

1. BET Audit Comm. Meeting Document

Documents:

APPROVED_BET_AUDIT_COMM_MEETING_MINUTES_02-18-14.PDF
BET_AUDIT_COMM_MEETING_AGENDA_02-13-14.PDF
REVISED_BET_AUDIT_COMM_MEETING_AGENDA_02-18-14.PDF
SUB_TO_APP_BET_AUDIT_COMM_MEETING_MINUTES_02-18-14.PDF

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Tuesday, February 18, 2014 – 3:00 P.M.
Gisborne Conference Room

Present:

Committee: Arthur Norton, Chairman
John Blankley, William Finger, Leslie Tarkington

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Director of Risk Management;
Pat Maranan, Internal Auditor, Valerie Maze Keeney, Assistant Town Attorney;
Mary Pepe, Director of Human Resources; Jose Irizarry, Vice President, Frenkel
& Company

The meeting was called to order at 3:04 P.M.
John Blankley joined the meeting at 3:15 P.M.

1. Approval of Minutes: Audit Committee Meeting January 9, 2013.

Upon a motion by Mr. Finger, seconded by Ms. Tarkington, the
Committee voted 3-0 to approve the January 9, 2014 Meeting Minutes.

Upon a motion by Mr. Finger and seconded by Ms. Tarkington, the Committee voted 3-0 to suspend rules and consider item #4 next.

4. McGladrey Payroll Audit Update

Ms. Pepe detailed the history of the payroll process which previously resided in the Finance Department before consolidated into the HR Department. Significant errors were discovered last summer regarding group term life insurance deductions, FICA, workers' compensation payments, etc. Today it is manually processed, lacking protocol consistency. As a result McGladrey was chosen to review the Payroll System and Human Capital. Ms. Pepe reviewed the HR Plan of Action which will address these issues. ADP has been selected and will go live October 1, 2014.

Ultimately employees will electronically enter their hours. Supervisors will electronically review for accuracy, verify and submit to payroll. Ms. Pepe expects the final TOG Payroll Rapid Assessment Audit from McGladrey in March.

2. Risk Management Report

• **Frenkel and Company Presentation – Insurance Renewal Preview**

Mr. Irizarry and Mr. Lalli detailed the Fiscal 2014 Insurance Policy Digest of property and casualty insurance policies. Mr. Lalli commented on the outstanding collaboration with Frenkel. Mr. Irizarry described the current market with the risk to increased premiums in the liability programs. The liability program was discussed as well as the property program.

The Town's total property insurable value of \$813,273,760 (eight hundred thirteen million, two hundred seventy three thousand, seven hundred sixty dollars) will be covered by Lexington Insurance Company, an AIG company.

Mr. Norton questioned future premiums. Mr. Irizarry stated that flood zones are currently being re-designed and additional coverage's might be needed going forward. He also expects premium increases in the policy that covers excess Workers' Compensation. Cyber liability

insurance has more companies offering this coverage. The highest claims for the TOG were for liability, Workers' Compensation and property.

- **Insurance Engineering Reports**

Mr. Lalli said that Frenkel Safety Engineers and PMA Risk Control Consultant have been proactive in setting a busy schedule. He presented a safety report for the Food Service Division of Greenwich High School. PMA discovered several issues at the loading dock and storage areas. BOE responded in a timely manner to the report and has materially agreed with all the major report recommendations. Three additional inspections have taken place: the pedestrian bridge over Fairfield Avenue and at Laddins Rock Park and a report for the Greenwich Police Department's Parking Facility. Mr. Lalli's goal is to report on at least one of these reports at the March Audit Committee and Safety Council Meetings.

- **Superstorm Sandy Settlement Report/FEMA Update**

Mr. Lalli was informed by Dustin Anderson, Special Projects Manager that FEMA has been making progress.

- **Other Insurance Recoveries/Subrogation**

Mr. Lalli explained that he usually has about ten outstanding claims he processes for the Town versus third parties. The two largest outstanding claims are for a traffic signal hit by a third party vehicle at the top of Greenwich Avenue and for a fire engine hitting a speed bump, which resulted in a claim versus a private homeowners' association insurance carrier.

3. Internal Audit Report

- **Discussion of Posting Completed Internal Audit Reports on Town of Greenwich Website**

Mr. Norton asked Ms. Keeney to comment on her FOI research results. Ms. Keeney stated that audits are not required to be posted on the Town's website and that these final reports are under the authority of the full BET to post or not.

Mr. Norton believes the change in policy is not necessary since it does not enhance Internal Audits, the intent of legislation does not require public posting, some may contain sensitive issues and the current process is successful. Mr. Finger questioned the process used if a resident requested such information. Mr. Lalli said that if the report was finalized and accepted by the Audit Committee and distributed to the remaining BET, that he would supply that person with a copy of a final audit.

Mr. Lalli and Ms. Keeney conveyed their concerns regarding the possible legal ramifications of posting sensitivity issues contained in some audits. Mr. Mynarski is unaware of any other Connecticut municipalities that post such documents. Mr. Finger and Mr. Blankley expressed their belief in transparency regarding the audits. Ms. Tarkington stated that she does not believe that a process that is working should be changed.

- **Fire Marshal Audit Update on Internal Audit Report (dated May 2013)**

Not discussed.

6. Management Letter Comments Update

Mr. Mynarski stated that one item is pending.

5. Appointment of Auditor for Nathaniel Witherell Tax Credits

Mr. Norton said that there are two conditions: a C.O. and a completed audit, a certification of cost to be done by an auditor. He suggested McGladrey.

Upon a motion by Mr. Blankley, seconded by Mr. Finger, the Committee voted 4 to 0 to appoint McGladrey as Auditor for the Nathaniel Witherell Tax Credits.

7. Items for Future BET Audit Committee Meetings

- **Perrot Memorial Library Funding Policy Guideline Discussion**

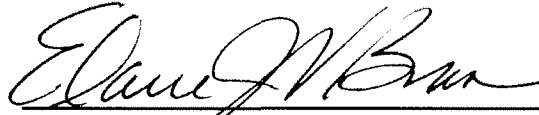
The Perrot Library Association, and Director, Kevin McCarthy, will be attending the March 13, 2014 BET Audit Committee Meeting.

8. Adjournment

Upon a motion by Mr. Finger, seconded by Ms. Tarkington, the Committee voted 4 to 0 to adjourn the meeting at 5:09 P.M.



Arthur D. Norton, BET/Audit Committee Chairman



Elaine JV Brown, Recording Secretary



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

**AUDIT COMMITTEE MEETING
Thursday, February 13, 2014
8:00 A.M.
Gisborne Room**

AGENDA

1. Approval of BET Audit Committee Meeting Minutes of January 9, 2014
2. Risk Management Report
 - Frenkel & Company Presentation – Insurance Renewal Preview
 - Insurance Engineering Reports
 - Superstorm Sandy Settlement Report/FEMA Update
 - Other Insurance Recoveries/Subrogation
3. Internal Audit Report
 - Discussion of Posting Completed Internal Audit Reports on Town of Greenwich Website
 - Fire Marshal Update on Internal Audit Report (dated May 2013)
4. McGladrey Payroll Audit Update
5. Management Letter Comments Update
6. Items for Future BET Audit Committee Meetings
 - Perrot Memorial Library Funding Policy Guideline Discussion
7. Adjournment



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

AUDIT COMMITTEE MEETING

Tuesday, February 18, 2014

3:00 P.M.

Gisborne Room

REVISED AGENDA

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Arthur D. Norton, BET Audit Committee Chairman

Elaine JV Brown, Recording Secretary

SUBJECT TO APPROVAL