1. BET Audit Comm. Meeting Documents

Documents:

- APPROVED_BET_AUDIT_COMM_MEETING_MINUTES_04-12-12.PDF
- BET_AUDIT_COMM_MEETING_AGENDA_04-12-12.PDF
- SUB_TO_APP_BET_AUDIT_COMM_MEETING_MINUTES_04-12-12.PDF
Present:

Committee: Arthur Norton, Chairman
Gregory Bedrosian, Robert Brady

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Special Projects Coordinator;
Patricia Maranan, Internal Auditor; Roger Lulow, BOE Superintendent of Schools

Others: Jenny Baldock, Chairman Friends of Greenwich Library Trustees; John
Crary, Town Administrator (9:35 A.M.)

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

1. Approval of Minutes of the BET Audit Committee Meeting

   Upon a motion by Mr. Brady, seconded by Mr. Bedrosian, the Committee voted
   3 - 0 to approve the March 8, 2012 Minutes.

2. Internal Audit Report

   Mr. Norton requested that the Committee address the agenda items out of order to
   accommodate the attendance of Mr. Lulow.

     • Follow up on Board of Education Limited Scope Review of Selected Practices

       Mr. Lalli stated that per the recommendation of the Audit Committee that he will follow up on
       previously made recommendations and observations. He stated that his plan was to complete
       this review by June 30, 2012. He stated that many of the recommendations have already been
       implemented and that providing the BOE until the end of the Fiscal Year was a practical
       approach that allowed the audited party time to implement new practices with a detailed
       approach.

       Mr. Norton questioned some outstanding issues at Greenwich High School relating to the Fire
       Marshall. Mr. Lulow replied that he is expecting completion the end of this week.

       While Mr. Lulow was present, Mr. Mynarski asked if the Tools for Schools schedule could
       resume in the fall, since it usually takes place in March and October, noting that this year it was
       done in January. Mr. Lulow agreed with Mr. Mynarski’s request.

       Mr. Norton also requested BOE cooperation for monthly updates on the MISA remediation. Mr.
       Lulow expressed the BOE’s commitment.

     • Parks & Recreation – Winter Storage Marina Audit

       Mr. Lalli presented the final audit of the Greenwich Marinas Winter Storage Physical Inventories
       to the Committee which included the result of audits at all four Town marinas during February
       2012. He reviewed the background of the audit noting the start date of 2006. The lack of
       accountability, poor internal controls and physical inventories were less than adequate at that
       time. He continued to review charts contained within the report noting positive internal controls
       and improved business practices which have been implemented. Mr. Lalli identified the cultural
issues he first encountered and how the current Boating Coordinator has taken the initiative to personally review inventories.

Mr. Brady questioned the approximate loss in revenue in past years. Mr. Lalli replied that approximately $50,000 (fifty thousand dollars). He added that Parks and Recreation have been working diligently to adhere to the recommendations and procedures contained within the audit report. They have also implemented a boating collection procedure that the department created with Mr. Lalli’s assistance.

Mr. Brady asked Mr. Lalli if there were proper staffing at the docks. He replied that if such a proposal was submitted by Parks and Recreation, he would support a staff increase at the marinas.

Upon a motion by Mr. Brady, seconded by Mr. Bedrosian, the Committee voted 3 - 0 to accept and approve the “Internal Audit Report: Results of Town of Greenwich Marinas Winter Storage Physical Inventories”, and for it to be distributed to the full BET.

- **Town Purchasing Audit Update**
  Mr. Lalli stated that Ms. Maranan is currently working on this report which will be presented at the BET Audit Committee’s June 2012 meeting. He added that he is also compiling survey data on other municipalities for this report.

- **Petty Cash Update**
  Mr. Lalli noted that the report is near completion after visiting 25 (twenty five) to 30 (thirty) locations, with Ms. Maranan doing most of the “leg work”. He explained that the report is reviewing two types of accounts: Petty Cash, which usually disperses small expenditures and Cash Working Funds, which are used to make change for point of sale revenue transactions. Mr. Lalli mentioned that the report does not include the BOE, but that they will be reviewing the Student Activities Fund in the late summer.

Mr. Lalli said that they will be working with Ms. Murphy, Treasurer to update custodian files before the May 10, 2012 BET Audit Committee Meeting.

Mr. Lalli hopes to return to the Committee’s June or July meetings with the BOE and Fire Marshall reports.

3. **Risk Management Report**
Mr. Mynarski announced that he and Mr. Lalli will meet with Jose Irizarry, Senior Vice President, Frenkel & Co., Inc. the Town’s agent, the following week to review various issues such as engineering reports, insurance requirements, etc. He added that Mr. Irizarry and Frank D’Ambrosio, Senior Vice President Engineering Division will be invited to the Committee’s June and July meetings to introduce themselves to the new Committee members.

Mr. Lalli continued that he and Mr. Mynarski have been reviewing liability claims and they will develop a consistent claims process that will also improve recording procedures. He stated that during the following weeks he will be sending the Committee members updates on this new streamlined method. Mr. Norton expressed the groups support and its intention of making this policy.

4. **Greenwich Library Sources of Financial Support Agreement – aka Stowell Memorandum of Understanding**
Mr. Norton discussed the changes that have been occurred since the original Sam Stowell document between the TOG and Greenwich Library which had been created on November 28,
1988. He referenced an article from the Wall Street Journal (April 9, 2012) which addressed how libraries will fit into the world going forward.

Mr. Norton stated that the Chairman of the BET had requested the Audit Committee to address and clarify this agreement regarding the Greenwich Library’s sources of financial support. He then turned to the members and asked for suggestions.

Mr. Brady stated that he believed the document was not an actual agreement but that the Town and the Library Trustees must create an agreement to go forward.

At this time, Ms. Jenny Baldock introduced herself to the group and she explained that Greenwich Library is owned in trust for the benefit of the residents of Greenwich. It is not a private ownership. The Library Director is actually a Town employee, hired by the Trustees and whose salary is determined by the BET. Mr. Norton said that the document contains many “grey areas” that need clarification and that it is not an agreement but an MOU (Memorandum of Understanding).

Mr. Norton requested that a discussion begin to review the document with the Greenwich Library Trustees. Ms. Baldock agreed that the document is indeed confusing and that clarification going forward would benefit everyone. Mr. Mynarski said he would coordinate with Ms. Carol Mahoney, Director of Greenwich Library to create a working group to address this item with the BET Audit Committee.

5. Greenwich High School – Remediation Update
Mr. Norton revisited this item and requested information on a continuing basis. Mr. Mynarski said he will request that Mr. Gieger work with Ms. Siebert to submit a monthly updated report to the Committee going forward.

6. Old Business Item Review
No items were discussed.

7. Items for future BET Audit Committee Meetings
   - Information Technology Discussion
Mr. Norton requested for Mr., Crary to join the discussion. While waiting for Mr. Crary, Mr. Norton stated that he believed that this should be approached as a management consulting issue, since the Committee lacks the technical knowledge to address it properly as an audit.

Mr. Crary announced that eight companies had submitted proposals for this $100,000 (one hundred thousand dollar) RFP, and the selection process has been narrowed to three candidates. Vendor meetings with the final three will take place the following week with Mr. Crary; Mr. Dustin Anderson, Administrative Manager Selectmen’s Office; Mr. Boris Hutorin, Director of Information Technology; Ms. Amy Siebert, Commissioner of Public Works and Ms. Katie Blankley, Deputy Director Planning and Zoning/Assistant Town Planner.

Mr. Brady expressed his concerns over the scope of the study, review of departmental structures and the “corralling” of the Town’s IT issues. Mr. Crary invited Mr. Brady to take part in the meetings and assured him that the IT Capital Fund will be able to handle the costs should the scope of the study increase.

Mr. Norton requested that Mr. Brady represent, participate and report back to the BET Audit Committee following these meetings.
8. Other future meetings
Mr. Norton announced that auditor representatives from McGladrey & Pullen, Certified Public
Accountants will be attending the May 10, 2012 BET Audit Committee Meeting. Subsequently
following the regular meeting, the representatives will review documents required and timelines
to proceed with the Town's annual audit.

8. Adjournment

Upon a motion by Mr. Brady, seconded by Mr. Bedrosian, the Committee voted 3
- 0 to adjourn the meeting at 10:10 A.M.

Arthur D. Norton, BET Audit Committee Chairman

Elaine JV Brown, Recording Secretary
TOWN OF GREENWICH
BOARD OF ESTIMATE & TAXATION

AUDIT COMMITTEE MEETING

Thursday, April 12, 2012
8:00 A.M.
Gisborne Conference Room

AGENDA

1. Approve BET Audit Committee Meeting Minutes March 8, 2012

2. Internal Audit Report
   - Parks & Recreation – Winter Storage Marina Audit
   - Town Purchasing Audit Update
   - Petty Cash Update
   - Follow up on Board of Education Limited Scope Review of Selected Practices

3. Risk Management Report

4. Greenwich Library Sources of Financial Support Agreement – aka Stowell Memorandum of Understanding

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SUBJECT TO APPROVAL