

1. Meeting Agenda - September 14

Documents:

[MEETING AGENDA - SEPTEMBER 14.PDF](#)

2. Minutes Subject To Approval - September 14

Documents:

[MINUTES SUBJECT TO APPROVAL - SEPTEMBER 14.PDF](#)

3. Approved Minutes - September 14

Documents:

[APPROVED MINUTES - SEPTEMBER 14.PDF](#)



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

**AUDIT COMMITTEE MEETING
Thursday, September 14, 2017
8:00 A.M.
Gisborne Room**

AGENDA

1. **Executive Session** – RSM US LLP
2. Approval of the BET Audit Committee Meeting Minutes July 13, 2017
3. Internal Audit Report
 - Audits-in-Progress:
 - Cash Handling in the Office of the Town Clerk Update
 - Grass Island Waste Water Treatment Plant – Septic Disposal Audit
4. Risk Management Report
 - Safety Inspection Updates:
 - Parkway Elementary School
 - Havemeyer Building
 - FEMA Update
5. Old Business
 - Fire Marshal Inspections Update
 - Fiscal 2016 Audit
 - Management Letter 2016 Responses Update
6. New Business
7. Items for Future BET Audit Committee Meetings
8. Adjournment

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, September 14, 2017 – 8:00 A.M.
Gisborne Conference Room

Present

Committee: Arthur D. Norton, Chairman; John Blankley, Michael Mason, Jill Oberlander

Attendees: Peter Mynarski, Comptroller; Melinda Frame, Internal Auditor; Megan Damato, Esq., Risk Manager; Scott Richter, Sr. Director, RSM US LLP; Chris Fitzgerald, Supervisor, RSM US LLP; 9:08 A.M.- Carmella Budkins, Town Clerk; Kimberley Jordan, Assistant Town Clerk

Others: Peter Tesei, First Selectman; BET Members: Beth Krumeich, Leslie Moriarty, Jeff Ramer, Leslie Tarkington, Tony Turner, Nancy Weissler

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

1. Executive Session - RSM US LLP to discuss Forensic Audit by RSM US LLP

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4 to 0 to go into Executive Session at 8:07 A.M.

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4 to 0 to come out of Executive Session at 9:22 A.M.

2. Approval of Audit Committee Meeting Minutes of July 13, 2017

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4-0 to approve the July 13, 2017 Meeting Minutes.

3. Internal Audit Report

- **Comments on the RSM US LLP Presentation**

Ms. Oberlander asked that the following statement be included in the minutes to reflect the conversation:

The forensic audit report prepared by RSM addresses a matter of significant public interest. Town Attorney John Wayne Fox previously advised members of the Audit Committee that the report should remain in draft form due to the pending criminal case and the possibility of additional charges. In a separate conversation, Attorney Fox noted the need for additional time to speak further with the Greenwich Police Chief and State's Prosecuting Attorney. Ms. Oberlander stated that while she would defer to the Town Attorney's judgment for a short period of time, absent a more specific legal justification arising from his further conversations she sees no reason to keep the RSM report in draft form given the public's right to have access to the data. Further, Ms. Oberlander asked for resolution of this inquiry in the next two weeks and expects the Audit Committee to take up the RSM report either at a special meeting or at the very latest next regular Audit Meeting with the intention of voting to accept it.

Mr. Mason added a comment that he is obligated to follow the recommendations of the Town Attorney and deviating from that is not in his interest nor the best interest of the BET after conversations with the Town Attorney. Mr. Norton stated that he deferred the decision to the Town Counsel.

- **Audits-in-Progress:**

- **Cash Handling in the Office of the Town Clerk Update**

Ms. Frame has received the Town Clerk's responses and will review with Mr. Mynarski. Audit report will be presented at the October 4, 2017 meeting.

- **Grass Island Waste Water Treatment plant – Septic Disposal Audit**

Ms. Frame is currently reviewing septic disposal tickets collected at the treatment plant. So far there are no definitive findings. Draft audit report will be presented at the October meeting.

Ms. Frame is working with Human Services to update its cash and cash equivalent handling. A theft of cash from an office safe, discovered by a case manager, has implicated the Office's Budget and Financial Systems Supervisor. Based on a police investigation a warrant was prepared and the employee terminated. The department is addressing its control practices and taking a collaborative approach to increase separation among incompatible employee duties. The Office is also purchasing a new, electronic safe which monitors who and when accesses the safe.

4. Risk Management Report

Mr. Norton questioned if the recent Equifax security breach will place the Town at risk. Ms. Damato replied that she is in contact with IT and the Town's insurance broker regarding our cyber coverage and will provide any information she receives.

- **Insurance Renewal Update**

Renewals for school sports, fire fighter and cyber coverage are completed in August and September. Cyber premiums are higher due to the increase of the liability limit to \$5,000,000 (five million dollars). Ms. Damato was able to have the broker successfully negotiate with the student accident insurance carrier and lower the initial premium estimate from 20% (twenty percent) to 2% (two percent).

- **Safety Inspection Updates**

- **Parkway Elementary School**

Applied Risk conducted a tour of the school on July 27, 2017. The building was assigned an overall exposure/control rating of "average", with no immediate liability risk.

Suggestions for improvement being addressed:

- Work order issued for installation of "Authorized Vehicles Only" signs to be placed on both sides of loading dock driveway entrance.
- With no physical barrier or visual cues, the edge of loading dock should be painted yellow/black stripes to prevent fall injuries.
- Fire Marshal is assessing potential risk of exposed propane tank. Fencing may be installed.
- Cross bar welding of catch basin in parking lot has been completed.
- Outdoor bench legs have been properly supported to improve stability and structural integrity by Parks and Recreation.

- Free standing bookcases in the library need to be secured to the floor to prevent tipping hazard.
 - Additional mulch has been placed throughout the younger student playground. Unused sandbox is scheduled to be removed.
 - A nature trail entrance and signage, created by a prior administration, needs to be removed since it is no longer maintained. Dead limbs, planting pots and work stations need to be cleared to prevent students from entering.
 - Plastic fencing and vegetation along one side of the playground was removed in August. Work order placed to repair retaining curb around playground. Rock climbing apparatus exposed screws need to be countersunk. Additional mulch was placed under swings and platform steps.
- **Havemeyer Building**
Applied Risk conducted a tour of the building on July 27, 2017. The building was assigned an overall exposure/control rating of “average”.

Suggestions for improvement being addressed:

- Exterior signage will be posted for ADA compliant front entrance ramp location
- Front portico brick and masonry need to be repointed to maintain structural integrity. Installation of motion lights to deter loitering. Access is temporarily restricted. Police have been requested to patrol periodically.
- Attic access should be limited to authorized personnel only. Records/files need to be maintain in a safe order to prevent physical injuries. BOE was removing files for shredding.
- Attic door leading to rafters has had a lock installed to prevent serious fall exposure. Broken sections of attic skylight covered with roofing material have been removed.
- Emergency exit door from main level in only 28” wide, not life safety compliance. Egress is “grandfathered”.
- Masonry repairs needed in maintenance shop to support wall structural integrity.

Ms. Oberlander asked for Ms. Damato to check on the progress of the portico repairs hoping that it is not delayed due to lack of funds. Mr. Tesei suggested that the Horace Havemeyer Trust is a possible source of funding for masonry repairs.

- **FEMA Update**

Ms. Damato replied to a few new FEMA questions regarding Island Beach claims. She is expecting payment delays due to the current damages by Hurricane Harvey and Irma.

Mr. Norton asked if Ms. Damato has had any contact or issues involving OSHA. Ms. Damato stated she has not. Mr. Mynarski added that Joseph Klemenz, Human Resources Safety Analyst in would be better suited for OSHA issues and will follow up on this question.

5. Old Business

- **Fire Marshal Inspections Update**

Inspection and updating properties throughout the Town continues. Mr. Kick, Assistant Fire Chief will attend the October meeting and provide a detailed update. A new Fire Marshal is expected next year.

- **Fiscal 2016 Audit**

- **Management Letter 2016 Responses Update**

Police Extra Duty Receivables: Mr. Mynarski stated he was not prepared to discuss since the issue is still open. Captain Kordick is in the same position as last month but will follow up with him.

Auditors return the week of September 24th to continue work on the Fiscal 2017 Audit.

Ms. Oberlander asked a governance question that she wasn't sure if it was under New Business or Fiscal Audit 2017. There seems to be a failure of integration in Finance with the Tax Collector, to no fault of Finance. She suggested that the Audit Committee, as Governance Committee, review the process and questioned if the Audit Committee, also for the BET, could come up with a process to address it.

Mr. Mason expects a directive regarding this subject the BET advising its placement on the October meeting agenda.

6. New Business

New dates were chosen for the October and November Audit Committee meetings:

Wednesday, October 4, 2017 starting at 1:00 P.M.

Monday, November 27, 2017 starting at 8:00 A.M.

7. Items for Future BET Audit Committee Meetings

Not discussed.

Mr. Ramer stated that Ms. Oberlander raised an issue making public the draft Forensic Audit by External Auditors RSM US LLP. He believes that the Committee should go to the Town Attorney to discuss and research the Freedom of Information Act. Specifically, that one has the ability to hold a confidential draft report only if a public agency takes an affirmative vote by which it declares that the public interest and confidentiality outweighs the public interest in disclosure. He is not sure that the Audit Committee is a public agency, but he is certain that the BET is a public agency. At this moment there is no public agency that has held a vote. He does not favor keeping the confidentiality of the Forensic Report and questioned whether a vote should be taken before the end of the meeting.

Mr. Mason replied that he stands by his comment made earlier that he is following the advice of the Town Attorney to have the report remain in draft version. Ms. Oberlander suggested a motion that the Committee vote that until they hear from the Town Attorney about his conversation with the Chief of Police and the State Prosecutor, that it would be in the best public interest to retain confidentiality till the next meeting. The motion failed for the lack of a second.

8. Adjournment

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4-0 to adjourn the meeting at 10:08 A.M.

The next Audit Committee Meeting is scheduled for October 4, 2017 at 1:00 P.M. in the Gisborne Room.

Elaine JV Brown, Recording Secretary

Arthur D. Norton, BET Audit Committee Chairman

SUBJECT TO APPROVAL

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