1. BET Audit Comm. Meeting Agenda
   Documents:
   
   BET_AUDIT_COMM_MEETING_AGENDA_05-09-19.PDF

2. SUB TO APP BET Audit Comm. Meeting Minutes
   Documents:
   
   SUB_TO_APP_BET_AUDIT_COMM_MEETING_MINUTES_05-09-19.PDF

3. APPROVED BET Audit Comm. Meeting Minutes
   Documents:
   
   APPROVED_BET_AUDIT_COMM-MEETING_MINUTES_05-09-19.PDF
TOWN OF GREENWICH
BOARD OF ESTIMATE & TAXATION

AUDIT COMMITTEE MEETING
Thursday, May 9, 2019

8:30 A.M.
Gisborne Room

AGENDA

1. Approval of the BET Audit Committee Meeting Minutes of April 11, 2019

2. Meeting with RSM US LLP to discuss the upcoming Fiscal 2019 Audit

3. Risk Management
   • Cyber Security Task Force Initiative Update
   • Various Public School Insurance Claim Updates; Cos Cob School, Greenwich High School and Hamilton Avenue School
   • Applied Risk Control Services Safety Report - New Lebanon School

4. Internal Audit
   • Final Audit Report: Follow-up to March 8, 2018 Town Clerk Audit Report
   • Upcoming Audit: BOE School Lunch Program
   • Senior Center Update Re: POS System Implementation

5. Old Business
   • Board of Education Capital Project Review - Blum Shapiro Report

6. New Business
   • Fiscal 2019 Write Offs - The Nathaniel Witherell

7. Items for future BET Audit Committee Meetings

8. Adjournment
The regular meeting was called to order at 8:32 A.M.

The Committee discussed changing the Order of Business to move the RSM US LLP Discussion of Fiscal 2019 Audit, Agenda Item #2, to be the first item on the Agenda.

Ms. Hess made a motion, seconded by Mr. Duus, to change the Order of Business to move the RSM Discussion under Item #2 to be the first item on the Agenda. The Committee voted 3-0-0. (Arrival after vote: Weisbrod) Motion carried.

2. Meeting with RSM US LLP to discuss the upcoming Fiscal 2019 Audit

- Ms. Katz introduced a review of the Fiscal 2019 Audit Planning document and communicated the scope, process and timeline to be followed by RSM in its upcoming annual Town audit and the Federal and State Single Audits. Ms. Hess requested that the Committee receive copies of the BOE Agreed Upon Procedures Letter and FY18 and FY19 audits. The Committee asked RSM to test the effectiveness of the Operating Agreement between the Town and Parking Services, The Nathaniel Witherell, the Library, GEMS and the Bruce Museum with the understanding that the testing would not result in an additional Management Letter. Ms. Katz discussed audit focus items and pending changes in accounting rules.

- Mr. Weisbrod ask to be made aware of anything new being done, or on the horizon in other municipalities and legislation.

1. Acceptance of the BET Audit Committee Meeting Minutes
Mr. Duus made a motion, seconded by Ms. Hess, to accept the April 11, 2019 Meeting Minutes. The Committee voted 4-0-0. Motion carried.

3. **Risk Management**

   - **Cyber Security Task Force Initiative Update**
     The Risk Manager and IT Director presented a draft of Objectives developed for the Cyber Security Task Force. Mr. Klein and Ms. Damato will work together with the Cyber Security Task Force to draft a response and escalation plan as well as Preliminary Minimum Security Requirements. An amendment to the Operating Agreements of GEMS, TAG, and the Bruce Museum should be considered. If TNW also functions under an Operating Agreement, potential amendments should be considered for it as well. Mr. Weisbrod requested that a Cyber Security timeline of quarterly milestones be drafted and presented to the Audit Committee for oversight at future Committee meetings.

     Questions of how selection of Task Force participants would be made and role of the BET in the selection process, were discussed.

     Ms. Hess made a motion, seconded by Mr. Duus to accept the list of Objectives prepared by Ms. Damato and Mr. Klein, as amended. The Committee voted 4-0-0. Motion carried.

   - **Various Public-School Insurance Claim Updates**
     - **Cos Cob School Insurance Claim Update**
       Ms. Damato reported that the majority of insurance reimbursement payments had been received, but she is waiting on the BOE Business Office to provide additional documents and information requested from the insurance carrier.

     - **Greenwich High School Mechanical Room Insurance Update**
       Ms. Damato reported that the bids had been received for the installation of the heat exchanger and that she is working with the BOE to ensure parties involved in the subrogation matter are notified when the removal of the old heat exchanger and installation of the new one take place.

     - **New Lebanon School**
       Ms. Damato commented that an interim safety report had been prepared which included recommendations. Dan Watson, Director of Facilities for the BOE, indicated that a copy of the report had been provided to the Building Committee and that they were reviewing the same and would respond.

Mr. Weisbrod asked the Committee to change the Order of Business to move the BOE Capital Project Review, Item #5 under Old Business, to be the next item on the Agenda.

Ms. Hess made a motion, seconded by Mr. Weisbrod, to change the Order of Business to move the BOE Capital Project Review, Item #5 under Old Business, to be the next item on the Agenda. The Committee voted 4-0-0. Motion carried.
5. **Old Business**

- **Board of Education Capital Project Review – Blum Shapiro Report**
  Mr. Mayo commented that a BOE purchase order had been sent to Blum Shapiro to begin the first phase of developing a checklist for project procedures to be used to test the software capabilities.

  Audit Committee members asked about the project and asset management software, employee training and whether a template of recommendations, tasks, timelines and funding would be completed by the end of July. To assure the status of implementation, it was agreed that the Audit Committee expect bi-monthly status reports from the Internal Auditor based on Blum Shapiro’s checklist.

4. **Internal Audit Report**

- **Final Audit Report: Follow-up to March 8, 2018 Town Clerk Audit Report**
  Ms. Frame submitted the Final report to the Committee and commented that all issues had been resolved and no issues were outstanding. Mr. Weisbrod remarked that this was an excellent example of how the internal audit process should be executed.

  Ms. Hess made a motion, seconded by Mr. Duus, to approve the Town Clerk Audit Report, The Committee voted 4-0-0. Motion carried.

  Ms. Hess made a motion, seconded by Mr. Duus, to change the Order of Business to move a discussion of The Nathaniel Witherell topic under **New Business**, to the next item on the Agenda. The Committee voted 4-0-0. Motion carried.

6. **New Business**

- **Fiscal 2019 Write Offs – The Nathaniel Witherell**
  Mr. Ellis requested approval for TNW annual uncollectible write-offs of $237,000 for FY2019. The Committee noted that it was 1% less of revenues than the previous year. Mr. Ellis explained TNW protocol for collecting outstanding patient accounts. Mr. Brown noted TNW was mindful that collection tactics could jeopardize future patient referrals and that HDG had recommended writing-off certain bad debts. The Committee asked if the PKF O’Connor Davies recommendation of establishing a reserve fund to cover future write-offs was being followed. The amount to be set aside in an annual reserve fund was discussed.

  Ms. Oberlander made a motion, seconded by Ms. Hess, to approve the annual write-off list totaling $237,000. The Committee voted 4-0-0. Motion carried.

4. **Internal Audit Report** (continued)

- **Upcoming Audits: BOE School Lunch Program**
  Ms. Frame reported that this audit would start at the end of May, prior to school closing for summer recess.
Senior Center Update
Ms. Frame commented that the conclusion of this review was on hold, subject to completion of the Parking Services follow-up audit. It is anticipated that a report will be ready by the July Audit Committee meeting.

Parking Services Audit Status Update
Ms. Frame reported that personnel turnover and changes in the Department’s reporting structure as she was drafting the report, contributed to major progress delays in the writing of a final audit report.

Other Internal Audit Matter
Ms. Frame will be drafting a protocol formalizing the internal audit report process and stipulating the appropriate purpose, use, and audience at each stage in the report process - from drafts and revisions, through final Committee approval and posting to the Town website. A draft of this protocol will be presented for discussion at the June meeting.

6. Items for Future BET Audit Committee Meetings

Ms. Hess proposed adding an internal audit of The Nathaniel Witherell to the Future Items list. The Committee discussed whether an internal audit was premature before the implementation of the recommendations of HDG and PKF O’Connor Davies reviews where still in progress. The rationale is to wait and perform testing after the recommendations are implemented. The audit was added to the Future Meetings Item list for further discussion of the timing and scope of an internal audit at TNW.

- Report and Discussion of preliminary Premium cost (Damato)
- Invitation to the Police Department to discuss its IT System security (Risk Manager)
- DH Skating Rink
- DPW Environmental Specific Project Plan
- DPW Holly Hill Transfer Station
- TNW Inventory Control
- TNW Internal Audit
- Update Annual Town Internal Audit Calendar

Mr. Duus requested an Executive Session. Ms. Oberlander confirmed that such a Committee session was within procedural rules.

EXECUTIVE SESSION –Discussion of Committee Business

Mr. Weisbrod called for an Executive Session to discuss Committee Business.

Ms. Hess made a motion, seconded by Mr. Duus, to enter Executive Session at 10:58 A.M. The Committee voted 4-0-0. Motion carried.

The Committee exited Executive Session at 12:14PM.

Upon a motion by Mr. Duus, seconded by Ms. Oberlander, the Committee voted 4-0-0 to exit Executive Session.
7. **Adjournment**

The Committee voted unanimously to adjourn the meeting at 12:18PM

The next Regular Audit Committee Meeting is scheduled for June 4, 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**

June 4, 2019 (Tuesday) at 8:30 A.M.
July 10, 2019 (Wednesday) at 8:30 A.M.
August (No Meeting)
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December 5, 2019 (Thursday) at 8:30 A.M.
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