-5 large Project-Over 1 Million
16	Both	Grants Management Process	Town and School
17	Town	Tax Collection/Adjustments/COC	
18	BOE	Cafeteria/School Lunch	Limited scope based on previous findings
19	Both	Contract/Vendor Management	Town and School
20	Both	Misc. Billing/Revenue Collection	Town and School
21	Town	Town Clerk Operations	
22	Town	Parking Services/Tickets	
23	BOE	Adult & Community Education	
24	Both	Financial Controls Assessment	Town and School
25	Both	System Utilization of Payroll and HR System	Town and School
26	Town	Holly Hill - Tipping Fee	Town and School