

1. Meeting Agenda - October 4

Documents:

[MEETING AGENDA - OCTOBER 4.PDF](#)

2. Minutes Subject To Approval - October 4

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[MINUTES SUBJECT TO APPROVAL - OCTOBER 4.PDF](#)

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

**AUDIT COMMITTEE MEETING
Wednesday, October 4, 2017**

1:00 P.M.
Gisborne Room

AGENDA

1. **EXECUTIVE SESSION:** RSM US LLP Forensic Audit
2. Approval of the BET Audit Committee Meeting Minutes September 14, 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
 - Human Services Internal Control Update
4. Risk Management Report
 - Update on At-Fault Motor Vehicle Accidents
 - FEMA Update
5. Old Business
 - Fire Marshal Inspections Update
 - Management Letter 2016 Responses Update
6. New Business
 - Fiscal 2017 Audit
7. Items for Future BET Audit Committee Meetings
8. Adjournment

BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Wednesday, October 4, 2017 – 1:00 P.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; James Heavey, Chief of Police; John Wayne Fox, Esq., Town Attorney; Carmella Budkins, Town Clerk; Kimberley Jordan, Assistant Town Clerk; Robert Kick, Assistant Fire Chief

Others: BET Members: Jeff Ramer, Leslie Tarkington; Debra Hess, Incumbent BET Member

The regular meeting was called to order at 1:00 P.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 1:01 P.M.

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4 to 0 to come out of Executive Session at 2:10 P.M.

Mr. Norton called the meeting to order at 2:17 P.M.

He asked for a motion to add an item to the agenda to consider the request from the State's Attorney Office involving the forensic audit. Mr. Mason moved, second by Mr. Blankley, the Committee voted 4-0.

The request from the State's Attorney Office is that the Committee present a copy of this forensic audit to the Police Chief, to become part of the criminal file involving the State of Connecticut versus Mr. Gordon. Second the Police Chief will turn over the forensic audit to the State Attorney's Office. Mr. Mason moved, second by Mr. Blankley, the Committee voted 4-0.

Mr. Norton asked for the Committee to be updated when the matter is resolved and if not by December then an update would be expected.

2. Approval of Audit Committee Meeting Minutes of September 14, 2017

Upon a motion by Ms. Oberlander, seconded by Mr. Mason, the Committee voted 4-0 to approve the September 14, 2017 Meeting Minutes.

3. Internal Audit Report

- **Audits-in-Progress:**

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

The Audit evaluated the adequacy of internal controls over the collection, processing and reporting of cash revenue for fiscal years 2014, 2015, 2016 and for the current fiscal year through June 30, 2017. The office's compliance with the Town's cash receipts policies was also reviewed. The draft review stated numerous deficiencies in the methods and procedures used to account for and to adequately secure cash receipts increasing the risk for employee and/or public theft, fraud and abuse.

Mr. Norton stated that at this time the Committee cannot accept the audit in its current form. Further discussion with management is needed regarding TOG policies, internal controls and practices. The recommendations need to comply with GAAP (Generally Accepted Accounting Practices) which have not been implemented yet. This item will appear on the November agenda.

Mr. Mason and Mr. Norton agreed that a standard "toolbox", regarding cash handling, needs to be implemented Town-wide. Mr. Mason suggested assistance from the Internal Auditor to obtain a policy from a professional organization, that could be universally implemented. Ms. Frame stated that she will investigate.

Ms. Budkins stated that the office has taken a few steps already and will work with Treasury to implement recommendations. Installation of updated software is set for Spring 2018. Ms. Oberlander asked to work offline with the Town Clerk and Internal Audit to clarify some recommendations and responses in the draft.

SUBJECT TO APPROVAL

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

Ms. Frame is continuing to review septic disposal tickets collected at the treatment plant. Proper collection process lacks supervision and patterns of potential under-reporting of disposals observed. Mr. Mason noted that the camera is still not working and should be brought to the First Selectman's attention. A temporary fix on the camera, tape and backup needs to be implemented as well as upgraded mechanical equipment, and installation of meters and scales. A draft with estimated loss revenue will be presented at the November meeting.

- **Human Services Internal Control Update**

Dr. Barry, Commissioner of Human Services and staff have cooperated fully with recommendations. Implementation of separation of duties, physical security of cash, and independent cash activity reconciliations are being implemented.

1. Risk Management Report

- **Update on At-Fault Motor Vehicle Accidents**

Nine at-fault accidents have occurred since May 2017. Four by Parks and Recreation, four by fire engines and one by a police patrol vehicle. A Parks and Recreation employee who was responsible for two incidents was reprimanded and completed the Defensive Driving Course in August.

Mr. Norton asked Ms. Damato for the report to include pending claims prior to May 2017, which were presented by the former Risk Manager, Mr. Ron Lalli. It should show how effective departments have been resolving these claims within their department budgets.

- **FEMA Update**

No update at this time. Mr. Mynarski noted the possible lack of FEMA focus on the TOG's claims due to the impact of the recent hurricanes Harvey and Irma.

A list of 9 subrogation claims dating from May 2017 to present was presented by Ms. Damato. Pending claims total \$41,276.78 (forty one thousand, two hundred seventy six dollars and seventy eight cents) with a collected total of \$1,412.13 (one thousand, four hundred twelve dollars and thirteen cents) with an additional \$1,477.53 being mailed to Ms. Damato's attention from Geico. Mr. Norton requested a fiscal year, monthly breakdown of funds collected. Ms. Damato will forward to Mr. Norton.

2. Old Business

- **Fire Marshal Inspections Update**

Mr. Kick stated that occupancies not specified in their database was 11,510 (eleven thousand, five hundred ten) March 2017. Since then, a time consuming effort has lowered the number to 2,294 (two thousand, two hundred ninety four). Past due inspections of multi-family units has been lowered from 82 (eighty two) to 41 (forty one) as of September 2017. Currently seven occupancies remain with no contact. If compliance is not met an Administrative Warrant will be issued for access to their properties.

The Fire Marshal position is expected to be filled by the first of the year. Application for the position is only open to the four current deputy fire marshals, per job description. Once filled, a hire-up will replace the promoted deputy fire marshal.

3. New Business

- **Fiscal 2017 Audit**

External auditors returned September 25th to continue work on the Fiscal 2017 Audit. Mr. Mynarski, Ms. Walczykowski, Chief Accountant and Roland Gieger, Budget and Systems Director met with the new RSM US LLP external audit manager, Melissa Lewis. Mr. Mynarski noted that the current external auditors are based out of New York. As a result, the lead accountant lacks Connecticut municipal experience. Mr. Mynarski was assured that the auditors aware of the BET's required audit draft November due date and will meet the final BET December deadline.

Old Business continued...

- **Management Letter 2016 Responses Update**

Melissa Lewis, RSM US LLP Account Manager is not up to speed on the previous year's Management Letter comments and will review to discuss further. Mr. Mynarski is not sure if the philosophy of this New York team is the same as the Connecticut team from last year. Mr. Mynarski will follow up to be sure that we do not have the same comments as last year. Mr. Norton suggested that peer review could affect the comments.

Mr. Mynarski detailed financial highlights. Projection for this fiscal year is a good surplus and can withstand a \$2,000,000 reduction from the State Budget. Closing the books is moving forward with cooperation from the Tax Collector, although refunds are not being completed that will not impede the audit. Mr. Blankley questioned whether the external auditors will review procedures in the Tax Collector's Office. Mr. Mynarski replied that they want to test payroll and parking services, but are still early in their field work.

4. Items for Future BET Audit Committee Meetings

Not discussed.

5. Adjournment

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4-0 to adjourn the meeting at 3:35 P.M.

The next Audit Committee Meeting is scheduled for November 27, 2017 at 8:00 A.M. in the Gisborne Room.

Elaine JV Brown, Recording Secretary

Arthur D. Norton, BET Audit Committee Chairman

SUBJECT TO APPROVAL

**BOARD OF ESTIMATE AND TAXATION (BET)
AUDIT COMMITTEE
“LESSONS LEARNED”
GUSTOVICH CASE**

Minutes

**Thursday, October 26, 2017 8:00 A.M.
Cone Meeting Room**

Present:

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

Attendees: Peter Mynarski, Comptroller; John Wayne Fox, Town Attorney; James Heavey, Police Chief; Mark Kordick, Police Captain; BET Members: Beth Krumeich, Leslie Moriarty, Jeff Ramer & Leslie Tarkington (via telephonic hookup); Debra Hess, BET 2018 Nominee; Thomas Caruso, Greenwich Resident

The meeting was called to order at 8:04 A.M.

1. Greenwich Police Department Presentation

Mr. Norton referred to a memorandum that was sent from Town Attorney Fox to BET Audit Committee members regarding the Gustovich versus Town of Greenwich case. Attorney Fox stated in the memorandum that there is currently no litigation pending and the Gustovich case was settled in 2017. However, he reminded the Audit Committee members that there is a mutual non-disparagement clause contained within the agreed upon settlement that provides that the Town would not make, publish or communicate any defamatory comments, remarks or statements concerning the each other. He informed the BET Audit Committee members that they have a right to go into executive session if they preferred. Mr. Ramer asked if the Committee was relieved of this constraint if the meeting goes into executive session. Attorney Fox indicated that the Committee would not be relieved of any such constraint. Attorney Fox cautioned again that the Committee should be careful to avoid asking questions that could violate the non-disparagement clause in the settlement agreement. There was no motion to go into executive session.

Mr. Blankley asked about the role of the Audit Committee regarding this case and whether it is more appropriately handled by the BET Human Resources Committee. Mr. Norton answered by explaining that the “Lessons Learned” policy was started about 12 years ago by the BET Audit Committee and it dealt only with legal settlements out of the Risk Fund for more than \$100,000 and this case falls within that description.

Ms. Oberlander reminded the Committee that this item, regarding the independent consultant’s report on this case, will be before the HR Committee at its November meeting. Mr. Blankley stated that he is not comfortable dealing with a personnel matter in an Audit Committee meeting.

Mr. Norton continued by stating that he wanted to accomplished four objectives during this meeting. He felt the Committee should know 1) how this happened, 2) why this happened, 3) what changes have been made and 4) what remedies are in place?

Attorney Fox began by saying that the basic concerns around this case have been addressed with proper leadership and oversight in place.

Chief Heavey said he would try to address the how did this happen and why did this happened from Mr. Norton's question. However, he reminded the Committee that he was cautious to publicly address questions that may violate the non-disparagement agreement clause.

At this point Mr. Norton asked the Committee members again if anyone wanted to go into Executive Session. There was no motion to go into Executive Session.

Chief Heavey told the Committee that there was a lack of adequate training and refresher training previously as stated in the independent report and that changes have been made. Specifically, Chief Heavey said that the report made recommendations in four key areas; 1) leadership training for the Senior Command Team, 2) training development for all police department staffing, 3) provide clarity around the Premium Pay Position Process and 4) the Timely Dissemination of Information.

Chief Heavey continued explaining that the Police Department has partnered with the Town's Human Resources Department on sexual harassment training, and now has weekly command staff meetings as recommended in the study. The weekly command staff meetings are covered by note taking and this information is disseminated to the entire Police Department staff. Chief Heavey told the Committee that the promotional process, led by Captain Robert Berry, has been changed.

Ms. Oberlander asked Chief Heavey if existing policies have been ignored by some, how do you implement cultural and structural changes. Chief Heavey answered that supervisory training has been enhanced since this incident.

Mr. Norton then asked who is responsible for adherence to the human resources process at the Police Department. Chief Heavey stated that Captain Kraig Gray is in charge of human resources policies and procedures and their enforcement at the Police Department.

Ms. Oberlander asked the Chief if he could comment on demographics. More specifically, she wanted to know the gender and race makeup of the department. Chief Heavey stated he would get back to the Committee, but offered a guess. Chief Heavey thought that the female makeup was about 10% of the sworn police force and the civilian group working at the Police Department was higher percentage wise. When asked, Chief Heavey stated there are 154 sworn personnel and the total number of employees at the Police Department was 212.

Ms. Oberlander asked why only two female police officers responded to the consultant study's survey. Chief Heavey responded that the survey was offered to 100% of the sworn police staffing. When asked about the hiring process, Chief Heavey responded that the Town encourages diversity in the hiring process.

Mr. Norton asked about the timing of dissemination of information. Chief Heavey stated again that they now have weekly meetings with the command staff and the information is disseminated immediately.

Mr. Norton asked if police personnel using social media is an asset or a liability. Chief Heavey responded by saying that, with the exception of a few police personnel, it is considered an asset.

Mr. Norton asked the Chief to state if there was a remedy in place. Chief Heavey answered that Captain Kraig Gray was reviewing the mission statement and that they were working on accreditation at the State of Connecticut level, which would hopefully lead to national accreditation. Mr. Norton asked when they thought State Accreditation could be achieved. Chief Heavey responded that they probably could attain this accreditation by May 2018.

Ms. Oberlander asked the Chief how he would measure success in response to the independent consultant's study's recommendations.

Chief Heavey responded that he has been with the Greenwich Police Department for 32 years and that it is a much better department then when he started.

Ms. Oberlander asked again, if the training techniques recommended from the study are implemented, how will you know if you have effectively met your goals.

Chief Heavey responded by saying that they would probably conduct another survey of the police staffing to determine that.

Mr. Norton asked if this was a one-time event. Chief Heavey answered that there will always be personnel issues. He added that the environment is better to avoid this from reoccurring and that there is still work to be done.

Mr. Norton asked the Committee members if there should be a report back to the Audit Committee. Mr. Mason suggested that another survey should be conducted a year subsequent to the previous survey and the results reported back to the Audit Committee.

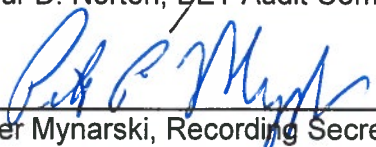
Mr. Norton asked if there were any questions of those in attendance. Mr. Ramer responded by saying that he felt that Lessons Learned presentation appeared to center on training as a solution to avoid a repeat of the discussed Gustovich case. He strongly felt that training is not the answer, but implementation or enforcement of existing policies is the answer.

2. Adjournment

Upon a motion by Mr. Mason, seconded by Mr. Blankley, the Committee voted 4-0 to adjourn the meeting 9:38 A.M.



Arthur D. Norton, BET Audit Committee Chairman



Peter Mynarski, Recording Secretary