1. BET Audit Comm. Meeting Agenda_09-07-2022
   Documents:
   
   BET AUDIT COMM MEETING AGENDA 09-07-2022.PDF

2. BET Audit Comm. Meeting Packet_09-07-2022
   Documents:
   
   BET AUDIT COMM MEETING PACKET_09-07-2022.PDF

3. SUB_TO_APP_BET Audit Comm. Meeting Minutes_09-07-2022
   Documents:
   
   SUB_TO_APP_BET AUDIT COMM MEETING MINUTES_09-07-22.PDF
TOWN OF GREENWICH
BOARD OF ESTIMATE & TAXATION

AUDIT COMMITTEE MEETING

Wednesday, September 7, 2022 – 9:00 A.M.
Cone Room

AGENDA

1. Approval of the BET Audit Committee Meeting Minutes of June 7, 2022

2. Internal Audit
   • Nathaniel Witherell Accounts Receivables, Billings and Write-offs Discussion
   • Review and Acceptance of the Department of Public Works Building Divisions Audit
   • Audit Plan Update – Ongoing Audits

3. Risk Management

4. Old Business
   • None

5. New Business
   • None

6. Items for future BET Audit Committee Meetings
   • Hamilton Avenue School Field Permitting Process

7. Executive Session – CyberSecurity Quarterly Update

8. Adjournment
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The Town complies with all applicable federal and state laws regarding non-discrimination, equal opportunity, affirmative action, and providing reasonable accommodations for persons with disabilities. If you require an accommodation to participate, please contact the Commissioner of Human Services at 203-622-3800 or Demetria.Nelson@greenwichct.org as soon as possible in advance of the event.
The meeting was called to order at 9:01 A.M.

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

Upon a motion by Mr. Drake, seconded by Mr. Ramer, to approve the Minutes of the BET Audit Committee Regular Meeting held on May 3, 2022, the Committee voted 3-0-0. (Mr. Weisbrod abstained). Motion carried.

2. **Internal Audit**

   - **Review and Acceptance of the Department of Public Works Building Divisions Audit**

     The Building Inspection & Assessments Audit Draft Report was presented by Mr. Ziplow and Ms. Intrieri. They gave an overview of its contents and informed the Committee of the audit recommendations and management responses. William Marr, DPW Building Official was in attendance to answer questions.

     CLA determined and gave an overall rating of “Satisfactory” or the audit of the Building Inspection and Assessment; all tests passed without exception.

     However, the audit presented a number of negative findings regarding the Municity software product as follows:

     - There is no steering committee or “ownership” over the Municity software.
     - Municity software is not being maximized.
     - Municity security and user permissions need enhancement.
     - Municity and MUNIS software integrations are not in place.

     It was concluded that the aforementioned Municity issues need to be elevated and addressed further. Mr. Basham volunteered to take up the matter with the Town Administrator, Ben Branyan.
The audit was treated as a first read and CLA offered to edit the Municity findings to clarify who should provide ownership of the Municity product.

Mr. Ramer asked Mr. Marr, if the Building Division sees actual contracts for construction work associated with the building permit. He answered they only required updated actual costs if something looks out of line, regarding reported estimate costs.

Mr. Marr also told the Committee that building permits expire if no work is started within a six-month period. He added that the permittee can extend building permits for additional six-month periods for a period of up to 6 years. They can also cancel a building permit and get a 75% refund on the original building permit cost.

**Human Resources Health Insurance Administration Audit Update**

Mr. Ziplow and Ms. Intrieri presented the Employee Benefits Administration: Financial Review of Controls Over Health Insurance Draft Audit Report. They gave an overview of its contents and discussed the audit recommendations and management responses. Ms. Graham and Ms. Pepe were in attendance to answer questions.

CLA determined and gave an overall audit rating of “Satisfactory” for the audit of the employee benefits administration. All tests passed with only minor exceptions noted. The minor exception noted one instance was noted where the Town was billed for an employee who was no longer employed by the Town. The Town did receive a one-month credit and was overcharged by one additional month for approximately $2,000.

Mr. Ramer inquired about the lack of exit interviews upon termination and suggested that the Board of Estimate Human Resources Committee take the matter up.

Upon a motion by Mr. Drake, seconded by Mr. Ramer, to accept the Employee Benefits Administration: Financial review of Controls Over Health Insurance Draft Audit Report, the Committee voted 4-0-0. Motion carried.

Mr. Drake made a motion, seconded by Mr. Basham to amend the agenda to take up a new matter in Executive Session. The vote carried 4-0-0.

Mr. Drake made a motion, seconded by Mr. Basham to go into Executive Session at 10:22 A.M. to discuss a security matter. The vote carried 4-0-0.

Mr. Ramer made a motion, seconded by Mr. Drake to come out of Executive Session at 10:34 A.M. The vote carried 4-0-0.

3. **Risk Management**

- Risk Manager Megan Damato was attending and speaking at an out of state Public Risk Management Administration (PRIMA) conference. No Risk Management topics were discussed at this time.

4. **Old Business**

- There was no old business discussed.
5. New Business

- Annual Town Audit Discussion with RSM US LLP

Scott Bassett, RSM US LLP Partner and Melissa Quinn, Audit Senior Manager presented the Fiscal Year June 30, 2022 Overview of Audit Strategy and Report to the Audit Committee. This is annual exercise performed by the external auditors prior to embarking on the next year's audit.

- Review and Acceptance of the Single Audit for the Year ended June 30, 2021

Ms. Quinn presented the Single Audit for the Year ended June 30, 2021. She went through the report highlighting areas of concern that generated audit findings and recommendation.

Upon a motion by Mr. Ramer, seconded by Mr. Drake, to accept the Federal and State Compliance Report for the Fiscal Year Ended June 30, 2021, the Committee voted 4-0-0. Motion carried.

6. Items for future BET Audit Committee Meetings

- FY 2022-2023 Insurance Program Renewal Final Results

Mr. Mynarski reported that the renewal period for the upcoming fiscal year was underway and being competitively bid by the Town's Insurance Broker, Gallagher and Company. He told the Committee the results would be formally presented at the July 2022 Audit Committee meeting. He also told the Committee that the Risk Manager and the Insurance Broker would alert the Audit Committee if any substantial issues arose during the renewal process that would require their approvals.

- CyberSecurity Quarterly Updates

Mr. Mynarski reported that the July 2022 Audit Committee has not been rescheduled for the quarterly CyberSecurity update in Executive Session.

7. Adjournment

Upon a motion by Mr. Ramer, seconded by Mr. Drake, to adjourn the meeting at 11:04 AM, and the Committee voted 4-0-0. Motion carried.

_________________________________________
Shira Davis, Recording Secretary

_________________________________________
Michael Basham, Chairman, Audit Committee
A&R Recoveries Standard Employment Contract

THIS AGREEMENT is made effective as of the ___ day of August, 2022 by and between A&R Recoveries, Inc., represented by Anabel Siano, whose principal place of business is at 79 Majestic Ridge, Carmel, NY, 10512 (hereinafter referred to as “A&R”), and The Nathaniel Witherell Rehabilitation and Nursing Center, represented by Nunzio J. Raimo III, Director of Financial Operations, whose principal place of business is 70 Parsonage Road, Greenwich, CT 06830 (hereinafter referred to as “Nursing Home”).

WHEREAS, A&R is in the business of collecting “outstanding receivable income” for nursing homes.

WHEREAS, Nursing Home desires to retain A&R to perform and collect “outstanding receivable income” of payor sources agreed upon.

WHEREAS, The Nathaniel Witherell desires to retain the services of A&R Recoveries, Inc.

THEREFORE, the parties agree as follows:

I. Terms of Agreement:

(A) Upon request of Nursing Home, and mutual acceptance of A&R, A&R will collect “outstanding receivable income” on a case by case basis for matter prior to ______________ and other matters upon request by Nursing Home.

(i) “Outstanding receivable income” is defined by the general industry standard.

(ii) Payment to A&R is due ten (10) days after receipt of same “outstanding receivable income” is received by Nursing Home.

(B) Additionally, A&R shall be entitled to receive from Nursing Home, and Nursing Home shall pay to A&R an hourly rate of $150.00 dollars for Account Receivable Consulting Services on site, for training and Accounts Receivable support going forward from the execution of this contract.

(i) Additionally, payment will be due in connection with any services rendered by A&R, wholly or partially, during the term, including “outstanding receivable income” recovered after the termination of this contract.

(ii) No payments to A&R shall exceed 18% of monies collected for “outstanding receivables” pursuant to 42 CFR : 447.10

II. Cancellation of Agreement:

(A) This Agreement may be terminated by either party upon thirty (30) day written notice in accordance with the notice provision of this contract.

III. Warranties and Representations:

A&R Recoveries, Inc., warrants, represents and agrees that:

(a) (i) A&R is not under any disability, restriction or prohibition, either contractual or otherwise, with respect to the right to execute this Agreement or to fully perform its terms and conditions; and
(b) To the best of Nursing Home’s knowledge, A&R’s activities on behalf of Nursing Home, under this Agreement, will not infringe upon, violate, or interfere with the rights, whether statutory, or otherwise, of any one or more third parties and Nursing Home has the right to enter into this Agreement.

(c) The failure by either party to perform any of its material obligations hereunder shall not be deemed a breach of this Agreement unless the party alleged to be in default is given written notice of such failure to perform and such failure is not corrected within thirty (30) days from and after receipt of such notice.

V. Waiver:

Any waiver of rights under this Agreement will not be deemed a waiver of rights thereafter, and such waiver shall apply solely to any one instance. The rights under this Agreement may only be waived by Agreement signed by both parties.

VI. Independent Counsel:

Each of the parties hereto warrant and represent that in executing this Agreement, they have relied solely upon their own judgment, belief and knowledge and the advice and recommendations of their own independently selected and retained counsel, concerning the nature, extent and duration of their rights and claims, and that they have not been influenced to any extent whatsoever in executing this agreement by any representations or statements with respect to any matters made by any party or representative of any party acknowledges and agrees that the failure to be represented by independent legal counsel in connection with this agreement was determined solely by each party.

VI. Notices:

All notices pursuant to this agreement shall be in writing and shall be given to The Nathaniel Witherell Rehabilitation and Nursing Center at 70 Parsonage Road, Greenwich, CT 06830 and if to A&R Recoveries, Inc. 79 Majestic Ridge, Carmel, NY 10512.

This Agreement contains our entire understanding concerning the subject matter hereof, and may not be changed, modified, or altered except by a written instrument signed by the parties hereto. This Agreement shall be governed by the laws of the State, without giving effect to conflicts of law rules. All parties hereto consent to personal and subject matter jurisdiction in the State and Federal courts.

If any provision of this Agreement should be deemed unenforceable, that portion shall be removed from this Agreement and the rest of the Agreement shall be enforceable.

By executing this Agreement, the parties hereby agree to the terms and conditions set forth above.

The Nathaniel Witherell Rehabilitation and Nursing Center: A&R Recoveries, Inc.

By: _______________ ______________________

Nunzio J. Raimo III, M.B.A.,Director of Financial Operations Anabel Siano - CEO
## Resident A/R Aging

### Payer Type Summary

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I. **Town of Greenwich – Building Inspection & Assessment Audit – Project Overview**

**Project Overview**

**A. Background**

The Town of Greenwich (hereinafter referred to as the “Town”) engaged CliftonLarsonAllen LLP (hereinafter referred to as “CLA”) to provide internal audit services related to the processes and controls associated with building department inspections, permits, and assessments. This review included an assessment of the process for issuing and tracking permits, reconciliation, and notification to the Assessor’s Office.

**B. Project Approach & Tasks**

This review included the following project tasks/activities:

1. Review internal controls and supporting documentation for the building permit process
2. Confirm and test how permits are processed, tracked, and reconciled within the Building Inspection Division
3. Assess the permit collection and reconciliation process for cash drawers and bank deposits
4. Identify and test the controls to process, reconcile, and secure inspection and permit department deposits
5. Confirm the technologies used to process building permits and Assessor transactions
6. Confirm user access within the permit and Assessor systems
7. Identify security and controls associated with the ability to change permit amounts
8. Test monthly building permit transactions including:
   a. Cash receipt testing to verify collection type to the deposit slip and amounts turned over to Finance
   b. Recalculation of permit fees charged for certain permit types based on permit application
9. Confirm the process and evidence used to validate the reconciliation of the permits generated within the Building Inspection Division to the Tax Assessor’s computer system
10. Test of certificate of occupancies issued and forwarded to the Assessor for compliance and timing
11. Provide management with a report of our findings and recommendations
12. Meet with management to review the results of the report

**C. Acknowledgements**

CLA would like to thank the Building Division of Public Works, the Assessor’s Office, Treasurer, and IT Department for their participation, support, on-going dialogue, and feedback during this internal audit.
Building Inspection and Assessment Overview

Below is a description of the processes related to building permits, inspections, and assessments:

1. Building Permit Applications
   a. The following project types have associated Building Permit Applications:
      i. New Building or Structure
      ii. Additions/Alterations to Structure
      iii. Additions and Alterations
      iv. Swimming Pool, Spa, or Hot Tub and Required Safety Barrier
      v. Special Event
      vi. Electrical
      vii. Plumbing
      viii. HVAC
   b. For any building permit, a customer is provided a paper Building Permit Application Sign off Sheet
      i. This sheet includes a review/sign-off section for all required permit application departments including:
         - Department of Environmental Health
         - Inlands/Wetlands
         - Highway
         - Sewer
         - Zoning Enforcement Officer
      ii. The Building Department first reviews the project information with the customer and indicates which Departments must be included as reviewers/approvers of the permit
         - The Building Department numbers the sheet with a Group Number. The Group Number is entered into the permitting software, Municity, as a unique identifier to track the application
II. Town of Greenwich – Building Inspection & Assessment Audit – Operations Overview

- Each required Department will review the plans against their respective regulations and indicate approval with a stamp and/or signature. An approval “Checkbox” is completed for that respective area.
- In addition to physical, documented approval, each Department electronically approves the application for their area of review, in the Municity software.
- Once all relevant Departments have reviewed and approved the project plans and scope, and fees are paid, the Building Department can issue the permit (at the time of the audit, the Town had approximately 2,500 active building permits).

  c. All permit applications include a Tax Stamp by the Tax Collector to confirm that taxes are paid/up-to-date.
  d. In addition, all permit applications require a signed and notarized Worker’s Compensation Coverage Affidavit by either the homeowner, contractor, or filing party.
  e. When the filing party makes an amendment to their application or project, they must follow the same workflow/approval process as the original application.
     i. They may receive a partial refund if the cost and scope of work have decreased, or are subject to higher permit fees if the valuation of the work has increased.
  f. Permits expire in six (6) months if no work has started.
     i. The Town does not currently have a procedure in place to follow up on these outstanding open permits.

2. Project Costs/Fees

  a. The Plan Examiner reviews project costs on the permit applications to confirm reasonability.
     i. Formulas are used to calculate permit cost:
        • Value of work is provided by the customer/filing party.
        • Single Family Home: (Value of work/1000) X 13
        • 3+ Family Homes/Commercial Projects: (Value of Work/1000) X 15
II. **Town of Greenwich – Building Inspection & Assessment Audit – Operations Overview**

b. A spreadsheet containing recent new home valuations is used for reference

c. If the Plan Examiner is unsure of the accuracy of the applicant’s value of work, he will consult with management in the Building Department
   
i. Applicants may be asked to provide a breakdown of the project costs

3. **Software**

   a. **Cornerstone – Permitting software (no longer in use)**
      
i. The Town ended their use of this software June 30, 2021
      
ii. Historical permit data is currently still available (for lookup/inquiry) only

   b. **Municity 5 – Permitting software**
      
i. This system replaced Cornerstone on July 1, 2021
      
ii. This system was recently sold to a new vendor to support the application

   c. **City Squared – Public-facing portal**
      
i. This software provides the public with local parcel and associated information
      
ii. The long-term intent of this portal will be to allow contractors and homeowners to apply and track the progress of their permits throughout the process (integrates with Municity)

   d. **ProVal – Property Tax Valuation and Recording Solutions software**

   e. **MUNIS – Fully integrated financial management system**
      
i. This software is used by the Town Treasury staff to post the revenue from Building Permits and fees

   f. **Microsoft Excel – Spreadsheet software**
      
i. The Building Department uses Excel for a number of spreadsheets including a cost spreadsheet used by the Plan Examiner to track costs per square footage for newly constructed homes
         
         • The sheet is used as a reference guide, to confirm reasonability of documented project costs
      
ii. Excel is also used to summarize daily Building Department revenue collections
II. **Town of Greenwich – Building Inspection & Assessment Audit – Operations Overview**

4. **Daily Payment Processing and Handling (Cash, Checks, Credit Cards)**
   a. Within the Building Department, there is a single cash drawer at the counter
      i. The Department does not maintain petty cash; payments must be made in exact amounts; they do not make change for customers
   b. A payment terminal machine is available to customers who chose to pay with credit card
      i. There is no additional service fee added to customer charges for choosing to pay via credit card
   c. The staff provide handwritten receipts to customers and maintain a receipt book/log for daily transactions
      i. Receipts identify permit number, date, amount, permit type
   d. At the end of each business day, the Building Department performs their closing processes and creates their packet for Treasury:
      i. An Excel spreadsheet (referred to as the “Revenue Transmittal”) is completed that identifies collections associated with each building account code/category and type (cash, check, credit cards)
      ii. A register tape is run for monies collected, a settlement report is run for credit card activity
      iii. Cash and checks are counted and reconciled

5. **Inspection and Permit Deposits**
   a. On a daily basis, the Building Department provides their packet with cash, checks, and the Revenue Transmittal report to Town Treasury
      i. Per Town Treasury procedure, the cash is counted in front of the Building staff who brings the money directly to Treasury
   b. Treasury staff handle the recording of revenue in MUNIS and the bank deposit of collections; checks are scanned to JP Morgan by the Revenue Clerk
   c. If Treasury identifies any “bad checks,” the Building Department is notified and any open permits are placed on hold; no inspections are able to be scheduled and therefore, no Certificate of Occupancy may be issued
II. Town of Greenwich – Building Inspection & Assessment Audit – Operations Overview

6. Certificate of Occupancy (CO) Issuance
   a. Following all required field inspections and signoffs from relevant Town Departments, the Building Department issues the customer a Certificate of Occupancy
      i. As part of this, all permit conditions (tracked by Municity) must be cleared (e.g., required reports, special conditions)
         • As an added control, the software will not allow issuance of a CO until all conditions are cleared
   b. A paper copy is provided to the Town Assessor (Building provides these copies to the Assessor’s Office weekly) via inter-office mail
      i. Per CT State Statue 12-53a, the building inspector issuing the certificate shall, within ten days after issuing the same, notify, in writing, the assessor of the town in which the property is situated
   c. Municity users (including the Assessor) also have the ability to run a “Final Building Inspection/199 Report” which identifies all projects that are in their final stages and associated work being done, just prior to CO issuance
      i. Per discussion with the Assessor, her Department runs this report (typically) monthly
   d. Treasury staff handle the recording of revenue in MUNIS and the bank deposit of collections

7. Assessor Processes
   a. Each spring, the Assessor’s Department reviews all permits as an ongoing measure to monitor projects under construction in Town
      i. Staff indicate properties as “under construction” in their software to ensure continuous monitoring
   b. The Town Assessment date is October 1 of each year
      i. The Assessor does not require a project to be completed/CO to be issued in order to assess and increase the property value (appraisal increases/charges will be prorated based on when the work began in relation to the October 1 date)
         • Assessment changes/additional charges can begin as soon as a permit is opened and the Assessor is aware construction has begun
II. Town of Greenwich – Building Inspection & Assessment Audit – Operations Overview

c. Additionally, the Assessor’s Department monitors Town properties by checking the MLS at least weekly to identify any new listings
   
i. As part of this, floor plans are reviewed and the staff identify any new work or property changes
Overall Audit Conclusion
CLA determined an overall audit rating of “Satisfactory” for the audit of the Building Inspection and Assessment. All tests passed without exception.

Control Findings and Recommendations
While the Departments passed all test areas without exception, CLA has identified a few areas of opportunity as well as areas of risk, centered on the new software, Municity, that the Town should consider.

1. **Finding** – There is no steering committee or “ownership” over the Municity software
   a. During our interviews, it became increasingly unclear who the designated “owner(s)” of the Municity software and overall implementation of the system
      i. There is no clear person(s) leading the decisions over configurations, usage, and coordination between related Departments
      ii. Based on our interviews, it appears that all Departments communicated their needs to the vendor or IT directly (including requests for permission/access rights)

1. **Recommendation** – Develop a Municity Steering Committee
   a. The Town Administrator should establish a steering committee with representatives from each Department involved in the permit application review process including Building, Planning and Zoning, Environmental Health, Sewer, Highway, Engineering, Assessor, etc.
   b. A representative from IT should also be part of the committee to act as the direct liaison between the Municity vendor and the needs/requests of the committee
   c. The committee should meet regularly (at least quarterly) to review how the software is being used, how it could be used more optimally, workflow requests or alterations, any changes needed, etc.
      i. More frequent meetings may be need initially until the Departments are fully comfortable in the new software
2. **Finding** – Municity software not yet maximized

   a. The Town went “live” with the Municity software on July 1, 2021
      
      i. The Town has the ability to create and incorporate process workflows for various tasks including approve/grant Building permits electronically with this software but continues to utilize the paper approval/sign off sheet
      
      ii. Additionally, paper permit applications are still in use; the software allows for online submission
          
          • Certain, simpler permit applications can be initiated and submitted online by a customer directly in the software

   b. The Fire Department is not part of the Municity permit application workflow
      
      i. The Fire Marshall is involved in Building Permit/Plan reviews for larger dwellings; they perform a joint review with the Building Plan Examiner, and field inspections
      
      ii. Per our interviews, the Fire review is done in a separate system, unique to the Department

   c. Departments are still sharing/circulating paper permit files/documentation
      
      i. Currently, the relevant Departments (Engineering, Planning and Zoning, etc.) physically retrieve and return paper permit files, plans and related documents from the Building Department as needed to complete their reviews
      
      ii. Municity has the capacity to scan these files and attach to a permit application/record electronically for easier and more secure sharing

   d. The Building Department noted that they have records dating back to 1926 including microfilms dating back to 2003; there is a long-term goal to electronically scan and store these files

   e. Based on the walkthrough demonstration of the software CLA performed with IT, the system has a wealth of functions, customization abilities and features. While the software is newly implemented, it is likely the Town has not fully explored and capitalized on these capabilities
III. Town of Greenwich – Building Inspection & Assessment Audit – Control Findings and Recommendations

2. **Recommendation** – Optimize the new permitting software
   a. The Building Department intends on automating many aspects of the current application and approval process but based on our discussions, is waiting to become more comfortable with the new system before changing current processes
      i. CLA recommends that the Town proceed with automation (online application submission, electronic approval workflow and document sharing between relevant Departments, etc.) as soon as possible. A “cut-off” date for when the Town will abandon the paper permit application and review process currently in place should be set and agreed upon by all involved Departments (no later than July 2022)
   b. The Fire Department/Fire Marshall should be incorporated into the software and automated approval workflow
   c. Historical files should be scanned into the system to decrease paper records and filings
   d. Additional Municity training should be provided, as needed, to help ensure the Town is maximizing all opportunities and abilities available in the system
      i. The Steering Committee should continue to monitor training needs for the first few years of software use as well as for any new users

3. **Finding** – Municity security and user permissions need enhancement
   a. Based on our interviews and discussions with internal IT, it was noted that Municity security is not optimal. Specific areas of concern include:
      i. User access
         • To make user access easier and based on implementation time constraints to have the new software up and running, it appears user access was not configured on a least-privilege basis. In other words, restricting users to the minimum amount of system access that still allows them to perform their job duties and requirements has not been configured
         • Based on our review of users and permissions, it appears many have more access than necessary
         • Extraneous accounts with greater system access increases the risk to the Town for inadvertent or intentional misuse with the software
III. Town of Greenwich – Building Inspection & Assessment Audit – Control Findings and Recommendations

ii. Administrator accounts

- CLA confirmed there are currently eight (8) Administrator-level accounts not including the one (1) IT Administrator account.
- Administrator accounts have elevated permissions and capabilities in the software. An Administrator can perform any function in the system; their access and rights are unrestricted.
- It appears that many users were allowed/requested this type of account to ensure they could perform all functions they needed during the initial configuration and setup period with the software.

iii. Passwords

- Password rules are currently weak. Requirements include only six (6) characters without complexity required, no regularly forced expirations, and no multi-factor authentication.
- This goes against what is considered “Best practices” in terms of cybersecurity measures and password security.

iv. Shared Accounts (see user access testing in Controls Testing section of this report)

- Based on CLA’s review of the active Municity user listing, several shared/generic accounts exist including DPW Counter, DPW Engineering, DPW HighWay, DPW P & R Tree Division, DPW Sewer, DPW Traffic, DPWBuilding DPWBuilding.
- These accounts have beyond “read-only” access. Many were associated with the “DPW-Overall” profile.
- Best business practice is for each individual user to have their own account in the software. Shared accounts reduce the Town’s ability to audit or trace user activities and decreases overall system security.
- If a shared account is needed for basic counter/look-up use, permissions should be restricted to “Read-Only” level access.

v. Onboarding/Offboarding procedures

- Based on our interviews, the vendor may need to be incorporated into the on/offboarding procedures to set up and disable accounts if they are utilized as System Administrators.
3. **Recommendation** – Strengthen security and controls in the Municity 5 software

   a. The Town IT Department should work with Department Heads associated with the permitting process (Building, Engineering, Planning and Zoning, etc.) to tighten the configurations and controls in Municity
      
      i. The software offers a high-level of customization/ability to modify and configure individual user accounts
      
      ii. It is recommended that the Town consider setting up standard roles/user profiles based on Department and role (e.g., Highway Manager, Highway staff) and then modifying individual accounts (as needed) as opposed to configuring each user uniquely
          
          • This will allow the Department Heads and System Administrators to add and manage employees more easily without having to configure a user “from scratch” each time
          
          • Currently, it appears that this approach has been used for some Departments. For example, there is a “Land Use” role and a “Land Use Supervisor” role. This should be carried forward to the other Departments/users

   b. Limit Municity System Administrators to two (2) individuals
      
      i. The Administrators should be IT staff
      
      ii. The software has very flexible settings as it relates to user access. Users can have strong access and rights within the system without being actual System Administrators (e.g., Department Heads/Directors)

   c. Password requirements and settings should be strengthened to align with the following (where possible):
      
      i. No less than 10-12 characters with complexity requirement enabled. Passwords that meet this length requirement need not expire regularly
          
          • Passphrases are recommended as an easier means for users to remember
      
      ii. User lockout after consecutive failed login attempts (e.g., 3-5 failed logins)
iii. Multi-factor authentication (if available): this requires a secondary form of user validation in addition to password (either something they have (e.g., token), something they know (e.g., security question, pin code), or something they are (e.g., biometrics)

d. Ensure a user account for each necessary employee in the software
   i. Where shared accounts are necessary for business, access should be limited to “read-only”

e. Formalize onboarding/offboarding process
   i. As it relates to the permitting software, the Town should formalize how users will be added and removed
      • It should be documented what types of access, permissions and abilities a user needs at the time of hire. This documentation can be initiated by the hiring party/Department Head and should then be provided to IT in order to configure appropriately and coordinate with the vendor (if needed).
      • If account permissions require changing (e.g., position change, department change), the initial user access sheet should be updated. Signatures should be obtained from the Department Head/person issuing the change and the IT Account Administrator upon execution
      • When employees are terminated, the form can once again be used to confirm the employee is appropriately disabled/deactivated

d. Consider an annual review of users and access within Municity
   i. On an annual basis, the IT Department may consider circulating the user list and associated permissions/roles to the relevant Department Heads (or Steering Committee) to confirm employee accounts are still configured appropriately
   ii. Department Heads should sign off upon their completion of review

4. Finding – Municity and MUNIS software integrations not in place
   a. The electronic interface between these two (2) systems is currently a work in progress
   b. This integration is part of a larger, Town initiative to streamline credit card processors/merchant services
   c. It is CLA’s understanding that Town Treasury is leading this initiative for the Town with support from the IT Department
i. It should be noted that Treasury cannot proceed with integration until Building workflows are properly established in Municity

4. **Recommendation** – Complete the integration of Municity and MUNIS
   a. An integration between these systems will allow revenue to be recorded in the Town’s financial management system in “real-time”
      i. As the Building Department receives permit application fees, the associated revenue will be recorded in MUNIS
         • This will streamline the daily deposit compilation/ “hand-off” from Building to Treasury
Management Comments

CLA obtained management comments from the Town of Greenwich Building Department in response to the control findings and recommendations. The following comments were provided directly from the Chief Building Official, IT, Town Administrator and Chief Operating Officer (COO), and Building Program Operations Supervisor.

1. **Recommendation – Develop a MUNIS Steering Committee**  
   *Management concurs.* The Town Administrator and COO will Chair the Steering Committee with appropriate departments. Meeting frequency will be as required to accomplish work. The first meeting will be scheduled by July 2022.

2. **Recommendation – Optimize the new permitting software**  
   *Management concurs.* Implementation schedule will be developed through the work of the Steering Committee.

3. **Recommendation – Strengthen security and controls in the Municity 5 software**  
   *Management concurs.* The Town IT Department will work with the vendor to make appropriate changes in Municity 5 software with a target delivery of September 2022.

4. **Recommendation – Complete the integration of Municity and MUNIS**  
   *Management concurs.* The Town IT Department and Treasury Department will work together for integration. Given the multiple variables and parties involved a specific implementation date cannot be provided.
V. Town of Greenwich – Building Inspection & Assessment Audit – Controls Testing

Building Permit Testing

As part of this audit, CLA tested the permit activities within the Building Department for the calendar year of 2021. For each control, CLA assessed the control for effectiveness and provided an audit conclusion of “Satisfactory,” “Needs Improvement,” “Unsatisfactory,” “Inconclusive,” or “Not Applicable.”

<table>
<thead>
<tr>
<th>Audit Conclusion Key</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Conclusion Rating</strong></td>
</tr>
<tr>
<td>Satisfactory</td>
</tr>
<tr>
<td>Needs Improvement</td>
</tr>
<tr>
<td>Unsatisfactory</td>
</tr>
<tr>
<td>Inconclusive</td>
</tr>
<tr>
<td>Not Applicable</td>
</tr>
</tbody>
</table>

Summary test results are on the following pages. Tests include:

1. Cornerstone Permitting Process
2. Municity Permitting Process
3. Check Depositing
4. Monthly Reconciliations
5. Tax Assessment Testing
1. **Cornerstone Permitting Process**

<table>
<thead>
<tr>
<th>#</th>
<th>Control Test</th>
<th>Results 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT.1</td>
<td>Permit Received Appropriate Approvals</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>CT.2</td>
<td>Inspection Was Documented</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>CT.3</td>
<td>Correct Fee Was Charged</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>CT.4</td>
<td>Final Permit Was Issued</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>CT.5</td>
<td>Certificate of Occupancy Was Issued</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>
Summary findings

Based on an approximately *Daily* frequency of process, CLA selected a sample of 20 permits filed with the Building Department using the cornerstone system to verify the accuracy and completeness of the permits during the 2020-2021 year. Due to amendments to the initial permits, a total of nine (9) additional amendments were tested, bringing the total filings tested to 29. Of the 29 filings selected, we noted the following:

a. Of the 29 instances, 28 permits followed the appropriate approval process (CT.1)
   i. For one (1) permit, the Worker’s Compensation Coverage Affidavit was not signed or notarized
b. Of the 29 instances, two (2) permits required and received inspection prior to the issuance of the “Certificate of Occupancy” (CT.2)
   i. For 27 permits, no inspections were performed as the projects were not yet completed
c. Of the 29 instances, all fees charged by the Building Department were correct (CT.3)
d. Of the 29 instances, 26 final permits were issued (CT.4)
   i. For two (2) of the amended permits, they were additional fees for a tent that did not require the issuance of a permit
   ii. For one (1) amended permit, it was an adjusted valuation of the project that did not require the issuance of a permit
e. Of the 29 instances, three (3) permits had Certificate of Occupancy’s issued (CT.5)
   i. For 26 permits, no Certificates of Occupancy/Compliance were issued
### 2. Municity Permitting Process

<table>
<thead>
<tr>
<th>#</th>
<th>Control Test</th>
<th>Results 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT.1</td>
<td>Permit Received Appropriate Approvals</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>MT.2</td>
<td>Inspection Was Documented</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>MT.3</td>
<td>Correct Fee Was Charged</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>MT.4</td>
<td>Final Permit Was Issued</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>MT.5</td>
<td>Certificate of Occupancy Was Issued</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>
Summary findings
Based on an approximately Daily frequency of process, CLA selected a sample of 19 permits filed with the Building Department using the Municity system to verify the accuracy and completeness of the permits during the 2020-2021 year. Due to amendments to the initial permits, a total of two (2) additional amendments were tested, bringing the total filings tested to 21. Of the 21 filings selected, we noted the following:

a. Of the 21 instances, 21 permits followed the appropriate approval process (CT.1)
b. Of the 21 instances, two (2) permits required and received inspection prior to the issuance of the “Certificate of Occupancy” (CT.2)
   i. For 19 permits, no inspection was required
c. Of the 21 instances, all fees charged by the Building Department were correct (CT.3)
d. Of the 21 instances, 21 final permits were issued (CT.4)
e. Of the 21 instances, two (2) permits had Certificate of Occupancy’s issued (CT.5)
   i. For 19 permits, no Certificates of Occupancy/Compliance were issued
3. Check Deposits

<table>
<thead>
<tr>
<th>#</th>
<th>Control Test</th>
<th>Results 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>CD.1</td>
<td>Customer Was Billed Correctly</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>CD.2</td>
<td>Customer Payment Was Accurate</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>CD.3</td>
<td>Check Was Deposited Timely</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>

**Summary findings**

Greenwich Building Department receives payments for permits via cash, check and credit card. Due to the daily nature of these requests, CLA used the 39 original permit payments made above for the 2020-2021 period. We noted the following:

a. 39 instances occurred where the customer was billed correctly based on the permit issued (CD.1)
b. 39 instances occurred where the customer paid correctly based on the permit issued (CD.2)
c. 39 instances occurred where the check was deposited in a timely manner (CD.3)
4. Monthly Reconciliations

Summary findings

The Greenwich Treasury Department completes a monthly bank reconciliation for the building department. Based on a monthly control frequency, CLA selected three (3) months to ensure the bank reconciliation was documented completely, accurately and in a timely manner.

a. Of the three (3) months selected, all reconciliations were documented completely, accurately and in a timely manner (MR.1).
Summary findings

The Greenwich Assessors Office tracks all permits processed by the Building Department for updates to home values. CLA selected the same 39 permits originally selected to test tracking completed by the Assessor’s Office.

a. Of the 39 permits selected, 35 permits were tracked by the Assessor’s Office to ensure the assessment of the property would be updated based on the completion of the work associated with the permit (TAT.1)

   i. For two (2) of the permits selected, they were for temporary tents that do not affect property value and therefore were not tracked by the Assessor’s Office.

   ii. For one (1) of the permits selected, it was a roof replacement on a condo that does not affect the property value and therefore was not tracked by the Assessor’s Office.

   iii. For one (1) of the permits selected, it was an interior alteration done by the tenant of a commercial property, with a C.O. issuance of February 2022. The Board of Assessment Appeals must approve the October 2021 assessments before adjustments can be made to assessments based on new C.O’s issued.
6. User Access Testing

Summary findings
The Greenwich Building Department utilizes Municity for their permitting process in conjunction with the other departments involved in the process. The system was first used starting July 1, 2021. CLA inspected the Municity user listing generated on 2/15/2022 by IT to verify administrative access and user roles were provisioned appropriately. Refer to Appendix A membership totals of each user group in Municity.

a. Eight (8) administrators were identified on the user listing
   i. For seven (7) of the administrators, administrator access was deemed unnecessary. They are members of public works or the engineering division and do not need administrative access to perform their job function
   ii. Linda Strain, a member of the Greenwich IT department, was identified as having a separate permission, IT administrator

b. One (1) terminated employee was identified as having an active account after their termination date

c. 11 shared accounts were identified on the user listing
   i. Of the 11 shared accounts, seven (7) accounts had the ability to edit information in Municity
VI. Town of Greenwich – Building Inspection & Assessment Audit – Appendix

Interview List
As part of this audit, the following individuals were interviewed:

1. Margaret D’Autilio – Building Program Operations Supervisor
2. Lauren Elliott – Town Assessor
3. Jenny Larkin – IT Consultant
4. Bill Marr – Chief Building Official
5. Natasha Yemets – Treasurer

Appendix A
The table below identifies membership in each Municity user group as of February 15th, 2022.

<table>
<thead>
<tr>
<th>User Group</th>
<th>Number of Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrator</td>
<td>8</td>
</tr>
<tr>
<td>DPW - Overall</td>
<td>7</td>
</tr>
<tr>
<td>DPW / Building</td>
<td>27</td>
</tr>
<tr>
<td>DPW / Sewer</td>
<td>2</td>
</tr>
<tr>
<td>Guest View / Print Parcel History</td>
<td>1</td>
</tr>
<tr>
<td>Health Department</td>
<td>10</td>
</tr>
<tr>
<td>Highway</td>
<td>4</td>
</tr>
<tr>
<td>IT Administrator</td>
<td>1</td>
</tr>
<tr>
<td>Land Use</td>
<td>20</td>
</tr>
<tr>
<td>NULL</td>
<td>2</td>
</tr>
<tr>
<td>Public (City Squared)</td>
<td>1</td>
</tr>
<tr>
<td>Read Only</td>
<td>17</td>
</tr>
<tr>
<td>Supervisor DPW / Building</td>
<td>3</td>
</tr>
<tr>
<td>Supervisor Health Department</td>
<td>1</td>
</tr>
<tr>
<td>Supervisor Land Use</td>
<td>1</td>
</tr>
<tr>
<td>Test user profile</td>
<td>1</td>
</tr>
<tr>
<td>Wetlands</td>
<td>12</td>
</tr>
</tbody>
</table>
Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.
FINANCE DEPARTMENT
INTERNAL AUDIT WORK PLAN
FISCAL YEARS
2022 – 2024
INTRODUCTION

The Finance Department (the Department) Plan that follows is the proposed guideline for use of Internal Audit resources for the Calendar Years 2022 & 2023, ending with the start of the January 2024 Audit Committee meeting. The timeline is designed to coincide with the terms of the BET members elected every two years. The plan includes reviews and audits of the Town’s various operational activities, compliance efforts, and internal controls over financial activity and reporting. To provide the Committee with a practical assessment for achieving goals, the Department has categorized its objectives by audit area.

As with any long-term plan, its achievement is subject to changing conditions. Internal Audit Plan changes usually result due to special requests from Department Management, the Comptroller’s Office, or the Audit Committee. It is the responsibility of the Department to estimate the impact of additional work on the plan. All proposed changes are to be brought to the attention of the Comptroller and the Audit Committee for discussion as soon as possible.

NOTE: The Department currently outsources Internal Audits to a third-party accounting firm (currently Clifton Larson Allen aka CLA) in planned batches discussed with and authorized by the BET Audit Committee.

PROPOSED INTERNAL AUDIT PROJECTS AND REVIEWS.

The audits and descriptions that follow are not presented in any order of priority.

1. Police Special Duty (Side Jobs) – In recent years the Town has started paying the Greenwich Police Department personnel for a variety of side-jobs through the payroll system. Whereas the billing and payment of the side jobs was done previously off-line. Proposed scope of services:
   - Review and confirm the police union contracts/agreements from 2019 through 2021 and document the provision/rules associated with the use of regular, compensatory, overtime and vacation time.
   - Obtain institutional knowledge of past practices related to time tracking, accrual processing and how special duty jobs are assigned and tracked.
   - Review the processes and controls of time entry, payroll process, vacation/extra vacation time tracking and accruals and private duty job processing.
   - Confirm how invoices of the Special Duty jobs are generated.
   - Confirm how monies for the Special Duty jobs are billed and collected.
   - Confirm how differences in invoices and monies collected and billed are tracked and monitored.
• Confirm the technologies used to process Special Duty jobs.
• Test invoices generated, and monies received transactions.
• Test the accruals processed and tracked.
• Provide management with a report of our findings and recommendations.
• Meet with management to review the results of the report.

AUDIT COMPLETED – March 2022

2. Department of Public Works Building Inspection Division and Assessor’s Officer: The Review should concentrate on the building permitting cash handling process, proper valuation of the work performed, adequate follow-up to outstanding permits and a review of the valuations for each property assessed to the property cards in the Assessor’s Office. Follow-up to the last audit performed in 2011. Building permit revenues are over approximately $4 million to $5 million, depending on the economy. Proposed scope of services:
  • Review internal controls and supporting documentation for the building permit process.
  • Confirm and test how permits are processed, tracked, and reconciled with the Building Inspection Division.
  • Assess the permit collection and reconciliation process for cash drawers and bank deposits.
  • Identify and test the controls to process, reconcile and secure Inspection and Permit Department deposits.
  • Confirm user access within the Permit System including password security parameters.
  • Identify security and controls associated with the ability to change permit amounts.
  • Test monthly Building Permit transactions including:
    o Cash receipt testing to verify collection type (cash/check) to the deposit slip and amounts turner over to the finance department.
    o Recalculation of permit fees charged for certain permit types based on permit applications.
  • Confirm how deposits, adjustments and other related financial information is properly accounted for in both the Permit and Municipal computer systems.
  • Test the Certificate of Occupancies issued and forwarded to the Assessor’s Office for compliance and timing.
  • Provide management with a report of our findings and recommendations.
  • Meet with management to review the results of the report.

AUDIT COMPLETED – September 2022

3. Employee Benefits: Financial Review of Controls Over Health Insurance Administration- The MUNIS records of employees eligible for health coverage
will be reviewed for accuracy. Files will be tested for the timeliness of removal of ineligible employees and their covered family members. An attempt will be made to reconcile eligible members to their health care providers. Vendor invoices will be examined for accuracy.

AUDIT COMPLETED – June 2022

4. Municipal Town and Greenwich Public Schools (GPS) Purchasing Departments – Procurement Process Audit

- Review the Town’s and GPS procurement policies and procedures including but not limited to, procurement practices, bids and Request for Proposal (RFP) processes, Evaluation/Assessment of proposals, formal selection of vendors, contract negotiation/finalization, and contract monitoring.
- Review and document (if currently undocumented), the Town’s and GPS processes for monitoring older purchase orders (greater than 60-90 days).
- Assess the Town’s and GPS purchasing processes based on best practices for municipalities as it pertains to procurement.
- Review current automated systems used to support the procurement process.
- Test and validate the protocols for accepting purchase orders.
- Document findings and operational/control gaps observed.
- Provide management with a report of our findings and recommendations.
- Meet with management to review the results of the report.

Audit started June 2022 on the GPS side – Tentative draft – October/November 2022 – Town side audit started August 2022

5. Greenwich Capital Projects Audit (5 large projects over $1 million)

- Review the current operational processes, controls and budgetary/spending practices within the Town and Greenwich School District related to capital projects.
- Interview relevant personnel to identify the capital project budgeting process along with monitoring and tracking procedures for the capital project’s financial operations.
- Review the current technologies used to process the aforementioned information.
- Perform a risk assessment of management’s ability to override budgets, spending and operational controls associated with capital projects.
- Review internal control procedures and identify control weaknesses within these areas and develop control improvements (where needed).
- Document findings and gaps observed as part of the review.
- Test monthly capital project transactions.
- Provide management with a report of our findings and recommendations.
- Meet with management to review the results of the report.
6. **Grant Management Process(es) Assessment and Audit**

- Review the documented policies, procedures, processes and controls within the Town related to grants acceptance and grant management.
- Confirm how grant monies are distributed, monitored, and tracked.
- Review the controls around grant reconciliation.
- Confirm the technologies used to process grant transactions.
- Test monthly grant transactions for selected grants.
- Test grant reporting requirements for selected grants.
- Provide management with a report of our findings and recommendations.
- Meet with management to review the results of the report.
- Document findings and gaps observed as part of the review.

7. **Tax Collector Audit**

- Confirm the process and evidence used to validate and reconcile the Assessor’s tax information to the Tax Collector’s computer system.
- Confirm and test how tax payments are processed, tracked, and reconciled within the Department.
- Assess the tax collection and reconciliation process for cash drawers and associated bank deposits.
- Identify and test the controls to process, reconcile, and secure tax deposits.
- Confirm user access within the Tax Collection System, including password security parameters.
- Identify security and controls associated with the ability to adjust tax and/or interest amounts.
- Identify security and controls associated with the ability to process delinquency notices.
- Confirm how deposits, adjustments and other related financial information is properly accounted for in both the tax collection and finance software systems.
- Provide management with a report of our findings and recommendations.

8. **School Lunch Program -Follow-up Audit**

- Review the documented processes and controls of the School Lunch program (since time of last audit – June).
• Review the controls for reconciling School Lunch registers (sample to be tested).
• Confirm how differences in monies collected are tracked/monitored (since time of last audit).
• Confirm how/who can void register transactions (since time of last audit).
• Confirm cash collection procedures (if any changes from first audit).
• Identify who has the ability to make changes to financial information contained in the School Lunch POS system.
• Test a sample of monthly School Lunch collection and correction reports.
• Review changes in inventory control procedures and how inventory controls have been implemented (since first audit).
• Review all findings and recommendations as well as any identified managerial comments/action plans from the initial School Lunch Program audit and document their current implementation status (Not started, In Progress, or Completed.)
• Provide management with a report of our findings and recommendations.

THIS FOLLOW-UP AUDIT CURRENTLY PLACED ON HOLD AT THE RECOMMENDATION OF THE AUDIT COMMITTEE

9. **Greenwich Library and Perrot Memorial Library:** Reviews of Cash Receipt Handling Internal Controls for each operation. The reviews to center on the collection of library fines and photocopying receipts. The Greenwich Library collects about $125,000 in annual receipts and the Perrot Memorial Library collects about $15,000. Last audit of the Greenwich Library performed in 2014.

10. **Review and Follow-up of Previous Completed Audits**

Discuss with the Audit Committee the timing of follow-up on audits previously completed, which audits to review and when.

**INTERNAL AUDITS COMPLETED**

**2022-2023**
• Building Inspection & Assessments Report (September 2022)

**2021-2022**
• Employee Benefits Administration: Health Insurance Review (June 2022)
  • Police Department Side Jobs Report (March 2022)
  • Griffith E. Harris Golf Course Report (December 2021)
  • Fleet Department Report (October 2021)
  • Human Services Department Report (July 2021)
2020-2021

- Greenwich Public Schools Cafeteria School Lunch Report (June 2021)
- Holly Hill Transfer Station Report (February 2021)
- Parks and Recreation Marina Audit Report (November 2020)
- Parks and Recreation Financial Review of Activities at the Dorothy Hamill Skating Rink Report (September 2020)
- Greenwich Public Schools Follow up Review and Audit of the School’s Student Activity Funds Report (September 2020)

2019-2020

No Internal Auditor

2018-2019

- Town Clerk Follow-Up Audit to the March 15, 2019 Report
- Parking Services Follow-Up to the June 2017 Report

2017-2018

- DPW Septic Haulers Audit Report
- Internal Controls over Cash Handling in the Tax Collector’s Office
- Town Clerk Cash Handling Audit Report
- Human Services Review of Internal Controls over Cash Handling
- RSM Forensic Investigation of TOG Parking Services Department (not performed by the Internal Auditor)

2016-2017

Parking Services Audit Report

2015-2016

No Internal Auditor

2014-2015

Annual Management Review of Motor Vehicle Records of Town Employees
Commission on Aging’s Cash Handling, Internal Controls and Accountability Review
Health Dept. Cash Handling Internal Controls and Accountability Review

2013-2014

- Greenwich Library’s Internal Controls for Cash Receipts
- Land Use Zoning Enforcement Department’s Internal Controls for Cash Receipt
- Annual Management Review of Motor Vehicle Records of Town Employees
- Senior Center’s Internal Control for Cash Receipts
- Parks and Recreation Cash Handling Practices at 1) Town Hall, 2) Eastern Greenwich Civic Center and 3) the Ferry Dock
Parking Services Revenue and Internal Controls Report
BOE Enrollment Verification Audit
Harbor Management Internal Audit Review

2012-2013
BOE Food Service Audit
Internal Audit of the Greenwich Fire Marshal’s Office
Internal Audit of the BOE Student Activity Funds

2011-2012
BOE & Town Selected Contracts Compliance Audit
Audit of all Town and BOE Petty Cash and Cash Working Funds Report
Review of Building Inspection Division and Assessor’s Officer Report
The meeting was called to order at 9:04 A.M.

1. **Approval of the BET Audit Committee Meeting Minutes of June 7, 2022**

   Upon a request by Mr. Fisher, approval of the Minutes was deferred to the next BET Audit Committee Meeting in October.

2. **Internal Audit**

   - **Nathaniel Witherell Accounts Receivables, Billings and Write-offs Discussion**

     Mr. Fisher introduced the subject of the materially increasing outstanding accounts receivables for The Nathaniel Witherell (“TNW”) patient billings. He asked Mr. Raimo why there is a doubling of outstanding receivables over the past year and suggested that TNW address its responses to the questions prepared and shared prior to the meeting. Mr. Raimo stated that their staff member responsible for this, Sasha Vasquez, has been working alone for over one year and that she had not received the training she would have needed. He stated that the current employee was doing the work of 2-and one-half people. Mr. Raimo further explained that hiring for the current vacancy which would assist Ms. Vasquez has been delayed for various reasons and that he would have to start re-interviewing candidates. Mr. Raimo explained that they had previously hired someone for the role which did not work out and the employee did not make it through probation. The position has since been reposted. Mr. Raimo states that their team does not have the staffing and expertise to find the talent needed to fill the role which has caused the problem of the large backlog of uncollected receivables. Mr. Fisher asked Mr. Raimo if there are any qualified candidates from the latest posting, to which Mr. Raimo said there they are
waiting for a new batch from HR.

Mr. Raimo was asked why Ms. Vasquez has not received the necessary training and what steps are now being undertaken to achieve that training. Mr. Raimo stated it has been 8 months since the previous person was in the role assisting Ms. Vasquez and that the hiring delay occurred due to the person being on leave which prevented Mr. Raimo from having the position reposted. A discussion about Medicare and Medicaid receivables and for write-off’s ensued to determine ways that outstanding amounts are collected.

Question was raised regarding the engagement by TNW of an outside collection agency for the collection of receivables which appeared to be collectible more cost effectively in-house. A signed contract was produced by Mr. Raimo showing the engagement of A&R Recoveries, Inc., Carmel, New York which was hired to represent The Nathaniel Witherell to collect “outstanding receivable income” from payors. Mr. Raimo told the Committee that A&R Recoveries was hired on August 16th and quickly terminated by August 23rd. He noted that it collected about $ 758,000. Mr. Mynarski commented that he couldn’t find any information on this vendor to determine if they were a qualified vendor. Mr. Fisher noted that it is not registered with the NYS Secretary of State office. Mr. Raimo stated that he was referred to this vendor by PKF O’Connor Davies, the outside accounting firm of TNW, and the contract, as was previously stated, was later canceled by Mr. Raimo. Mr. Mynarski said he contacted the Law Department for advice on this contract, and they had indicated that it is not in legal order. Moreover, it did not appear that appropriate procedures had been followed for the awarding of municipal contracts. Question was raised from a risk standpoint regarding the access to Personal Identifiable Information (PII) of patients by an outside agency like A&R Recoveries, Inc.

Mr. Drake indicated that he shortly would have to exit the meeting at 10:30 A.M. and therefore he requested a motion be made on his behalf by the Committee to have an audit done of The Nathaniel Witherell accounts receivable process, collections cycle, etc., by CliftonLarsonAllen (CLA). It was collectively agreed to defer action on hiring CLA for an audit until further facts were examined.

Mr. Ramer moved to continue this item to the October meeting. As part of that motion, it was requested of TNW by the Committee that when the item returns to the Audit Committee, TNW should present:

1. A concrete plan for the prompt training of appropriate personnel of TNW for the collection in-house of those receivables that are generally perceived as being cost effectively collected in-house.

2. The adoption by TNW of a clear policy governing the use of outside collections agencies, with that policy logically broken down by the payor class of the receivable (self-pay, private insurance, Medicare, Medicaid).

Mr. Fisher added to that motion that a draft RFP be prepared as quickly as possible and sent for review to the Town’s Purchasing, Finance and Law Departments by the next meeting.

The motion passed unanimously, continuing this item to the October meeting of the Committee.

It was then requested by the Committee that the Comptroller obtain the advice of the Law Department as to whether payment by TNW is legally appropriate of the claimed fees of
A&R Recoveries Inc. on the receivables which it had collected.

- **Review and Acceptance of the Department of Public Works Building Divisions Audit**
  
  Due to time constraints and the absence of two members this item was deferred to the October meeting.

- **Audit Plan – Ongoing Audits**
  
  The Audit Plan discussion was deferred to a future meeting.

### 3. Risk Management

- **FY 2022-2023 Insurance Renewal Program Update – Arthur J. Gallagher Presentation**

  Ronni Rausch from Gallagher presented the summary of insurance policy renewals for the Town and BOE. The excess liability tower of coverage was discussed. The Town bound the primary layer with Safety National, which had a smaller increase in premium than the incumbent, Allied Public Risk, who lost their reinsurance. The Self-Insured Retention remained the same as last year at $3 million for personal injury and property claims and lawsuits and $1.5 million for all other general liability lines.

  The purchase of a Builder's Risk Policy was mentioned, and it was decided to be discussed by Gallagher and the Risk Manager when a decision is made regarding the building of a new Central Middle School. The Western Greenwich Civic Center that was recently demolished will be removed from the property policy and replaced with the new building information as soon as it is completed.

  The Town is beginning to work on the renewal of the cyber liability policy, which renews in December.

### 4. Old Business

- There was no old business discussed.

### 5. New Business

- There was no new business discussed.

### 6. Items for future BET Audit Committee Meetings

- **Hamilton Avenue School Field Permitting Process – scheduled for the October meeting**

### 7. Executive Session – CyberSecurity Quarterly Update

  Mr. Ramer made a motion, seconded by Mr. Fisher to go into Executive Session at 10:56 A.M. to discuss a security matter. The vote carried 2-0-0.

  Mr. Fisher made a motion, seconded by Mr. Ramer to come out of Executive Session at 11:56 A.M. The vote carried 2-0-0.
8. **Adjournment**

Upon a motion by Mr. Fisher, seconded by Mr. Ramer, to adjourn the meeting at 11:56 AM, and the Committee voted 2-0-0. Motion carried.

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Shira Davis, Recording Secretary

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Henry J. Fisher II, Chairman, Audit Committee