

1. BET Audit Comm. Meeting Document

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**TOWN OF GREENWICH  
BOARD OF ESTIMATE AND TAXATION AUDIT COMMITTEE  
THURSDAY, MAY 11, 2006  
GISBORNE ROOM, 8:00 A.M.**

Present: Robert Stone, Chairman; James Himes, Larry Simon, Leslie Tarkington,

Staff: Peter Mynarski; Comptroller; Chris DeMeo, Risk Management Director; Ron Lalli, Internal Auditor; Joseph Siciliano, Parks and Recreation Department

Also Present: Bill Carlson, Frank Mazza

The meeting was called to order at 8:00 A.M.

**Payroll Audit Findings Update**

Mr. Stone explained that following the Committee's April meeting he met with the First Selectman, who had not seen the Payroll audit, but was generally aware of it and the Committee's resolution. Mr. Stone summarized the findings and emphasized that the Committee was interested in faster corrective action being taken than had been indicated in the responses to the report. Mr. Lash indicated that he would read the report and respond. To date, no response has been received.

Ms. Tarkington commented that the important point is that there is awareness of the issues. While action should be expedited, as this involves every department in the town, it will take some time to effectively address these issues.

Ms. Tarkington suggested formatting an organizational chart to show what the reporting lines are to the top level, so there is no question as to whose responsibility it is to implement solutions.

Mr. Simon was concerned that responsibility of implementation should be that of the Town Administrator and the Director of Human Resources, not the Audit Committee. The Audit Committee can review the findings with them after changes have been made.

Mr. Stone agreed that Human Resources should be involved. He asked that Ms. Tarkington work with Mr. Lalli on distribution of this document.

**401(k) Audit**

Mr. Simon believes that a policy had been drafted for clarification. In response to Mr. Stone's question, Mr. Simon indicated that the draft policy was not consistent with what he believed to have been the original intent of the BET. After some discussion, there was agreement that Mr. Simon would bring up the topic of reviewing the MC/Confidential Employees benefits package at the next BET meeting.

## **Risk Management**

Mr. DeMeo stated that a Marina Liability Assessment has been scheduled with the Marine Engineers from Frenkel and Co., the Superintendent of Marine Operations and the Dock Master for June 8, 2006. A similar review was done last spring.

Most of the major areas of concern at Grass Island have been corrected. All concerned parties will have the opportunity to become involved in this process.

The results of the written report will be made available to the Audit Committee. Mr. Stone made clear the need for input being received from those who brought the matter to the attention of the Committee as well as Department of Parks and Recreation personnel.

## **Record Keeping/Auditing**

Mr. Mynarski stated that before hiring Ovation, he would like to see the scope of what their doing Mr. Lalli is presently doing an audit of the record keeping process.

Mr. Lalli has completed a documentation test from all files from Anthem and HealthNet, and has limited the scope of the first phase of this audit to those to companies only.

The last step of the audit is reconciliation of the files. Mr. Lalli will have a report for the Audit Committee by the next meeting.

Mr. Simon asked if Mr. Mynarski had a copy of the Ovation proposal, and Mr. Mynarski does not yet have this. He will follow up with Human Resources to obtain one.

## **Approval of Minutes from April 13, 2006 Audit Committee Meeting**

The minutes were reviewed and upon a motion by Mr. Simon, seconded by Mr. Himes, the Committee voted unanimously to approve the minutes as submitted.

Ms. Tarkington asked for status of the whether the Old Greenwich Yacht Club and the Chimes Building were on the sewer line. Mr. Himes did follow up and reported that there is no sewage coming out of the Old Greenwich Yacht Club, and that the Chimes Building is not on a sewer line but is the town's responsibility. Mr. Mynarski followed up with Amy Siefert from the Sewer Department and the response was that neither building is on the sewer line but that they do have septic systems.

## **Possible Changes to the Internal Audit Plan**

Mr. Stone stated that a request had been received from Bill Carlson, a Town resident, to address of his concerns that the Mianus River Yacht Club was in violation of its lease of the property on Strickland Avenue, concerning signage, payment for water usage and placement of certain boat slips- that no docking of boats be allowed on the outside "T" of the federal channel.

Ms. Tarkington stated that the BET had no responsibility for these leases, and that the first place to voice concerns should be the First Selectman and the RTM. However, she does not believe that the BET should have responsibility over these leases. Ms. Tarkington further pointed out that in the audits plans, the focus should be on the audits that have the most financial benefits to the residents.

Mr. Stone invited Mr. Mazza, Commodore of the Mianus River Yacht Club, and Mr. Siciliano to respond to Mr. Carlson's concerns.

Mr. Mazza stated that the yacht club is in full compliance. He stated that Mr. Carlson has been in opposition to the lease from the beginning. The lease was approved by the RTM, and renewed in 2003. Mr. Mazza stated that reports of operations are filed twice annually with the town, and meets all insurance requirements.

Mr. Siciliano said that there may be minor operational issues, but that these are not lease compliance issues. He agrees that there are some issues that are 15 years old, but overall the yacht club has complied with the major items of the lease, the operations reporting and the insurance.

Mr. Siciliano said that there are some interpretation issues that can be addressed with regard to the docking issues.

Mr. Mazza stated that the current permit says that there can be two transient slips on the two outside docks, which they have. Federal guidelines mandate this, according to Mr. Mazza.

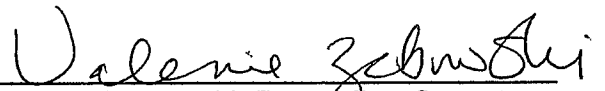
Mr. Siciliano had a copy of the permit application for the sign, which was signed off on by all town agencies, including Planning and Zoning. No property owner signed off on the application. This was an administrative problem that should have been taken care of in 1984.

Mr. Mazza stated that the yacht club pays \$150 for water/year. Most of the water is used by the town launch facility. The yacht club pays approximately \$65/year for a use permit for each boat. The total volume for the year is \$800-\$1,000/year. Mr. Mazza agrees that this is an interpretation issue.

Following discussion, and having elicited responses to questions raised by Mr. Carlson, The Audit Committee agreed that a further review of the lease would not be added to the current audit plan.

There being no further business, upon a motion by Mr. Simon, seconded by Mr. Himes, the Committee voted 4-0-0 to adjourn at 9:12 A.M.

Respectfully Submitted,

  
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Valerie Zebrowski, Recording Secretary

  
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Robert Stone, Chairman