

1. BET Audit Comm. Meeting Documents

Documents:

[APPROVED_BET_AUDIT_COMM_MEETING_MINUTES_04-16-09.PDF](#)
[BET_AUDIT_COMM_MEETING_AGENDA_04-16-09.PDF](#)
[SUB_TO_APP_BET_AUDIT_COMM_MEETING_MINUTES_04-16-09.PDF](#)

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, April 16, 2009
Gisborne Meeting Room

Attending:

Committee: Arthur Norton, Chairman
James Campbell, Jeffrey Ramer and William Finger

Staff: Peter Mynarski, Comptroller; Chris DeMeo, Risk Management Director/Internal Auditor; Ron Lalli, Special Projects Manager; Richard Calcavecchio, BOE Director of Budgets; Caroline Baisley, Director of Health; Amy Siebert, Commissioner of DPW; John Crary, Town Administrator

Meeting was called to order at 8:01 A.M.

The following items were discussed:

1. Approval of Minutes for February 12, 2009 and March 12, 2009 Audit Committee Meetings:

Upon a motion by Mr. Ramer, seconded by Mr. Finger, the Committee voted 3-0-1 to approve the February 12, 2009 Minutes. Mr. Campbell abstained.

Upon a motion by Mr. Campbell, seconded by Mr. Ramer, the Committee voted 3-0-1 to approve the March 12, 2009 Minutes. Mr. Finger abstained.

2. Internal Auditor Report

Tools for Schools: Mr. DeMeo reviewed two walk-through which have been completed at New Lebanon School, March 20th and Parkway School, March 31st. Both schools were inspected in depth inside and outside with the attendance of the school's principal, head custodian, a member of the BOE Facilities Department, a PTA member and a member of the teachers' union. Both Mr. Lalli and Mr. DeMeo were pleased with no major exceptions to report. Mr. DeMeo will get a schedule for next year's evaluation dates from Tony Byrne, BOE Director of Facilities, which usually occurs in the months of October and May. Mr. Lalli expressed that he would like to add to the Audit Plan an Internal Audit follow through concerning the work order process, to ensure timely processing of any facility concerns.

Audit Plan: The Committee requests the dates be removed from the Audit Plan and there be a change in the priority of items.

The topic turned to a group discussion regarding the Building Inspection/Permit Division and the accuracy of permits. Mr. Mynarski noted that there could be revenue loss from building permit fees as well as property taxes, due to inaccurate assessments by contractors. The Committee suggested that this issue should be addressed after the Marine Audit is completed.

Mr. Finger expressed an interest in obtaining a list of the part-time employees collecting Town pensions, a topic which had been on the prior Internal Auditor's project list. Mr. Mynarski said at this time it has yet to be finalized.

Mr. Norton expressed his view that BOE Activity Funds need attention since time has lapsed since last reviewed. Mr. Calcavecchio said that middle school and high school have the largest funds, with the largest a couple hundred thousand dollars.

Mr. Norton requested a motion to approve the Audit Plan 2010 – 2012 subject to the addition of prioritizing the Audit of the Building Inspection/Permits Division and the Audit of the BOE Activity Funds and the deletion of all dates within the report.

Moved by Mr. Finger, seconded by Mr. Ramer. Approved 4-0

Mr. Norton recommended a possible time management study by the Internal Auditor for the Fleet Department. Mr. Finger reminded all that there may be a management change occurring in the future and Mr. Lalli recommended waiting for this change to happen. He also said that since there has been a decrease in staff, outsourcing has been used for preventative maintenance. A cost benefit analysis of this outsourcing will be done in August.

Marine and Docks Audit Update: Mr. DeMeo stated that the Internal Audit has done a limited scope review at Grass Island of winter storage. Time was of the essence since boats go into the water April 15th yearly. During the inventory process many boats did not appear to be tagged and approximately 18 (eighteen) to 25 (twenty five) percent weren't billed for winter storage. The findings will be sent to Parks and Recreation and a response within 2 to 3 weeks can be expected. Mr. Lalli commented that Parks and Recreation has responded immediately to correct billing issues and to review its inventory system with a very pro-active attitude. Next year winter storage will be integrated into the RecTrac system and a numbered sticker system will be initiated with two physical inventories to be conducted. Mr. DeMeo also stated that there is a problem with vendors used for launching and the setting of moorings. Currently no contracts exist with the Town or standard insurance with these vendors. Fred Walters, Superintendent of Marine and Facility Operations Division, agreed that there should be contracts and will address this issue.

Accident Audit: Mr. DeMeo presented a compiled data base reflecting all vehicle accidents from 2002 to present. Researching what other municipalities are doing to lower their numbers and see if any programs can be implemented in Greenwich will be the next step. Mr. Lalli noted a marked improvement in the Parks and Recreation numbers and would like to pass along to other departments their ideas. Mr. Finger questioned the Town policy of employee driver license reviews. A discussion followed regarding a periodic procedure and possible union ramifications.

Volunteer Firemen Benefits: Mr. Mynarski asked to respond to a request made by Mr. Ramer for follow up information regarding Volunteer Firemen Insurance and distributed a handout from the prior day's BET HR Committee Meeting.

Write-off Review: Mr. Mynarski recommended the following:

1. Write-off of \$7,433.47 representing old overpayments of payroll checks prior to the Town's use of the MUNIS Financial Accounting System.
2. Timing issue - \$36,320.72 representing open accounts receivable for the Waste Disposal Division. Awaiting response from the Law Department.

3. Timing issue - \$455,178.63 representing account receivables for the Nathaniel Witherell patient accounts. Awaiting response from The Nathaniel Witherell Finance Committee.

Mr. Mynarski stated that he is not prepared to write-off items 2 and 3, and will return next month with an update. He also requested to change the April write-off date to May or June for this year.

Mr. Mynarski continued with a discussion of the Police and Fire false alarms uncollected fees. This issue is currently in the Law Department to reach back and obtain the false alarm fees. The second issue is collection of Parking Fines. Greenwich is the only municipality in the area that after 60 (sixty) days does not pursue collections. Mr. Mynarski stated that there is over a million dollars in uncollected fees. He indicated that he just wanted to make the Committee aware of these two large receivables that are not on the books. Mr. Norton requested that the Audit Committee have limited involvement in collection of either of these until the First Selectman's Office responds.

3. Risk Manager Report

The Risk Manager reported that he has renewed the contract with Frenkel and Company for insurance brokerage services with a fixed yearly fee of \$68,000, for three years. Frenkel scored the highest in the evaluation process out of four companies. Mr. Mynarski stated that insurance rates are likely to spike July 31, 2010 for the next budget year.

Mr. Norton asked for the Committee to proceed to agenda items #6 and #7 and to invite Mr. John Crary to join the meeting.

6. Blum Shapiro Contract for Option Years

Mr. Norton presented the resolution for the Blum Shapiro Option Years, which will be present to the full BET at Monday, April 20, 2009 meeting.

MOTION: Resolved that the BET authorize the Audit Committee to exercise the contract option with Blum/Shapiro to perform the Annual Audit for fiscal year 2009 for the Town of Greenwich, CT

FURTHER RESOLVED that the BET authorize the Audit Committee at its discretion to exercise for fiscal year 2010, and fiscal year 2011 the contract options with Blum/Shapiro to perform the Annual Audit for the Town of Greenwich, CT, and that these option exercises be completed in March of each successive year.

Upon a motion by Mr. Finger, seconded by Mr. Campbell, the Committee voted 4 to 0 to approve the Blum Shapiro Option Years Resolution.

7. Ordinance for Illegal Dumping at the Transfer Station

Mr. Norton expressed the Committee's wish to have this item brought before the RTM at their June 2009 Meeting, since it was an old ordinance which has just been revised. Mr. Crary said that it has been worked on by the DPW for months and it was sent to the Health Department for review. Ms. Siebert further explained that 10 (ten) years ago it was turned over from the Health Department to DPW. She continued that currently the Supervisor of Waste Disposal has returned from military service and the weight checker has also returned creating a full enforcement staff once again. Ms. Siebert felt encouraged by the increased staffing which will improve public education of recycling. Mr. Norton requested that this ordinance be presented to the Board of Selectmen prior to the June RTM Meeting. Caroline Baisley stated that the Health Department has already

reviewed the ordinance with no modifications and relinquish responsibility to the Commissioner.

Moved by Mr. Campbell, seconded by Mr. Ramer, the Committee voted 4 to 0 that having reviewed the Ordinance for Illegal Dumping at the Transfer Station, as presented here, that we encourage the Board of Selectmen to adopt.

4. Follow-Up Fiscal Year Ended June 30, 2008 Independent Auditor Management Letter

Mr. Mynarski informed the Committee that a conference call with MUNIS will take place next Monday, April 20 with Ms. Rossitto from Blum Shapiro, a Blum Shapiro IT Specialist, Roland Gieger, Mary Walczykowski, Art Norton and himself to discuss the MUNIS blended method financial reporting. Ms. Rossitto from Blum Shapiro is planning on attending the next Audit Committee Meeting on May 14th hoping that the issue will be resolved.

Mr. Lalli reported on the pay rate change reporting for which Blum Shapiro is requesting an actual paper trail for accountability. Pay rate changes have never had a paper sign off by department heads. The issue is being addressed by HR and will be resolved. Mr. Lalli mentioned a larger issue being access to payroll accruals and passed out a handout of employees with access and view only access to employee accruals in MUNIS. Previously 80 (eighty) people had MUNIS ability to change an employee's accruals. This number has now been reduced to 20 (twenty) and will in the future be reduced much less. Mr. Lalli reassured that progress is being made adding departments to Central Payroll.

5. Policy on the sale and disposal of Capital Assets

Mr. Mynarski explained that while working on this topic with Mr. Gieger and Ms. Walczykowski they discovered that there was an actual process in place although not formal or with proper authorization to be in compliance with the management letter. A process existed that if any account payable clerks that process the requisition and purchase orders found an asset more than \$10,000 (ten thousand dollars) they are instructed to complete a form and give to Mr. Gieger's Financial Specialist Mr. Giovannone, who in turn would place it in the General Ledger.

Mr. Gieger redesigned and enhanced the form with 3 (three) approvals needed: the department, Purchasing and Finance. Mr. Mynarski has been working with Ms. Sullivan to amend the policy and work this new process in. He stated that he will give this form back to Ms. Sullivan, with the Committee's approval of the form and methodology, who will in turn then pass it on to Mr. Tesei and Mr. Crary. It would then be placed into the Purchasing Manual.

Mr. Norton made a recommendation that it should be a policy not an ordinance. Mr. Campbell suggested a change in the dollar amount on the example form while Mr. Norton recommended a form number to be added for specific identification, 1301.

Upon a motion by Mr. Finger, seconded by Mr. Ramer, the Committee voted 4 to 0 to recommend and endorse this policy deleting any "ordinance" reference and replace with "policy", adding on page 2 (two) "department" and adding the "Form Number 1301".

8. Discussion of topics for future BET Audit Committee Meetings

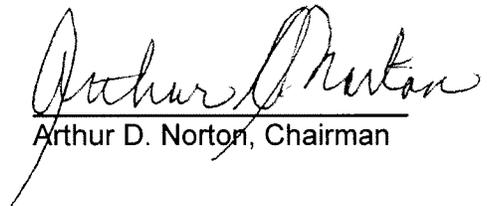
No topics were discussed.

The matter of Volunteer Firemen Insurance was briefly discussed again. Mr. Norton requested that the Committee hold discussion till further information is received from HR.

Upon a motion by Mr. Campbell, seconded by Mr. Ramer, the Committee voted 4 to 0 to adjourn the meeting at 10:07 A.M.

The next Audit Committee meeting is scheduled for May 14, 2009.


Elaine JV Brown, Secretary


Arthur D. Norton, Chairman



AUDIT COMMITTEE MEETING

**Thursday, April 16, 2009
Gisborne Room, 8:00 a.m.**

AGENDA

1. Approval of the Minutes for February 12 and March 12, 2009 Audit Committee Meetings.
2. Internal Auditor Report.
3. Risk Manager Report.
4. Follow-Up Fiscal Year Ended June 30, 2008, Independent Auditor Management Letter.
5. Policy on the sale and disposal of Capital Assets.
6. Blum Shapiro Contract for Option Years.
7. Ordinance for Illegal Dumping at the Transfer Station.
8. Discussion of topics for future BET Audit Committee Meetings.
9. Adjournment.

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, April 16, 2009
Gisborne Meeting Room

Attending:

Committee: Arthur Norton, Chairman
James Campbell, Jeffrey Ramer and William Finger

Staff: Peter Mynarski, Comptroller; Chris DeMeo, Risk Management Director/Internal Auditor; Ron Lalli, Special Projects Manager; Richard Calcavecchio, BOE Director of Budgets; Caroline Baisley, Director of Health; Amy Siebert, Commissioner of DPW; John Crary, Town Administrator

Meeting was called to order at 8:01 A.M.

The following items were discussed:

1. Approval of Minutes for February 12, 2009 and March 12, 2009 Audit Committee Meetings:

Upon a motion by Mr. Ramer, seconded by Mr. Finger, the Committee voted 3-0-1 to approve the February 12, 2009 Minutes. Mr. Campbell abstained.

Upon a motion by Mr. Campbell, seconded by Mr. Ramer, the Committee voted 3-0-1 to approve the March 12, 2009 Minutes. Mr. Finger abstained.

2. Internal Auditor Report

Tools for Schools: Mr. DeMeo reviewed two walk-through which have been completed at New Lebanon School, March 20th and Parkway School, March 31st. Both schools were inspected in depth inside and outside with the attendance of the school's principal, head custodian, a member of the BOE Facilities Department, a PTA member and a member of the teachers' union. Both Mr. Lalli and Mr. DeMeo were pleased with no major exceptions to report. Mr. DeMeo will get a schedule for next year's evaluation dates from Tony Byrne, BOE Director of Facilities, which usually occurs in the months of October and May. Mr. Lalli expressed that he would like to add to the Audit Plan an Internal Audit follow through concerning the work order process, to ensure timely processing of any facility concerns.

Audit Plan: The Committee requests the dates be removed from the Audit Plan and there be a change in the priority of items.

The topic turned to a group discussion regarding the Building Inspection/Permit Division and the accuracy of permits. Mr. Mynarski noted that there could be revenue loss from building permit fees as well as property taxes, due to inaccurate assessments by contractors. The Committee suggested that this issue should be addressed after the Marine Audit is completed.

Mr. Finger expressed an interest in obtaining a list of the part-time employees collecting Town pensions, a topic which had been on the prior Internal Auditor's project list. Mr. Mynarski said at this time it has yet to be finalized.

Mr. Norton expressed his view that BOE Activity Funds need attention since time has lapsed since last reviewed. Mr. Calcavecchio said that middle school and high school have the largest funds, with the largest a couple hundred thousand dollars.

Mr. Norton requested a motion to approve the Audit Plan 2010 – 2012 subject to the addition of prioritizing the Audit of the Building Inspection/Permits Division and the Audit of the BOE Activity Funds and the deletion of all dates within the report.

Moved by Mr. Finger, seconded by Mr. Ramer. Approved 4-0

Mr. Norton recommended a possible time management study by the Internal Auditor for the Fleet Department. Mr. Finger reminded all that there may be a management change occurring in the future and Mr. Lalli recommended waiting for this change to happen. He also said that since there has been a decrease in staff, outsourcing has been used for preventative maintenance. A cost benefit analysis of this outsourcing will be done in August.

Marine and Docks Audit Update: Mr. DeMeo stated that the Internal Audit has done a limited scope review at Grass Island of winter storage. Time was of the essence since boats go into the water April 15th yearly. During the inventory process many boats did not appear to be tagged and approximately 18 (eighteen) to 25 (twenty five) percent weren't billed for winter storage. The findings will be sent to Parks and Recreation and a response within 2 to 3 weeks can be expected. Mr. Lalli commented that Parks and Recreation has responded immediately to correct billing issues and to review its inventory system with a very pro-active attitude. Next year winter storage will be integrated into the RecTrac system and a numbered sticker system will be initiated with two physical inventories to be conducted. Mr. DeMeo also stated that there is a problem with vendors used for launching and the setting of moorings. Currently no contracts exist with the Town or standard insurance with these vendors. Fred Walters, Superintendent of Marine and Facility Operations Division, agreed that there should be contracts and will address this issue.

Accident Audit: Mr. DeMeo presented a compiled data base reflecting all vehicle accidents from 2002 to present. Researching what other municipalities are doing to lower their numbers and see if any programs can be implemented in Greenwich will be the next step. Mr. Lalli noted a marked improvement in the Parks and Recreation numbers and would like to pass along to other departments their ideas. Mr. Finger questioned the Town policy of employee driver license reviews. A discussion followed regarding a periodic procedure and possible union ramifications.

Volunteer Firemen Benefits: Mr. Mynarski asked to respond to a request made by Mr. Ramer for follow up information regarding Volunteer Firemen Insurance and distributed a handout from the prior day's BET HR Committee Meeting.

Write-off Review: Mr. Mynarski recommended the following:

1. Write-off of \$7,433.47 representing old overpayments of payroll checks prior to the Town's use of the MUNIS Financial Accounting System.
2. Timing issue - \$36,320.72 representing open accounts receivable for the Waste Disposal Division. Awaiting response from the Law Department.

3. Timing issue - \$455,178.63 representing account receivables for the Nathaniel Witherell patient accounts. Awaiting response from The Nathaniel Witherell Finance Committee.

Mr. Mynarski stated that he is not prepared to write-off items 2 and 3, and will return next month with an update. He also requested to change the April write-off date to May or June for this year.

Mr. Mynarski continued with a discussion of the Police and Fire false alarms uncollected fees. This issue is currently in the Law Department to reach back and obtain the false alarm fees. The second issue is collection of Parking Fines. Greenwich is the only municipality in the area that after 60 (sixty) days does not pursue collections. Mr. Mynarski stated that there is over a million dollars in uncollected fees. He indicated that he just wanted to make the Committee aware of these two large receivables that are not on the books. Mr. Norton requested that the Audit Committee have limited involvement in collection of either of these until the First Selectman's Office responds.

3. Risk Manager Report

The Risk Manager reported that he has renewed the contract with Frenkel and Company for insurance brokerage services with a fixed yearly fee of \$68,000, for three years. Frenkel scored the highest in the evaluation process out of four companies. Mr. Mynarski stated that insurance rates are likely to spike July 31, 2010 for the next budget year.

Mr. Norton asked for the Committee to proceed to agenda items #6 and #7 and to invite Mr. John Crary to join the meeting.

6. Blum Shapiro Contract for Option Years

Mr. Norton presented the resolution for the Blum Shapiro Option Years, which will be present to the full BET at Monday, April 20, 2009 meeting.

MOTION: Resolved that the BET authorize the Audit Committee to exercise the contract option with Blum/Shapiro to perform the Annual Audit for fiscal year 2009 for the Town of Greenwich, CT

FURTHER RESOLVED that the BET authorize the Audit Committee at its discretion to exercise for fiscal year 2010, and fiscal year 2011 the contract options with Blum/Shapiro to perform the Annual Audit for the Town of Greenwich, CT, and that these option exercises be completed in March of each successive year.

Upon a motion by Mr. Finger, seconded by Mr. Campbell, the Committee voted 4 to 0 to approve the Blum Shapiro Option Years Resolution.

7. Ordinance for Illegal Dumping at the Transfer Station

Mr. Norton expressed the Committee's wish to have this item brought before the RTM at their June 2009 Meeting, since it was an old ordinance which has just been revised. Mr. Crary said that it has been worked on by the DPW for months and it was sent to the Health Department for review. Ms. Siebert further explained that 10 (ten) years ago it was turned over from the Health Department to DPW. She continued that currently the Supervisor of Waste Disposal has returned from military service and the weight checker has also returned creating a full enforcement staff once again. Ms. Siebert felt encouraged by the increased staffing which will improve public education of recycling. Mr. Norton requested that this ordinance be presented to the Board of Selectmen prior to the June RTM Meeting. Caroline Baisley stated that the Health Department has already

reviewed the ordinance with no modifications and relinquish responsibility to the Commissioner.

Moved by Mr. Campbell, seconded by Mr. Ramer, the Committee voted 4 to 0 that having reviewed the Ordinance for Illegal Dumping at the Transfer Station, as presented here, that we encourage the Board of Selectmen to adopt.

4. Follow-Up Fiscal Year Ended June 30, 2008 Independent Auditor Management Letter

Mr. Mynarski informed the Committee that a conference call with MUNIS will take place next Monday, April 20 with Ms. Rossitto from Blum Shapiro, a Blum Shapiro IT Specialist, Roland Gieger, Mary Walczykowski, Art Norton and himself to discuss the MUNIS blended method financial reporting. Ms. Rossitto from Blum Shapiro is planning on attending the next Audit Committee Meeting on May 14th hoping that the issue will be resolved.

Mr. Lalli reported on the pay rate change reporting for which Blum Shapiro is requesting an actual paper trail for accountability. Pay rate changes have never had a paper sign off by department heads. The issue is being addressed by HR and will be resolved. Mr. Lalli mentioned a larger issue being access to payroll accruals and passed out a handout of employees with access and view only access to employee accruals in MUNIS. Previously 80 (eighty) people had MUNIS ability to change an employee's accruals. This number has now been reduced to 20 (twenty) and will in the future be reduced much less. Mr. Lalli reassured that progress is being made adding departments to Central Payroll.

5. Policy on the sale and disposal of Capital Assets

Mr. Mynarski explained that while working on this topic with Mr. Gieger and Ms. Walczykowski they discovered that there was an actual process in place although not formal or with proper authorization to be in compliance with the management letter. A process existed that if any account payable clerks that process the requisition and purchase orders found an asset more than \$10,000 (ten thousand dollars) they are instructed to complete a form and give to Mr. Gieger's Financial Specialist Mr. Giovannone, who in turn would place it in the General Ledger.

Mr. Gieger redesigned and enhanced the form with 3 (three) approvals needed: the department, Purchasing and Finance. Mr. Mynarski has been working with Ms. Sullivan to amend the policy and work this new process in. He stated that he will give this form back to Ms. Sullivan, with the Committee's approval of the form and methodology, who will in turn then pass it on to Mr. Tesei and Mr. Crary. It would then be placed into the Purchasing Manual.

Mr. Norton made a recommendation that it should be a policy not an ordinance. Mr. Campbell suggested a change in the dollar amount on the example form while Mr. Norton recommended a form number to be added for specific identification, 1301.

Upon a motion by Mr. Finger, seconded by Mr. Ramer, the Committee voted 4 to 0 to recommend and endorse this policy deleting any "ordinance" reference and replace with "policy", adding on page 2 (two) "department" and adding the "Form Number 1301".

8. Discussion of topics for future BET Audit Committee Meetings

No topics were discussed.

The matter of Volunteer Firemen Insurance was briefly discussed again. Mr. Norton requested that the Committee hold discussion till further information is received from HR.

Upon a motion by Mr. Campbell, seconded by Mr. Ramer, the Committee voted 4 to 0 to adjourn the meeting at 10:07 A.M.

The next Audit Committee meeting is scheduled for May 14, 2009.

Elaine JV Brown, Secretary

Arthur D. Norton, Chairman

SUBJECT TO APPROVAL