

1. BET Audit Comm. Meeting Document

Documents:

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BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, September 11, 2014 – 8:00 A.M.
Gisborne Conference Room

Present:

Committee: Arthur Norton, Chairman
John Blankley, William Finger, Leslie Tarkington

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Director of Risk Management;
Pat Maranan, Internal Auditor; Rita Azrelyant, Director of Parking Services;
John Crary, Town Administrator

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

1. Approval of Minutes: Audit Committee Meeting July 10, 2014.

Upon a motion by Mr. Finger, seconded by Mr. Blankley, the Committee voted 4-0 to approve the July 11, 2014 Meeting Minutes.

2. Risk Management Report

- **Insurance Policy Digest Update for August and September Policy Renewals with Budget Forecast**

All policies scheduled for renewal through Sept 1, 2014 have been placed. A favorable forecast of \$115,000 (one hundred fifteen thousand dollars) was presented. Mr. Lalli anticipates a larger favorable balance but noted it would not be prudent to forecast the number until after the winter season. Transit coverage of \$15,000,000 (fifteen million dollars) for the Bruce Museum, for delivery and receipt of artwork, verses appraisal values was discussed. Mr. Lalli will review and report back at the October Audit Meeting.

- **Safety Inspection Reports – Conducted and Scheduled**

Fall safety inspections are planned for all four marinas. The broker has been contacted for a requested inspection by project management of MISA. The Cos Cob, Riverside and Old Greenwich train stations will also be scheduled for a safety inspection. Greenwich High School's new science lab has requested risk control services.

- **Creation of Vehicle Accident Review Committee**

Mr. Lalli has been directed by the Office of the First Selectman to create and to chair a committee to expand best practices for reducing auto liability exposure for the Town. The Committee would contain a myriad of experts including employees from the Fleet and Police Departments. Mr. Crary stressed the importance of department head and union cooperation and involvement

- **Summary Update on Third Party Claims vs. Town of Greenwich**

Trending is favorable, last year's total of 56 (fifty six) claims compared to five year to date of September 11, 2014. One of the major factors in overall reduction of claims versus Greenwich is a reduction in third party auto claims.

- **Summary Update of Automobile Claims vs. Town of Greenwich**

There has been only one third party auto claim, versus the Town, year to date of September 11, 2014, which mirrors the downward trend since Fiscal 2012.

- **Update on Annual Review of Town Employee and Volunteer Motor Vehicle Records**

During August 2014, Ms. Maranan and Mr. Lalli have reviewed 1,700 (seventeen hundred) licenses and rated them based on records. They will report to the Committee at the October meeting.

3. Internal Audit Report

- **Limited Scope Audit of Parking Services Revenue and Internal Controls**

Mr. Norton introduced the members to Ms. Azrelyant.

The audit was conducted with the cooperation of the new Parking Services Director. No unusual transactions were discovered but some processes were not conducted under proper internal controls. Revenues in the past three Fiscal years have shown some decline from the highest years of Fiscal 2010 and 2011. Ms. Tarkington commented that it could be a result of changes to Greenwich Avenue with the influx of many restaurants and the increase of internet retail shopping.

Mr. Finger questioned the value of some subjective detailed explanations accompanying charts on Pages 6 and 12, which he suggested to remove. Mr. Lalli expressed no disagreement of the proposed change as the deletion of the language does not affect the written recommendations in the report. Ms. Tarkington asked Ms. Azrelyant to rewrite a portion of the Introduction section regarding revenues verses staffing and varying meter rates. On Page 4 Mr. Finger asked for a font change.

Some of the 14 (fourteen) recommendations included have already been implemented.

- Utilization of automated reconciliation reporting, available from the single head Mackay Parking Meters.
- All collected quarters to be deposited with the next day's pickup. Dimes and nickels should be deposited on a daily basis per Town Policy.
- Meter coin collection discrepancy report should be produced and reviewed by the Business Operations Manager daily. The results of any major daily discrepancies should be brought to the attention of the Director.
- Log to record the transaction of releasing bagged coins to vendors should require an employee's signature when the bags are released to the pickup service employee.
- Passwords to the software that records and allows for void transactions should be updated on a periodic basis.
- Receipts provided to all walk in customers who had a void transaction processed.

By the end of the calendar year collection zones will be reconfigured with a coherent meter collection route implemented. A monthly analysis of the operations for budgetary and management purposes, as well as biannual reports will be submitted to the First Selectman and the Comptroller. Modifications to the process used for voids, reductions, and parking tickets will be implemented and the Director will review automated provided reports on monthly tickets written by individual officer and void tickets processed by individual employee.

Mr. Lalli agreed to all modifications to the audit requested by the Committee, and to electronically re-circulate it to the members as Subject to Approval.

Upon a motion by Mr. Finger, seconded by Ms. Tarkington, the Committee voted 4 to 0 to accept the *"Internal Audit Report: Limited Scope Review of Parking Services' Revenue and Internal Controls"*, Subject to Approval after each member has received and responded that they are in concurrence with the BET Audit Committee changes made.

- **Update on Internal Controls Review of Cash and Revenue Collections – Various Departments**

The Senior Center, Health, Environmental Health and Greenwich Library have been reviewed. Mr. Lalli expects to present several of these reports at the October Meeting as well as a formal report for the Annual Review of Drivers' Licenses. In November and December additional cash and revenue reports will be presented.

4. New Business

Mr. Norton invited the Committee to attend the Audit of the Nathaniel Witherall Historic Tax Credit Session to be held at Nathaniel Witherell on Monday, September 22, 2014 beginning at 10:00 A.M. Mr. Scott Bassett from McGladrey will be in attendance.

- **Fiscal 2014 Audit Update**

Serious delays have affected the 2014 Fiscal Audit. Issues with Quality Data have prevented the issuance of refunds. IT has attempted to resolve these matters but admits to weakness in its software integration staff.

The inability to close the books has prevented CAFR completion. Mr. Mynarski expects the external auditors to convene in September. He is expecting a Management Comment regarding the Tax Collector's Office.

5. Perrot Memorial Old Business

- **Perrot Memorial Library Funding Policy Guideline Draft**

Kevin McCarthy, Perrot Library Director was unable to attend today's meeting, thus postponing the item till the October Meeting.

6. Items for Future BET Audit Committee Meetings

Mr. Norton requested that the October 9, 2014 meeting be rescheduled to the following Thursday, October 16, 2014 beginning at 8:00 A.M. in the Gisborne Room. Both Mr. Norton and Mr. Finger have prior commitments on October 9th.

The 2015 BET Audit Committee Meeting Calendar was distributed.

Upon a motion by Ms. Tarkington, seconded by Mr. Blankley, the Committee voted 4 to 0 to approve the 2015 BET Audit Committee Meeting Schedule.

7. Adjournment

Upon a motion by Mr. Finger, seconded by Mr. Blankley, the Committee voted 4 - 0 to adjourn the meeting at 10:01 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, September 11, 2014
8:00 A.M.
Gisborne Room**

AGENDA

1. Approval of BET Audit Committee Meeting Minutes of July 10, 2014
2. Risk Management Report
 - Insurance Policy Digest Updated for August and September Policy Renewals with Budget Forecast
 - Safety Inspection Reports – Pending Insurance Vendor Safety Inspection of Town Marinas
 - Creation of the Vehicle Accident Review Committee
 - Summary Update on Third Party Claims vs. Town of Greenwich
 - Summary Update of Automobile Claims vs. Town of Greenwich
 - Update on Annual Review of Town Employee and Volunteer Motor Vehicle Records
3. Internal Audit Report
 - Limited Scope Audit of Parking Services Revenue and Internal Controls
 - Update on Internal Controls Review of Cash and Revenue Collections – Various Department
4. New Business
 - Fiscal 2014 Audit Update
5. Old Business
 - Perrot Memorial Library Funding Policy Guideline Draft
6. Items for Future BET Audit Committee Meetings
7. Adjournment

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Arthur D. Norton, BET Audit Committee Chairman

Elaine JV Brown, Recording Secretary