

1. BET Audit Comm. Meeting Document

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**TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION AUDIT COMMITTEE
THURSDAY, JUNE 15, 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

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

Review Audit Report concerning Parking Violations and Meter Collections

This report is the result of a request from the Alan Corry, the Parking Services Director, and is a follow up to the report Mr. Lalli did in October 2003. The highlights of the report are as follows:

Compliance with old audit commentaries- Handheld computers used by parking Enforcement Officers (PEO's) to process parking violations on the street. The system requires that the passwords be changed every 6 months. Mr. Simon suggested discussing this issue as part of an IT strategy after Ms. Tarkington expressed concern that the passwords weren't required to be changed on a more frequent basis.

Unless information is accurately input into the system, accurate information may not be available to the PEO's. There is an issue with real time information being accessible, especially with regard to repeat offenders, and those individuals with outstanding tickets. A new set of computers are becoming available, and the technology associated with them could assist with this problem. The current system has been in practice for at least five years, and is due for re-bid.

Mr. Lalli stressed that Mr. Corry is very proactive and that many of the items found in the audit were addressed right away.

Access to the parking violations processing room should be limited to the greatest extent possible- There are many employees that move in and out of this area, and to the best of Mr. Lalli's knowledge, this was unavoidable. He stated that compliance is met in this area.

To obtain strong controls handheld computers should be used to the greatest extent possible- With the new handheld devices, use will become mandatory.

At the present time, files cannot be directly downloaded from the Department of Motor Vehicles. With the upcoming RFP process, other vendors that offer this option could be investigated. The focus should be on the technology of the devices, so as to eliminate the probability of bad input.

Open ticket file, Town of Greenwich- The amount of money in this file is approximately \$1.2 million and rising. Part of this money may not be collectable. The files contain many old records, and records that do not contain essential data that is necessary for collection, such as a name or address assigned to the record. According to Mr. Lalli's calculation, \$330,000 of the file falls into this category. Notices of delinquency cannot be sent if this information is missing. Potential revenue is lost. Approximately \$100,000 in parking tickets is collected annually.

Part of this problem may be that the registration plates themselves are no good, either expired or stolen, which would result in incorrect owner information. Incorrect processing and poor record keeping on the part of the PEO or a regular police officer is also a factor. There is a system in place to track who is entering the information in an incorrect manner. Lot coverage and absenteeism is also a factor.

In response to a question from Mr. Mynarski with regard to record purging, Mr. Lalli stated that the records have not been purged. Mr. Mynarski said that it appeared a purge had not been done since 2001. The audit report recommended a purge be done because it produces a false reading, and many of the files are not collectable.

Mr. Himes asked for clarity on the 73% of files that do have name and address information and are considered collectible. Notices are sent after 45, 60 and 90 days to delinquent violators. A final notice after 180 days is sent out, which warns that court action will be taken if the delinquent amount is not paid. This had not been done for the last 3 or 4 years. Mr. Corry has re-instituted it, and this is expected to improve the collection rate.

Voiding tickets- There is a system in place to track who is voiding tickets. There currently are no standards for dismissed, or voided tickets. Supervisory personnel were to review and approve a daily register of dismissed tickets. This has more to do with management than audit. Mr. Lalli identifies the problem, management agrees to address it and provides a course of action in order to correct the problem, but often does not. There is approximately \$164,000 in dismissed tickets.

Payroll Audit Findings Update

401(k) Audit

Update Status of Marina facilities Risk Exposure Report

Review status of project concerning Record Keeping/Auditing various aspects of town health insurance program

Approval of Minutes from May11, 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.

Review Procedure for follow up of “Findings”

Consideration of Changes to the Internal 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,

Valerie Zebrowski, Recording Secretary

Robert Stone, Chairman