

1. BET Audit Comm. Meeting Documents

Documents:

[APPROVED_BET_AUDIT_COMM_MEETING_MINUTES_06-09-11.PDF](#)
[BET_AUDIT_COMM_MEETING_AGENDA_06-09-11.PDF](#)
[SUB_TO_APP_BET_AUDIT_COMM_MEETING_MINUTES_06-09-11.PDF](#)

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, June 9, 2011 – 8:00 A.M.
Gisborne Conference Room

Present:

Committee: Arthur Norton, Chairman
William Kelly, Jeffrey Ramer

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Special Projects
Coordinator; Aamina Ahmad, Town Attorney

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

1. Approve Minutes of Audit Committee Meeting

Upon a motion by Mr. Ramer, seconded by Mr. Kelly, the Committee voted 3 - 0 to approve the May 4, 2011 Minutes.

2. Risk Manager Report

Hold Harmless / Indemnification Agreements

Ms. Ahmad confirmed that she had received the packet of activity registration applications from Mr. Mynarski and was surprised at the differing of the indemnification language used on the forms. She suggested that a consistent language agreement be created for Parks and Recreation and other Town department applications. Ms. Ahmad continued that Mr. Wayne Fox of the Law Department agreed with her findings and that an indemnification section should be incorporated into each form. Mr. Norton recommended a consistent language which can be modified according to specific contracts.

Mr. Kelly and Ms. Ahmad discussed the importance of certificates of insurance and endorsement letters which are attached to contracts. Mr. Norton stated that verification of endorsement will be the responsibility of the new Risk Manager. Ms. Ahmad added that the insurance issue must also be reviewed.

Ms. Ahmad agreed to create a draft language for an indemnification section for the next BET Audit Committee Meeting in July, per Mr. Norton's request. Mr. Kelly added that if completed prior to the July meeting, the draft could be sent electronically to the Committee members for review.

Mr. Ramer questioned whether there are other departments besides Parks and Recreation that should be using indemnification agreements. Mr. Mynarski suggested the BOE. Ms. Ahmad explained that the BOE field use is processed through Parks and Recreation and continued to explain two cases in the past that justifies the revision of limited indemnification language. Mr. Kelly added that a broader language in the agreement is needed for wider coverage for the Town while still staying away from language that would hold an individual harmless for the Town's own negligence. Mr. Norton concluded that the Committee would like to recommend the final language to the full BET.

Ms. Ahmad left the meeting at 8:21 A.M.

Fiscal 2012 Insurance Schedule

Mr. Mynarski acknowledged that he believes that the Town process implemented for the pollution liability requirement for the vendors will not cause addition cost to the insurance package. After a busy time responding to the new requirement from vendors, it appears that it

has worked Mr. Mynarski said. Mr. Norton agreed that the Committee did the right thing. Mr. Mynarski stated that he will invite Mr. Jose Irizarry, Senior Vice President, Frenkel & Co., Inc. to attend the Committee's July meeting.

OSHA Meeting Review

Mr. Mynarski announced that on May 16, 2011 Ms. Amy Siebert, Commissioner of Public Works, Mr. Joseph Siciliano, Director of Parks and Recreation and himself met with two top officials at the OSHA Office in Wethersfield, CT. Mr. Mynarski noted that OSHA was greatly impressed with the report that was submitted. The OSHA officials agreed to a 40% (forty percent) maximum reduction. Mr. Mynarski added that Ms. Siebert had met her self imposed deadline of June 6, 2011 with 100% (one hundred percent) compliance of all citations.

CIRMA

Mr. Mynarski stated that he is coordinating work with the Law Department currently on the Risk Manger position. He noted that the position hinges on the HR Study as to whether the position will be privatized or full-time. Mr. Mynarski explained that many surrounding communities have a privatized Risk Manager but yet CIRMA has recommended that Greenwich fill this position as full-time.

The Committee then reviewed the CIRMA Risk Management Report Update distributed by Mr. Mynarski and discussed the three recommendations.

1. Reorganize and implement a formal Risk Management structure and process.

Mr. Mynarski stated that this structure and process is contingent upon the HR Study report.

2. Establish a Pre-Loss Prevention and Safety Management Program.

Mr. Mynarski explained that this program mostly consists of training and pre-employment physicals, adding that it also hinges on the HR Study as to whether it is a responsibility of Human Resources or the Risk Manager. Mr. Kelly directed Mr. Mynarski, as member of the HR Study, to include this topic in the study and to notify the BET Audit Committee if it is not.

3. Establish a Post-Loss and Claims Management Program

Mr. Mynarski stated that he agrees, along with Mr. Norton, with this recommendation from CIRMA. Mr. Kelly led a group discussion of the return to work program. Subsequently Mr. Norton recommended a motion be made.

Upon a motion by Mr. Ramer, seconded by Mr. Kelly, the Committee voted 3 - 0 to unanimously support the Comptroller's recommendations stated in the CIRMA Risk Management Report Update.

Mr. Mynarski advised the Committee of a request to the Finance Department, from Board of Social Services member Mr. McGuire, concerning an employee authorizing checks to a former spouse, who receives utility and/or rent assistance from the State of Connecticut. Currently, the situation is being dealt with as a disciplinary issue but needs further investigation to determine if it is possibly criminal. Mr. Mynarski stated that Mr. Gieger, Budget and Systems Director and Mr. Giovannone, Financial Analyst are in the process of conducting an internal control review in Social Services of the Energy Assistance Program and rent relief. Mr. Mynarski added that he will report back to the Committee at the July 2011 meeting.

Mr. Ramer stated that he was uncomfortable with the shift in the internal audit process from Mr. Lalli to the Finance Department and the possible ramifications that this audit is being handled differently. Mr. Lalli explained that with his current work load he would be unable to address the situation in a timely manner and needed for the Finance Department to assist.

He reassured the Committee that currently his job description includes internal audit responsibilities for the future.

3. Internal Audit Report

Marina Audit

Mr. Lalli announced that the Marina Audit Report has been posted to the Town's website and sited the cooperation and support from the Parks and Recreation Department through this process. Mr. Norton added that the posting of unpaid mooring fees is an incentive for payment.

Police Administrative Support Function

Mr. Lalli confirmed that he has completed an efficiency report on the Police Department's administrative support staff. One of the reasons for noting this report in front of the Audit Committee is to inform the members that he is recommending that the Police payroll be consolidated with the Town's Human Resources Payroll Department.

Mr. Norton reminded the members of a Management Letter issue from the previous year regarding the signing off by managers on final payrolls. He added that the potential for fraud was discussed with Ms. Rossitto, Partner, Blum Shapiro.

Mr. Mynarski announced a problem that he had just been made aware of via email. It appears that an employee had been overpaid by \$28,000 (twenty eight thousand dollars). He continued that it could be a result of a challenged payroll system or of an error not being detected.

Mr. Lalli recommended a possible rotation of payroll clerks on a periodic basis in HR Payroll

GPS (Global Positioning Satellite)

Mr. Lalli stated that the Fleet Director and he are arranging for a demo units to be installed on four Town vehicles. He noted that the demo contract is with the Law Department. He noted that some of the main benefits of GPS is the reduction of risk, which is something this Committee has expressed keen interest.

Although he has "big brother" issues with the program, Mr. Kelly requested a list from Mr. Lalli reflecting the financial gains for the Town. Mr. Lalli responded with risk reduction, gasoline savings, maintenance alerts, idling alerts, speed alerts, routes serviced, etc. He also noted that GPS can actually protect the worker by pinpointing location and history, which can frequently be used to dispute allegations about public sightings of location and speed of our Town drivers.

Mr. Lalli said that since the demo is web based he will send the link to the Committee members for their own viewing, hoping to receive their support. Mr. Kelly concluded that the Committee has to think about how the resulting information should and would be utilized.

Vehicle Use Policy and Procedure

Mr. Lalli expressed his concerns over the submission of driver license information from the BOE. He stated that it appears there is a lack of control over the process within the schools. Mr. Kelly suggested Mr. Lalli contact Ms. Williams, Assistant Director of Human Resources, BOE for assistance working with the principals to resolve this issue.

Paperless Invoice Process

Mr. Lalli stated that his newest efficiency project from the First Selectman is only in its initial phase. He acknowledges that this project is a major change in the Town's culture while working with ON Base (Databank IMX) document imaging company. He stated that from initial findings it appears that controls will function simultaneously with MUNIS. Mr. Lalli stated that he would volunteer the OFS to be the first test Department for the new process.

Perspective Audits

Mr. Lalli said that the Volunteer Fire Department Audit has just begun while the Building Inspection and Assessors Audit and the BOE Maintenance/Workflow Audit will be addressed in the future. Mr. Mynarski advised Mr. Lalli to contact Mr. West, Building Construction and Maintenance Supervisor, BOE soon for assistance since he will be retiring soon.

4. Debt and Fund Balance Policy Discussion

Item not discussed.

5. Fiscal 2012 Audit

Mr. Mynarski announced that the auditors from Blum Shapiro will be in the Finance Department starting next Monday, June 13, 2011.

6. Old Business Item Review

Mr. Norton questioned the status of the false alarm fines. Mr. Mynarski replied that the first batch has been completed and will submit an update at the Audit Committee's next meeting in July 2011. Mr. Ramer suggested that the information be reported in the Town's land records. Mr. Mynarski said he will address the option with the Law Department for comment.

7. Items for Discussion future BET Audit Committee Meetings

Item not discussed.

8. Adjournment

Upon a motion by Mr. Kelly, seconded by Mr. Ramer, the Committee voted 3 - 0 to adjourn the meeting at 9:56 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, June 9, 2011 - 8:00 AM
Gisborne Conference Room**

AGENDA

1. Approve Minutes of May 4, 2011 BET Audit Committee Meeting
2. Risk Manager Report
 - OSHA Reports
 - CIRMA
 - Hold Harmless / Indemnification Agreements
 - Fiscal 2012 Insurance Schedule
3. Internal Audit Report
4. Debt and Fund Balance Policy Discussion
5. Fiscal 2012 Audit
6. Old Business Item Review
7. Items for future BET Audit Committee Meetings
8. Adjournment

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SUBJECT TO APPROVAL

Arthur D. Norton, BET Audit Committee Chairman

Elaine JV Brown, Recording Secretary