

1. Meeting Agenda - October 13

Documents:

[MEETING AGENDA - OCTOBER 13.PDF](#)

2. Revised Meeting Agenda - October 13

Documents:

[REVISED MEETING AGENDA - OCTOBER 13.PDF](#)

3. Minutes Subject To Approval - October 13

Documents:

[MINUTES SUBJECT TO APPROVAL - OCTOBER 13.PDF](#)

4. Approved Minutes - October 13

Documents:

[APPROVED MINUTES - OCTOBER 13.PDF](#)



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

**AUDIT COMMITTEE MEETING
Thursday, October 13, 2016
8:00 A.M.
Gisborne Room**

AGENDA

1. Approval of the BET Audit Committee Meeting Minutes of September 8, 2016
2. Risk Management Report
 - Update on Insurance Recoveries
 - Safety Inspection Updates
 - FEMA Update
 - Proposed Policy change for Vendor Insurance Requirements
3. Internal Audit Report
 - Update on Parking Services Audit
 - Tools for Schools Update
4. Fiscal Year 2016 Annual Audit Update
5. Old Business
6. Items for Future BET Audit Committee Meetings
7. Adjournment



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BOARD OF ESTIMATE AND TAXATION
Audit Committee Minutes
Thursday, October 13, 2016 – 8:00 A.M.
Gisborne Conference Room

Present

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

Attendees: Peter Mynarski, Comptroller; Ron Lalli, Director Risk Management; Melinda Frame, Internal Auditor

Others: Mary Lee Kiernan, BET Member; Jeffrey Ramer, BET Member

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

1. Approval of Audit Committee Minutes:

• **Audit Committee Meeting September 8, 2016**

Ms. Oberlander requested to amend item 4, Risk Management Safety Inspection Update – Fleet Department. The sentence beginning with "One recommendation has..." to be changed to "All recommendations have been remediated but one."

Upon a motion by Ms. Oberlander, seconded by Mr. Blankley, the
Committee voted 4 - 0 to approve the September 8, 2016 Meeting
Minutes, as amended.

2. Risk Management Report

• **Update on Insurance Recoveries**

Insurance and FEMA recoveries since FY 2013 total \$3,907,233 (three million, nine hundred seven thousand, two hundred thirty-three dollars). It includes recoveries from third parties, Risk Management efforts and FEMA. During FY 2017 there have been seven recoveries totaling \$47,060 (forty-seven thousand, sixty dollars). These recent claims covered vehicle and tree damage. An additional 12 (twelve) are active, and might include incidents due to the approaching winter season.

• **Safety Inspection Updates – Hamilton Avenue School, Fleet Department, Greenwich High School (GHS) Cardinal Stadium**

17 (seventeen) high value property inspections were completed during the summer with Chubb Insurance. Risk Management has a continuing effort to resolve prior inspection recommendations, and document accomplished remediation for the Audit Committee.

Hamilton Avenue School: Safety remediation at Hamilton Avenue School continues. Slip and fall hazards on the walking path have been paved. A gap under the perimeter white fence has been resolved. The large retention pit in the parking lot has been covered with grating to allow drainage while preventing any possible entry. Ms. Oberlander asked if Al Monelli, Superintendent of Building Construction and Maintenance, is being made aware of this recommendation for future construction projects.

Fleet Department: Numerous recommendations by Applied Risk Management have been implemented. 55 gallon drums have been placed on containment platforms. The rear yard fence has been replaced with an anchored barricade by the DPW Highway Division.

GHS Cardinal Stadium: Applied Risk recommended denied access to the Press Booth until some basic remediation have been accomplished. Mr. Lalli distributed pictures of the remediation that has taken place. The last step in the remediation will be to provide toe board protection around the roof railings to prevent any equipment from falling on spectators below.

Chubb Safety Inspection Report: Inspections were performed at GHS and Grass Island Treatment Plant. A thermographic infrared electrical scan was recommended for the electrical equipment within the school. Ms. Oberlander questioned if this test is a Best Practice and if it would warrant a premium reduction. Mr. Lalli said he has approached the Fire Department for the possibility of the Fire Department providing this service. He will report back to the Committee on progress made. The report also listed the need for monthly fire pump testing, fires doors should be closed at all times and the storage of combustible and corrosive products around the electrical panels in the mechanical room of the Pool House should be removed.

At the Grass Island Treatment Plant Chubb recommended that automatic sprinkler protection should be installed in the control building, dewatering building, plant maintenance building and the main pump station to comply with NFPA 13, "Standard for the Installation of Sprinkler Systems". This is a costly installation but Mr. Lalli will discuss possibilities with Rich Feminella, Waste Water Division Manager. Fence height surrounding the aeration tanks should be increased to prevent debris such as balls and frisbees from settling in the tanks from the neighboring dog park. Mr. Lalli noted that the fence recommendation was a recommendation by Applied Risk Services from a previous inspection.

October 11th Mr. Lalli participated in an inspection of the vocational equipment at GHS. The safety inspector noted significant issues with securement of some of the machines used. The BOE has requested a quick turnaround on the report which is expected mid October and this inspection was provided by the Town's broker Frenkel & Company. The inspector for this inspection was provided by the Town's Broker Frenkel & Co. who will expedite the report to accommodate the BOE's request.

Ms. Oberlander questioned if the vocational department had previously received equipment safety requirements. Mr. Lalli stated his inspection team had not previously visited this section.

Additional security, locking doors, proper storage of gasoline containers, closing fire doors and improved safety are recommended. Mr. Norton questioned the handling of hazardous materials. Mr. Lalli replied that he participated in providing safety inspection services for the science labs and there are now formal protocols for labeling all OSHA identified hazardous materials and the proper way to handle accidents. BOE utilizes software to update them on all OSHA changes, which includes the latest labeling and safety sheet requirements. Interaction and cooperation with safety inspectors has been excellent.

- **FEMA Update**

The State will be sending work sheets totaling \$1,300,000 (one million, three hundred thousand dollars) to Federal FEMA in November. Mr. Lalli is expecting these funds this fiscal year. Mr. Blankley asked if these funds are receivables. Mr. Mynarski replied that they are reimbursements and handled on a cash received basis.

- **Proposed Policy Change for Vendor Insurance Requirements**

Currently the Town relies on certificates of insurance and brokers letters for compliance. Mr. Lalli explained that in recent history, sections of the insurance industry have relied on blanket insured

endorsements, to eliminate the need for insurance companies to track down the hundreds of thousands of additional insureds. Some companies actually refused to list requesting additional insureds on their policies as an endorsement referring to the blanket insured status as adequate protection for the requesting parties. This trend has diminished as most insurance companies will now issue the specific endorsement so as not to lose the business of their insured clients who can go to another company that will provide the endorsement.

To take advantage of this trend, Mr. Lalli proposed to the Law Department and Town Purchasing that all contracts be covered by a specific endorsement on the underlying insurance company contract, that names the Town as an additional insured. It is Mr. Lalli's opinion that this requirement will actually streamline the contract development process just by the certainty of this requirement, which should eliminate confusion. It would reduce broker involvement, creating a direct contractual relationship with the insurance company, creating superior legal footing for the Town with the insurance companies. To accomplish this, he has suggested that the endorsement requirement be built into the bidding requirements. The Town would be afforded better protection and the process could be streamlined. The Law Department is currently writing a draft for the Insurance Requirement Sheet. Mr. Lalli anticipates Charles Zsebik, Director of Purchasing and Administrative Services will propose this as a new purchasing/bidding policy requirement.

3. Internal Audit Report

Mr. Norton requested to address agenda items out of order.

- **Tools for Schools Update**

A new schedule is expected from Mr. Matten in November or December in which Ms. Frame and Mr. Lalli will participate.

- **Other Pending Audits**

Ms. Frame stated that cash handling processes will be reviewed with the Town Clerk and at the Byram Archibald Neighborhood Center (BANC).

- **Update on Parking Services Audit**

Ms. Frame expects two more weeks of field work and has completed parts of the draft audit report and expects to present at the next Audit Committee meeting. Ms. Oberlander asked if the new automated permit system controls, would be reviewed. Ms. Frame will look into the internal controls of this process as it progresses. Currently the voiding process has weak controls with six people having the ability to void tickets without authorization. Complus, a vendor utilized by Parking Services for ticketing, uses a twenty-four-hour timeframe, including weekends to increase ticket amounts due on violations allowed a discount if paid on the next business day. This policy, along with other policies and other Parking Services operating issues and constraints, requires approximately 22% (twenty-two percent) of the tickets be manually adjusted. Ms. Oberlander asked if individual parking lot fee revenues have increased since automation. Ms. Frame replied that revenue totals cannot be allocated to specific lots with the current system.

Mr. Ramer noted issues concerning P&Z regarding two parking violations issues regarding a Town dealership and florist.

The Director of Parking Services, Rita Azrelyant intends to have all employees attend Complus training. Mr. Mason recommended possible field training for the Parking Enforcement Officers.

4. Fiscal Year 2016 Annual Audit Update

The audit is ahead of schedule and will be completed early. There are two possible Management Letter comments: 1.) reconciliation of records and billing of Police side jobs and 2.) payroll of these side jobs. Mr. Mynarski cited one instance regarding an officer who was on workers' compensation twice and then went onto disability, and attempted to include his/her income from side jobs. Currently records of side jobs are being recorded manually and electronically, a labor intensive process.

Ms. Oberlander suggested that the Police Department access an outside accountant to resolve this issue. Mr. Mynarski has a Financial Analyst from the Finance Department to assist to resolve this issue. Mr. Norton questioned when Mr. Mynarski would be in contact with the Law Department for the Attorney Letter. Although it is the last piece of the audit and usually completed in November, Mr. Mynarski said he would contact them by end of day. Field work of pension and payroll testing should be completed October 14th, followed by the actuary information for the CAFR. The Committee discussed the effect of budget changes and surplus on the Town's credit rating. Mr. Mynarski stated that the Town is in a good position in relation to other surrounding municipalities.

5. Old Business

None

6. Items for Future BET Audit Committee Meetings

Mr. Blankley suggested a Harbor Management review. Mr. Norton replied that it will be discussed upon completion of the Parking Services Internal Audit. Mr. Lalli noted that this topic was previously audited a few years ago. Recently he has been approached regarding mooring billing discrepancies resulting in possible revenue shortfall by the Harbor Master, Ian Macmillan. Mr. Norton recommended that the Harbor Master attend an Audit Committee Meeting to request an audit.

8. Adjournment

Upon a motion by Mr. Blankley, seconded by Ms. Oberlander, the Committee voted 4-0 to adjourn the meeting at 10:36 A.M.

The next meeting of the Committee is scheduled for November 10, 2016 in the Gisborne Room.

Arthur D. Norton, BET Audit Committee Chairman

Elaine JV Brown, Recording Secretary

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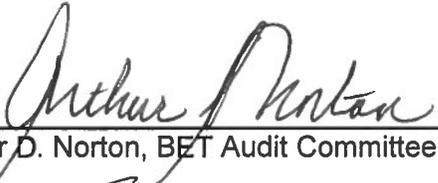
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