1. BET Audit Comm. Meeting Agenda
   Documents:
   BET_AUDIT_COMM_MTG_AGENDA_03-07-19.PDF

2. SUB TO APP BET Audit Comm. Meeting Minutes
   Documents:
   SUB_TO_APP_BET_AUDIT_COMM_MEETING_MINUTES_03-07-19.PDF

3. APPROVED BET Audit Comm. Meeting Minutes
   Documents:
   APPROVED_BET_AUDIT_COMM_MEETING_MINUTES_03-07-19.PDF
TOWN OF GREENWICH
BOARD OF ESTIMATE & TAXATION

AUDIT COMMITTEE MEETING
Thursday, March 7, 2019

8:30 A.M.
Gisborne Room

AGENDA

1. Approval of the BET Audit Committee Meeting Minutes of February 1, 2019

2. Risk Management
   • Arthur J. Gallagher & Co. Cyber Security Discussion with Consultant, John Doernberg
   • Various Public School Insurance Claim Updates; Cos Cob School, Greenwich High School and Hamilton Avenue School

3. Internal Audit Report
   • Parking Services Audit Update
   • Board of Education Capital Project Review - Blum Shapiro Report
   • Senior Center Update Re: POS System Implementation
   • Follow-up of Cash Handling Controls in the Office of the Town Clerk

4. Old Business
   • None

5. New Business
   • Cyber Security Risk Management Assessment

6. Items for future BET Audit Committee Meetings

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

1. Acceptance of Audit Committee Meeting Minutes of February 1, 2019

Upon a motion by Mr. Duus, seconded by Ms. Hess, the Committee voted 4-0-0 to accept the February 1, 2019 Meeting Minutes as corrected for a change of date in the text.

Mr. Weisbrod welcomed attendees and requested that the Committee agree to changing the Order of Business. The Committee voted 4-0-0 to approve the change.

3. Internal Audit Report

- **Board of Education Capital Project Review – blumshapiro Report**

  Mr. Mayo commented that the BOE was already putting the blumshapiro recommendations in place and looked forward to the next meeting with BET Liaisons, Ms. Hess, Ms. Moriarty, and Internal Auditor Ms. Frame. Ms. Hess expressed the view that the internal audit role should be limited to ensure no conflict with the ability to perform periodic audits. Ms. Oberlander asked how protocols were being developed to launch the initial recommendations and whether the BOE saw a need to ask the BET Budget Committee for an Interim Appropriation.

  Mr. Weisbrod noted that the report is now in “execution” mode, and that the Audit Committee would include on its agenda, periodic updates regarding Greenwich Public Schools progress in achieving report recommendations including written checklists of sign-offs are being completed.

2. Risk Management

- **A.J. Gallagher & Co. Cyber Security Discussion with Consultant John Doernberg**
Mr. Doernberg was asked to provide an overview of municipal structured cyber security and how it is managed in other jurisdictions. In response, Mr. Doernberg described how underwriters look for a culture of compliance and internal coordination among departments to reflect the changing nature of the risks as well as insights as to how a municipality would respond to a breach of its systems and/or its sensitive information. Mr. Weisbrod inquired whether a rating system exists to determine the pricing of cyber insurance. Mr. Doernberg explained that pricing is customized and that carriers look closely at how the insured would respond to a breach. The Town’s current cyber liability coverage expires in September.

The Town has sensitive and personal information, particularly at TNW and the schools. Commenting on internal policy development and employee training, Mr. Doernberg cited social engineering (phishing and malware invasion), fraudulent invoice substitution and payroll diversification as trends. The Committee asked for benchmarking information to help determine TNW and schools’ coverage needs. It was recommended that Ms. Damato review and compare applications for Chubb and AIG to begin to gather necessary information to complete the long form application to go out to market. Ms. Oberlander asked for preliminary Risk Assessment information for FY20 budgeting purposes based on a risk based approach towards cyber. An overview of what the Town may wish to consider for additional coverage was also requested.

- Various Public School Insurance Claim Updates: Cos Cob School, Greenwich High School and Hamilton Avenue School
  - **Cos Cob School Insurance Claim Update**
    Ms. Damato reported that the project was finished with expenses totaling $1,650,724.76, less the $25,000 deductible and payments so far of $500,000, a balance of $1,125,724.76 has been requested from the carrier.
  - **Greenwich High School Performing Arts Center Insurance Claim Update**
    Ms. Damato reported that work was completed; she is waiting on the BOE Business Office to confirm the final figures captured in the spreadsheets to request a final reimbursement from the carrier.
  - **Greenwich High School Mechanical Room Insurance Update**
    Ms. Damato reported that the project needs to go out to bid, while discussion of the subrogation of liability continues.
  - **Hamilton Avenue School**
    Ms. Damato reported that the work has been completed; she is waiting on the BOE Business Office to confirm that all expenses have been captured in the spreadsheets to request final reimbursement.

3. Internal Audit Report (continued)

- **Parking Services Audit Status Update**
  Ms. Frame reported that she sent her draft follow-up report on controls over revenue in the Parking Services Department to Deputy Chief Marino and Town Administrator Branyan on February 27, 2019. In her cover memo she requested that she receive management’s responses to the audit recommendations by March 8, 2019. She stated that on March 6, 2019 Deputy Chief Marino contacted her requesting more time to respond since he was assigned management responsibilities for Parking Services just last month. Ms. Frame
stated she extended the due date for management responses to March 29, 2019. Ms. Oberlander noted that if any of the audit recommendations required capital money, the Department needed to request that money prior to the BET’s Budget Decision meeting on March 28, 2019.

- **Senior Center Update**
  Ms. Frame reported that the implementation of the Center’s new POS System was proceeding satisfactorily. She stated the Center had received its credit card processing equipment and that the next step was to work with the Treasury Department to ensure the credit card transactions are routed to the correct bank accounts.

- **Follow-up of Cash Handling Controls in the Office of the Town Clerk**
  Ms. Frame stated she was halfway through testing and pleased to report that the issues identified in the first report appear to have been corrected. She stated that she expected the follow-up report not to have any new or additional management recommendations.

Ms. Hess asked if a plan for studying the School Lunch program and School Activity Fund had been developed. Ms. Frame responded that she would present her plan at the next meeting.

4. **Old Business**
   None

5. **New Business**
   - **Cyber Security Risk Management Assessment**
     Ms. Damato will review insurance providers’ websites to review underwriters’ typical questions and test pricing calculators in preparation for Gallagher putting the coverage request out to market. Potential cyber training of employees was discussed and Ms. Oberlander requested a “road map” plan of who in various departments is the responsible contact person for IT. A potential Audit of IT Policy and Procedures was discussed.

     Mr. Weisbrod also asked for a list of specific individuals in each department accountable for cyber related issues.

6. **Items for Future BET Audit Committee Meetings**
   - Report and Discussion of preliminary premium cost (Damato)
   - Invitation to the Police Department to discuss its IT System security (Risk Manager)
   - Student Activity Fund & Lunch Fund
   - DH Skating Rink
   - DPW Environmental Specific Project Plan
   - DPW Holly Hill Transfer Station
   - TNW Inventory Control
   - Update Annual Town Internal Audit Calendar

7. **Adjournment**

   Upon a Motion by Mr. Duus, seconded by Ms. Oberlander, the Committee voted 4-0-0 to adjourn the meeting at 10:45 A.M.

The next Regular Audit Committee Meeting is scheduled for April 11, 2019 at 8:30 A.M.
in the Gisborne Room.

Catherine Sidor, Recording Secretary

David Weisbrod, BET Audit Committee Chairman

**Schedule of 2019 Audit Committee Meetings**

May 9, 2019 at (Thursday) 8:30 A.M.
June 4, 2019 (Tuesday) at 8:30 A.M.
July 11, 2019 (Thursday) at 8:30 A.M.
August (No Meeting)
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October 3, 2019 at 8:30 A.M.
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December 5, 2019 (Thursday) at 8:30 A.M.
The regular meeting was called to order at 8:30 A.M.

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   Mr. Weisbrod noted that the report is now in “execution” mode, and that the Audit Committee would include on its agenda periodic updates regarding Greenwich Public Schools progress in achieving report recommendations including written checklists of sign-offs and document for “on-boarding” staff.

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