

1. BET Audit Comm. Meeting Documents

Documents:

[APPROVED\\_BET\\_AUDIT\\_COMM\\_MEETING\\_MINUTES\\_07-12-12.PDF](#)  
[BET\\_AUDIT\\_COMM\\_MEETING\\_AGENDA\\_07-12-12.PDF](#)  
[SUB\\_TO\\_APP\\_BET\\_AUDIT\\_COMM\\_MEETING\\_MINUTES\\_07-12-12.PDF](#)

**BOARD OF ESTIMATE AND TAXATION  
Audit Committee Special Meeting Minutes  
Thursday, July 12, 2012 – 8:00 A.M.  
Gisborne Conference Room**

Present:

Committee: Arthur Norton, Chairman  
Greg Bedrosian, Robert Brady, Sean Goldrick

Attendees: Peter Mynarski, Comptroller; William McKersie, Superintendent of Schools; Ron Lalli, Risk Manager; Patricia Maranan, Internal Auditor; Nancy Better, Greenwich Library Trustee President; Chip Haslin, Library Board Member; Erica Mahoney, Workers' Compensation Administrator

The meeting was called to order at 8:06 A.M.

**1. Approval of Minutes of the BET Audit Committee Meeting**

Upon a motion by Mr. Brady, seconded by Mr. Goldrick, the Committee voted 4 - 0 to approve the June 14, 2012 Minutes.

Upon a motion by Mr. Brady, seconded by Mr. Goldrick, the Committee voted 4 - 0 to approve the June 20, 2012 Minutes.

**2. Internal Audit Report**

• **BOE Audit Update**

The Committee reviewed with Ron Lalli and Dr. McKersie the final Internal Audit report of Internal Controls for Procurement and Payment Cycle of selected BOE contracts. Fourteen recommendations have been presented and accepted by the BOE. These include the BOE to utilize TOG vendors and to have access to the TOG T Drive by five BOE employees, while creating with the TOG Purchasing Department a common list of approved service vendors. The recommendations include that any BOE contract not covered by service agreements will require authorization by high ranking BOE officials including the Superintendent. Dr. McKersie advised the Committee that his administration will follow and implement best business practices as they apply to contracts, school safety, and the business operations of the BOE. The Committee applauds this commitment. The Committee discussed with Dr. McKersie the Audit Committee requirement for the Tools for Schools maintenance effort, and that Internal Audit will participate in the fall 2012 reviews. The Committee voted 4-0 with two word changes to accept and to approve the report. The two word changes require that a Building Department permit must be obtained to install CO Detectors, and that a RFP for fire suppression and maintenance will be reviewed by the GFD.

Multiple forms have been developed by the BOE from the recommendations to record monthly emergency and exit light tests, monthly fire extinguisher inspections, bi-monthly fire suppression system inspections, quarterly sprinkler inspections yearly fire alarm inspections, and contract supplement forms to record the statutory requirements for compliance with the Connecticut Prevailing Wage Law, and contact performance bonds.

- **Town Purchasing Audit Update**

The Committee received and reviewed the Internal Audit report of Town Purchasing Procurement activities, and we included in this discussion the members of the Greenwich Library Trustees. The TOG Purchasing Department Policy Manual exempts currently the BOE and Greenwich Library, however, our discussion included future acceptance of the Policy by the Library. The present situation for all TOG contracts discloses that approximately thirty five percent of all contracts are provided by single sourced vendors. There is no specific policy statement for sole or single sourced vendors; however, Internal Audit will monitor this situation during fiscal 2013. The report contains four recommendations that include the BOE agreeing to develop a Purchasing Policy manual, to develop practical insurance requirements for external pupil personnel service vendors, and to perform background checks for same. The fourth recommendation is for the Library to develop and to implement a Purchasing Policy Manual. The Library Trustees at the meeting agreed to commence work with the TOG Purchasing Department to implement this recommendation. The Committee voted 4-0 to accept and to approve the audit report.

The Committee voted 4-0 to add to the Internal Audit Plan for 2012-2014 an audit of GCTV. This audit has been requested by Town Administrator, John Crary. Ron Lalli indicated that Internal Audit should have a completed report for the September, 2012 meeting.

### **3. Risk Management Report**

- **Fiscal 2013 Insurance Program**

Risk Manager, Ron Lalli, introduced to the Committee, Jose Irizzary, Frenkel & Co., Inc, the TOG Insurance Broker to review the fiscal 2013 Property and Casualty Insurance program coverage's. The June 30, 2012 renewals have a premium increase of 1.3%. There are seven policies with renewal dates subsequent to July 1. We discussed the probable headwind situation for the fiscal 2014 renewals with possible coverage limit changes and double digit premium increases. The incurred loss history for the TOG and the claims paid are exerting pressure from the insurance carriers for the Town. The fiscal 2013 renewal coverage limit modification for excess liability and umbrella reflect this situation.

### **4. Greenwich High School – Remediation Update**

Mr. Norton was looking for a statement of expenditures for remediation for the Hillside Road project as of July 11, 2012. The statement was not available for review at the meeting by the Committee members.

### **5. Old Business Item Review**

- **Greenwich Library Sources of Financing Support Agreement Discussion– aka Stowell Memorandum of Understanding, Governance**

The Committee reviewed and discussed with the Greenwich Library Trustees the recommendation to the BET Chair that we establish a liaison representative from the BET to the Library. The Library representatives welcomed the recommendation, and the Committee voted 3-1 in favor. One Committee member objected, as he wanted a specific BET member recommended by the Committee.

- **Information Technology Contract Review**

The Committee received a report from Bob Brady, the Audit Committee and BET liaison, to the Information Technology Strategic Review Study. We discussed the opportunity that exists for the TOG with this review, and the need to be proactive for the future structure of our IT services. The BET should be at its nexus. The changes that are occurring driven by the cloud technology

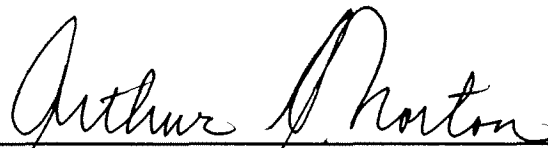
are immense with new paradigms, and the methodology to receive and to deliver IT in the future should be at the center of this review. Bob indicated that everything will be on the table. If the Town is a service provider, the IT services that we deliver to our customers and constituents needs to be effective, efficient, state of the art and professional. The bulk of the work will occur the next few months and the steering committee needs to have an agnostic approach to allow the consultants to determine what Greenwich needs, and how to propose a best case plan of action. .

## 6. Items for future BET Audit Committee Meetings

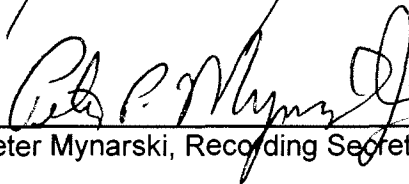
Upon a motion by Mr. Brady, seconded by Mr. Bedrosian, the Committee voted 4 to 0 to cancel the August BET Audit Committee Meeting.

## 7. Adjournment

Upon a motion by Mr. Brady, seconded by Mr. Bedrosian, the Committee voted 4 - 0 to adjourn the meeting at 11:50 A.M.



Arthur D. Norton, BET Audit Committee Chairman



Peter Mynarski, Recording Secretary



**TOWN OF GREENWICH  
BOARD OF ESTIMATE & TAXATION**

**AUDIT COMMITTEE MEETING**

**Thursday, July 12, 2012**

**8:00 A.M.**

**Gisborne Conference Room**

**AGENDA**

1. Approve BET Audit Committee Meeting Minutes
  - June 14, 2012 Meeting Minutes
  - June 20, 2012 Meeting Minutes
2. Internal Audit Report
  - BOE Audit Update
  - Town Purchasing Audit Update
3. Risk Management Report
  - Fiscal 2013 Insurance Program
4. Greenwich High School – Remediation Update
5. Old Business Item Review
  - Greenwich Library Sources of Financing Support Agreement Discussion – aka Stowell Memorandum of Understanding
  - Information Technology Contract Review
6. Items for future BET Audit Committee Meetings
7. Adjournment

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Arthur D. Norton, BET Audit Committee Chairman

SUBJECT TO APPROVAL

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Peter Mynarski, Recording Secretary