

1. BET Audit Comm. Meeting Documents

Documents:

[APPROVED\\_BET\\_AUDIT\\_COMM\\_MEETING\\_MINUTES\\_02-16-12.PDF](#)  
[BET\\_AUDIT\\_COMM\\_MEETING\\_AGENDA\\_02-16-12.PDF](#)  
[SUB\\_TO\\_APP\\_BET\\_AUDIT\\_COMM\\_MEETING\\_MINUTES\\_02-16-12.PDF](#)

**BOARD OF ESTIMATE AND TAXATION**  
**Audit Committee Minutes**  
**Thursday, February 16, 2012 – 8:00 A.M.**  
**Gisborne Conference Room**

Present:

Committee: Arthur Norton, Chairman  
Gregory Bedrosian, Robert Brady, Sean Goldrick

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Special Projects Coordinator;  
Patricia Maranan, Internal Auditor; Peter Siecienski, Fire Chief

Others: Leslie Tarkington, BET Member

The meeting was called to order at 8:01 A.M.

**1. Approval of Minutes of the BET Audit Committee Meeting**

Upon a motion by Mr. Brady, seconded by Mr. Goldrick, the Committee voted 3 - 0 to approve the January 12, 2012 Minutes. Mr. Bedrosian abstained.

Mr. Mynarski introduced Patricia Maranan who has accepted the position of Internal Auditor for the Town of Greenwich. Ms. Maranan began her career in the Finance Department in 2004 under the supervision of Roland Gieger, Budget Director as a financial analyst. Over the past two years she has actively performed auditing functions alongside Mr. Lalli.

Mr. Norton extended the Committee's welcome and gave Ms. Maranan a brief overview of the Committee's function and responsibilities to the Town.

**2. Internal Audit Report**

**Review of BOE Audit**

Mr. Lalli noted that the Internal Audit Report of internal controls for procurement and payment of selected BOE contracts is in draft form. He explained that the BOE has received the Report and has not been able to respond. He discussed several issues that were irrefutable facts and would not be subject to change.

Mr. Lalli noted that one contract payment for services not rendered had occurred. He explained the internal process that governed these controls and characterized the control practice as negative assurance. He explained that his is not an acceptable practice.

Mr. Lalli noted a discovery that a building permit had not been obtained for the recent addition of carbon monoxide detectors at all seventeen BOE facilities. He noted that the BOE is now in the process of complying with this requirement.

Mr. Lalli stated that not all the vendor certifications necessary to be in compliance with existing fire codes had taken place during calendar year 2011. He informed the Committee that inspections had occurred in January 2012 and that the BOE is now up to date on its inspections.

Mr. Lalli explained that the Fire Marshal's Office had not performed full inspections during calendar year 2012. He explained that the Interim Fire Marshal has scheduled these inspections to be completed by the end of March 2012.

Mr. Lalli stated that one of the violations noted included the kitchen hood fire suppression systems at Greenwich High School. He noted that he passed this information to the Fire Marshal's Office who indicated that they are actively engaged with the BOE toward reaching a solution.

Mr. Lalli further informed the Committee that he had several accounting oriented observations to be discussed with the Committee until the BOE had a chance to formally address the issues raised in the Report.

Mr. Lalli cited that the BOE has been extremely pro-active in this entire process. He noted that BOE Administration had made the initial discoveries and that it is his professional opinion that they did an excellent job documenting their concerns. Mr. Lalli noted that it was a pro-active judgment on the part of the BOE to ask for the assistance of the Internal Audit Department. Mr. Lalli noted that the Internal Audit Department also serves the BOE and that he welcomed the opportunity to provide the manpower assistance to complete this review quickly. He will present his formal review at the March 8, 2012 meeting of the Audit Committee.

Mr. Siecienski offered to explain the history of the previous Fire Marshal's performance and issues that still remain from his legacy: absence of yearly inspections at required facilities, lack of direction for Deputy Fire Marshals, nonexistence of follow through with violations, etc. After many months of deliberations to resolve this problem, the previous Fire Marshal retired effective February 2, 2012. Mr. Siecienski continued that currently Mr. McDonald is reconstructing the department while working on inspections and logs. Mr. Siecienski said he believes that an audit right now would not be beneficial. Mr. Mynarski agreed with Mr. Siecienski's opinion.

Mr. Siecienski also discussed fire alarms and possible lock box updates for Town buildings and facilities.

Mr. Lalli recommended that the audit of the Fire Marshal's Office not be conducted for 90 (ninety) days to allow the new Interim Fire Marshal to address outstanding issues. He noted that one specific benefit of waiting 90 days is that Internal Audit could verify that all Fire Marshal inspections of the BOE facilities will have been completed.

Mr. Brady questioned controls in place regarding the MISA project. Mr. Siecienski said he would check with Mr. McDonald regarding his concerns.

Mr. Norton said that the Committee is responsible to the citizens that fire alarm and fire suppression systems are maintained and inspected for school safety. Mr. Lalli replied that all school inspections will be completed by March 2012, per Mr. McDonald's assurance.

Ms. Tarkington stated that the Nathaniel Witherell Building Committee should work with Mr. McDonald to be sure that the facility is also reviewed.

Mr. Norton requested the completed BOE Audit for the March 8, 2012 Audit Committee Meeting.

#### **Report of Review of Winter Storage at the TOG Marinas**

Ms. Maranan reported that inspection of the Town's four marinas for unpaid winter storage fees has been completed. The results trended down from last year's totals: 41 (forty one) non-paid boats, 50 (fifty) non-paid kayaks, 3 (three) unknown boats and 22 (twenty two) unknown kayaks equaling approximately 15% (fifteen percent) of total boats.

Mr. Lalli added that tagging of boats/kayaks, or locking when feasible, are currently in use as well as the services of a collection agency.

Mr. Norton stated that these inspections will continue annually.

Mr. Lalli concluded by saying that the Parks and Recreation Department is creating a formal policy and that his final report will be presented most likely at the April 12, 2012 Audit Committee Meeting.

#### **Permit to Drive List Update**

Mr. Lalli presented the *“Annual Management Review of Motor Vehicle Records of Town Employees”* which addresses the summary findings of a joint effort between the Office of the First Selectman and the Human Resources Department. Mr. Lalli then individually reviewed the discovery of eight employee suspended licenses. He noted that the impact on the employment of several employees was unclear at this time. H.R. is currently working with affected departments to provide guidance but have made it clear that unless the license has been reinstated by the CT DMV that the employee is not permitted to drive. He noted that one part time employee, who had a suspended license, was no longer with the Town.

Mr. Lalli continued that HR Policy 8.24 *“Vehicle Use Policy and Procedure”* provides more protection for the Town by disclosing a clear understanding of the policy for Town employees.

The report includes a future recommendation of the installation of GPS in Town owned vehicles to reduce risk and to identify potentially poor driving habits.

Once the Audit is approved, Mr. Lalli stated that he will create a Permit to Drive List of 1555 (one thousand five hundred and fifty five) individuals, which will include the Greenwich Fire Department Volunteers.

Upon a motion by Mr. Brady, seconded by Mr. Goldrick, the Committee voted 4 - 0 to accept the *“Annual Management Review of Motor Vehicle Records of Town Employees”* as a public document.

#### **Audit Plan 2012 - 2014**

Mr. Norton explained how the plan is used as a proposed guideline for the use of finance audit resources for the fiscal year of 2012 to 2014. Items may be added throughout the year.

Mr. Lalli strongly recommended that re-visits be performed on many areas to maintain compliance with recommendations made from previous audits. He added that the Fire Marshal Office Audit will be added to the plan.

Upon a motion by Mr. Goldrick, seconded by Mr. Bedrosian, the Committee voted 4 - 0 to accept the Audit Plan 2012 – 2014 as a basis guideline, subject to future additions and the addition of the Fire Marshal Office Audit.

### **3. Risk Manager Report Tools for Schools**

Ms. Maranan explained the walk-through process used at the Old Greenwich and Western Middle Schools. Mr. Lalli and Ms. Maranan, along with a five member team of PTA members and school administrators, conducted inspections utilizing the national elementary preventative maintenance program's checklist. The results were then turned over to the BOE Facilities Manager.

Mr. Norton noted that the BET Audit Committee had recommended that walk-throughs be completed twice each year, with Mr. Lalli acknowledging the BOE's compliance with this request.

### **Completed Engineering Reports**

Mr. Mynarski reviewed the reports from Frankel & Company from their inspections at Julian Curtis and Parkway Schools. He noted that the recommendations were similar to Mr. Lalli's earlier findings regarding the sprinkler systems and fire inspection results.

Mr. Norton reminded the members that these inspections are provided by the Town's insurance companies. Mr. Brady recommended that the Committee provide to all eight BOE members the completed BOE facility inspection reports.

### **Status Report Risk Manager Position**

Mr. Mynarski announced that the search has been finalized to three candidates who will be interviewed next Tuesday, February 21, 2012. A decision will be made at that time.

### **4. Fiscal 2011 Audit Management Letter**

Mr. Mynarski briefly noted the extensive Public Works Department's response, "*Procedure for Documentation of Prevailing Wage Rate Compliance Requirements for Construction Projects*" written by David Thompson, Deputy Commissioner Public Works.

### **5. RFP External Auditor Contract Status/Selection Process**

Mr. Mynarski explained that the Audit Committee must be present to the Full BET one firm for consideration at the March 19, 2012 BET Meeting. The five finalists are: BlumShapiro, whose contract was up for renewal February 2012; Grant Thornton; J.H. Cohn, LLP; McGladrey and O'Connor Davies. A group discussion followed regarding this two-year contract with three one year extensions. The Committee decided to interview all five firms March 8 and 9, 2012. Mr. Mynarski will coordinate the exact times.

### **6. MISA/Remediation Audit Status**

Mr. Mynarski stated that the full BET will be officially updated at the BET Executive Session Meeting on Tuesday, February 21, 2012 starting at 6:00 P.M.

### **7. Old Business**

No discussion.

### **8. Items for future BET Audit Committee Meetings**

Mr. Brady proposed inclusion of Town volunteers on the Permit to Drive List, with advice of counsel and its possible ramifications. A brief group discussion followed.

### **9. Adjournment**

Upon a motion by Mr. Bedrosian, seconded by Mr. Brady, the Committee voted 4 - 0 to adjourn the meeting at 11:04 A.M.

  
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Arthur D. Norton, BET Audit Committee Chairman

  
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Elaine JV Brown, Recording Secretary



**TOWN OF GREENWICH  
BOARD OF ESTIMATE & TAXATION  
AUDIT COMMITTEE MEETING**

**Thursday, February 16, 2012  
8:00 A.M.  
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**AGENDA**

1. Approval of BET Audit Committee Meeting Minutes - January 12, 2012
2. Internal Audit Report
  - Audit Plan for 2012 – 2013
  - Report of Review of Winter Storage at the TOG Marinas
  - Review of BOE Audit
  - Permitted to Drive List Update
3. Risk Manager Report
  - Tools for Schools Report
  - Completed Engineering Reports
  - Status Report Risk Manager Position
4. Fiscal 2011 Audit Management Letter
5. RFP External Auditor Contract Status/Selection Process
6. MISA/Remediation Audit Status
7. Old Business
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