1. BET Audit Comm. Meeting Agenda 12-16-2021
   Documents:
   BET AUDIT COMM MEETING AGENDA_12-16-2021.PDF

2. BET Audit Comm. Meeting Packet 12-16-2021
   Documents:
   BET AUDIT COMM MEETING PACKET_12-16-2021.PDF
TOWN OF GREENWICH
BOARD OF ESTIMATE & TAXATION

AUDIT COMMITTEE MEETING
Thursday, December 16, 2021
8:30 A.M
Cone Room

AGENDA

1. Approval of the BET Audit Committee Meeting Minutes of November 16, 2021


3. Internal Audit
   • Review and Acceptance of the Griffith E. Harris Golf Course Audit
   • Police Special Duty/Side Jobs Audit Update
   • CLA (CliftonLarsonAllen LLP) Engagement Letter for Outsourced Internal Audits for Fiscal Years 2021-2022 & 2022-2023

4. Tax Delinquencies – Status and Policy

5. Firefighters’ Collective Bargaining Agreement: Lessons Learned

6. New Business
   • Internal Audit Plan for Calendar Years 2022 & 2023 – First Read
   • Request for Proposal for Auditing Services for years starting July 1, 2022

7. Items for future BET Audit Committee Meetings
   • The Nathaniel Witherell Write Off Update

8. Risk Management
   • CyberSecurity Liability Insurance Renewal Update

9. Adjournment
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   • CyberSecurity Liability Insurance Renewal Update

9. Adjournment
Present
Committee: William Drake, Chairman; Andy Duus, Laura Erickson, David Weisbrod

Staff: James Heavey, Chief, Police (Dept); Peter Mynarski, Comptroller; Heather Smeriglio, Tax Collector; Megan Zanesky Esq., Risk Manager

BET: Elizabeth K. Krumeich, Jeffrey S. Ramer

Guests: Lindsey Intrieri, Director West Hartford, Clifton Larson Allen LLP; Jeffrey Ziplow, Senior Partner Clifton Larson Allen LLP,

The meeting was called to order at 8:30 A.M.

1. Approval of the BET Audit Committee Meeting Minutes

Upon a motion by Mr. Drake, seconded by Mr. Duus, to approve the Minutes of the BET Audit Committee Regular Meeting of October 8, 2021, the Committee voted 4-0-0. Motion carried.

2. Internal Audit

• Griffith E. Harris Golf Course Audit Update

Mr. Mynarski commented that the Griffith E. Harris Golf Course Audit was still in draft form. The Parks & Recreation Department senior staff had not completed the management response to the draft audit.

Mr. Ziplow commented that Management feedback would complete the audit’s content and a meeting is scheduled shortly to see if any significant changes will need to be made to the report. CLA’s standard protocol will include clarification of the course’s supplier contract duration and details. The golf course staff, and Parks & Rec senior management have been fully engaged in the process to date and once management comments are incorporated into the draft CLA will send the finalized draft to the Committee prior to its next meeting for a vote.

• Police Special Duty Audit Update

Mr. Ziplow commented that “walk throughs” of the Police Department and the work program of assembling invoices and agreements for testing have been completed. No issues were found. Chief Heavey remarked that management comments are being complied for discussion with CLA.

Mr. Ziplow remarked that a list of FY2022-2023 audits is being prepared for presentation at the December 16 meeting. Mr. Mynarski added that the December meeting Agenda would be extensive so that the FY2022-2023 Audit Plan would be a first read to allow for BET feedback. BET-elect members will receive Committee assignments in January.
• **FY2021-2022 Audit Plan**

Mr. Mynarski reminded the Committee that the FY2021-2022 Plan still had to approve Golf Course and Police Side-Job Audits, as well as to complete the HR – Healthcare and Building Permit Process Audits. He mentioned that he and Mr. Ziplow were considering FY2022-2023 Audits of BOE and TOG Purchasing processes and Capital Projects as possible future internal audits.

3. **Tax Delinquencies – Status and Policy**

Ms. Smeriglio remarked that a policy draft had been emailed to the Audit Committee members on November 11. A meeting was scheduled with BET liaisons to finalize the draft on November 17. A process for the future and determination authority are to be covered in the final policy statement. It is planned to provide the BET with the revised draft for its November 22 meeting. The Law Committee and outside counsel, Mr. Kokenos were charged with developing the policy and formulating an orderly enforcement process based on a BET annual review.

4. **New Business** – None

5. **Items for future BET Audit Committee Meetings (subject to change)**

   **December Meeting** – December 15, 2021, 8:30 A.M. Town Hall location TBD

   • Griffith E. Harris Golf Course Audit
   • Police Special Duty Audit Update
   • Firefighter contract pension COLA lessons learned
   • Accident accountability
   • Presentation of Legal Letter and discussion on settlements
   • Discussion of The Nathaniel Witherell write-offs (December)
   • Comprehensive Annual Financial Review and approval (name changed to Annual Report)
   • RSM External Auditor presentation
   • First Read FY2022-2023 Audit Plan
   • Cyber Insurance Renewal

6. **Risk Management**

   • Executive Session – CyberSecurity Updates

   Mr. Duus made a motion, seconded by Mr. Drake, to enter Executive Session at 9:17 A.M., the Committee voted unanimously to approve the motion. Motion carried.

   The Committee voted unanimously to exit Executive Session at 10:18 A.M. and adjourned the meeting.

   Catherine Sidor, Recording Secretary

   William Drake, Audit Committee Chairman
Town of Greenwich

Griffith E. Harris Golf Course

Finding and Recommendations
Internal Audit Report

December 2021 – Final Report

Prepared by:
Jeffrey Ziplow, Principal
Lindsey Intrieri, Director

CliftonLarsonAllen LLP
29 South Main Street 4th Floor
West Hartford, CT 06107
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I. **Town of Greenwich – Golf Course 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 operations of the Griffith E. Harris Golf Course (hereinafter also referred to as the “Golf Course”). This review included an analysis of Golf Course revenue streams, contracts, and rental agreements with third parties, inventory controls, and membership management and controls.

**B. Project Approach & Tasks**

This review included the following project tasks/activities:

1. Review the documented processes and controls of the Golf Course revenues
2. Identify revenue streams of the various Golf Course fees for the facility
3. Confirm the technologies used to process Golf Course transactions
4. Confirm regulations and procedures used to validate residency for the use of the Golf Course
5. Test monthly financial transactions for various services and revenue types
6. Document findings and operational/control gaps observed
7. Provide management with a report of our findings and recommendations
8. Meet with management to review the results of the report

**C. Acknowledgements**

CLA would like to thank the Parks and Recreation, Treasury, and Golf Course staff for their participation, support, ongoing dialogue, and feedback during this internal audit.
II. **Town of Greenwich – Golf Course Audit – Operations Overview**

**Golf Course Overview**
Below is a description of the Griffith E. Harris Golf Course operations within the Town of Greenwich:

1. **Location and Hours**
   a. 1323 King Street
   b. 18-hole course and practice areas including a driving range, putting green, and chipping area with sand trap
   c. Site includes Pro Shop with a resident Pro and Assistants for lessons

2. **Memberships**
   a. Membership is limited to Greenwich residents and or/full-time Town of Greenwich employees
      i. Proof of residency is required (current beach passes are sufficient for golf cards)
      ii. Each household member aged 25+ must submit copies of acceptable proofs of residency showing legal name and legal Greenwich address (utility bill, cable/internet/phone bill, residential lease, credit card/checking account, healthcare statement, driver’s license or CT State ID)
      iii. Family members younger than 25 require a birth certificate/passport or proof of guardianship
      iv. Seniors aged 65 and above require residency and proof of age
   b. Renewals
      i. Memberships must be renewed annually (proof of residency required each renewal)
      ii. Due to COVID-19 protocols, all 2021 membership renewals were processed via mail or online (no in-person processing)
II. Town of Greenwich – Golf Course Audit – Operations Overview

3. Organizational Structure/Staffing
   a. Overseen by the Director of Parks and Recreation
   b. Managed by the Golf Course Operations Manager
   c. 17.76 Full-time Equivalents (FTEs): Eight (8) full-time and one (1) part-time employee; remaining staff are seasonal

4. Revenue Streams
   a. The Golf Course generates revenues for the Town via the following services/offerings:
      i. On-site restaurant (managed by a third-party)
      ii. On-site Pro Shop (managed by a third-party)
      iii. Cellular phone towers (AT&T and Verizon)
      iv. Annual membership fees (paid in full)
      v. Outings and events
      vi. Green fees/Tee time reservations (paid in advance when scheduled/booked via credit card)
         - The Golf Course allows non-members; they have higher fees than members and they pay per use/round at the time of booking/reservation
         - No “walk-ons” are allowed currently on weekdays, due to COVID restrictions. “Walk-ons” are allowed 7AM-8AM on weekends and holidays
   b. All revenues are obtained via credit card payments and checks at this time (no cash has been collected since the pandemic)
      i. The Golf Course intends to continue this policy of no cash collections going forward
5. Bank Deposits and Funds
   a. The Golf Course deposits revenues into the bank typically each week; there is no formal frequency adhered to at this time
      i. Deposits are prepared and handled by the Golf Course Manager or Assistant Manager
      ii. Per the Town Circular #9609 (dated February 1996), all departments/divisions within the Town are required to deposit collections of cash, checks, and money orders which equal or exceed $500, daily. Collections less than $500 may be held until receipts accumulate to $500 or on Fridays of each week
   b. Golf Course operations are managed via an enterprise fund for the Town (budgeted for and tracked outside of the Town’s General Fund)
      i. Golf Course employee salaries are funded by the enterprise fund; their payroll is managed by the Town
         • The Town charges the costs associated with Golf Course employee benefits back to the Golf Course

6. Software Systems, Tools, and Technology
   a. The RecTrac Parks and Recreation software is used by the Golf Course to handle tee time scheduling, reservations, memberships, and payment collection
      i. The Golf Course’s onsite Point-of-Sale (POS) system is also provided by and integrated with the RecTrac software
      ii. Sales reports are run daily out of RecTrac to identify and review revenues collected
      iii. RecTrac users include: Eight (8) Golf Course Clerk (numbered 1-8) (seasonal) accounts, Steve Pyo (Golf Course Manager), Robert Morel (Golf Course Assistant Manager), Anita Wood (Customer Service Supervisor, Parks and Recreation) and Kimberly Ambroseccchia (Parks and Recreation Business Services Manager)
         • The Golf Clerks tend to typically only use the “Golf Clerk 1” account on a single computer
         • The seasonal accounts are set to the “Golf Clerk” permissions group which allows to the ability to view household information, update household information (add/change household
II. Town of Greenwich – Golf Course Audit – Operations Overview

members, add/change household address, change resident status, input/change/delete tee
time reservations, add/renew memberships, and take payments for tee times and
memberships

• The Management team (2 individuals) are set to the “Golf Manager” permissions group
• The Customer Service Supervisor and Parks and Recreation Supervisor are Administrators on
the system

b. MUNIS Financial Management Software

i. The recording (and reporting) of all finances/expenses are maintained in the Town’s financial
management system (FMS), MUNIS

ii. The system is used to monitor the Department’s budget and process purchase orders

iii. Currently, there is no automated interface between RecTrac and MUNIS

• This capability does exist; the Town is aware and plans to automate the systems integration in
the future

iv. MUNIS users include Steve Pyo (Golf Operations Manager), Robert Morel (Golf Assistant Operations
Manager), Kimberly Ambroseccia (Parks and Recreation Business Services Manager), Blaize Levitan
(Parks and Recreation Assistant Director), Molly Nason (Parks and Recreation Account Clerk 2) and
Diana Thierry (Parks and Recreation Account Clerk 2)

• The Golf Operations Manager and Assistant Manager can both view GL balances and create
purchase orders in MUNIS. They also create their own invoices and receipts
• One Account Clerk can assist with invoicing for the Golf Course (if needed) and provide
information relevant to Golf Course payments and budget encumbrances to the Parks and
Recreation Department. The other Account Clerk serves as a backup for entering purchase
orders for the Golf Course and also enters the budget data each year for the Golf Course

7. Resident Validation Process

a. The Town Parks and Recreation Department has a thorough process that is performed annually (every 3 years
for Seniors) to confirm residency before customers can access/register for recreational programs
II. Town of Greenwich – Golf Course Audit – Operations Overview

i. Approximately 45,000 user accounts exist in RecTrac. Parks and Recreation staff set these accounts to “nonresident” each year and then activate them one by one as account holders validate their Greenwich residency

ii. Residents can upload their identification (2 forms required for the primary account holder, 1 form required for all additional family members) directly to RecTrac online
   - They can present forms of ID in person to the Town, or mail forms in

b. The process workflow for residency validation is included in the Appendix of this report

8. Reconciliation Processes

a. On both a weekly and monthly basis, RecTrac and MUNIS are reconciled between Parks and Recreation (including the Golf Course) and Town Finance/Treasury

b. At the end of each business day, Golf Course Management runs a general ledger (GL) distribution report out of RecTrac (this report includes all daily revenues collected). This report is later provided to Treasury along with corresponding bank deposit slips for the relevant dates

c. Relevant revenues from the Pro Shop, Restaurant, and Cell towers are entered (lump sums) into the POS as the checks are collected by the Golf Course so that these will also be illustrated on the GL report for Treasury
   i. Golf Course Management reviews daily report confirming its accuracy against check counts, credit cards processed, and daily revenue collections/register activity but there is no formal sign-off at this time
   ii. The Revenue Clerk (within Town Treasury) uses the report to manually enter the revenues into MUNIS

9. Cobber North Restaurant

a. The onsite restaurant in the club house building at the Golf Course, Cobber North, is operated by a third-party, Backcountry Bar & Grill
   i. Per the formal agreement, the three-year restaurant lease ends March 31, 2022 (on an annual basis, the Town has the option to renew the agreement for another two (2) years)
   ii. Payment terms
II. Town of Greenwich – Golf Course Audit – Operations Overview

- $30,000 for the first year (paid in 9 equal monthly installments) on the first day of each month April 1 through December 1, 2019
- $40,000 for the second year (paid in 9 equal monthly installments) on the first day of each month April 1 through December 1, 2020
- $40,000 for the third year (paid in 9 equal monthly installments) on the first day of each month April 1 through December 1, 2021

10. Pro Shop
   a. The Greenwich Golf Course’s Pro Shop is operated by a third-party Golf Professional, Joseph S. Felder (referred to as the “Professional” in the agreement)
   b. The Pro Shop includes services from Joseph S. Felder as the sole and exclusive golf professional at the shop
      i. Per the formal agreement, the agreement period was January 1, 2016 through December 31, 2017 with the option to renew on an annual basis for an additional four (4) years through December 31, 2021
      ii. Per the agreement, the following payment terms are in place: “An amount equivalent to Fifty (50%) percent of the total gross revenues, excluding any applicable sales taxes, generated from the rental of golf carts, which payment shall be made in accordance with the following schedule:”
         • April 1 to June 30th of each year: Payment shall be made on June 30th
         • July 1st to August 31st: Payment on September 1st
         • September 1st to December 15th (weather permitting): Payment made by December 31st
      iii. Also, per the agreement, “An amount equivalent to Fifty (50%) percent of the total gross revenues excluding any applicable sales taxes, generated from the driving range sales...” shall also be paid to the Town
         • The agreement does not outline a specific payment schedule for the driving range sales but per our interview with the Golf Course staff, and based up on our testing, payments occur semi-monthly
II. Town of Greenwich – Golf Course Audit – Operations Overview

- Each year of the agreement, the Golf Professional is contracted to provide the Town with a statement reflecting the revenues and expenses associated with the operation of Golf Carts and the Driving Range at the Golf Course by December 31st. The Department of Parks and Rec received the summary statement in January of 2021, which covered the period of January 1, 2020 to December 13, 2020.

c. As part of the Pro Shop agreement, the Town has the opportunity to audit the total gross revenues generated from the use of golf carts and the driving range at the request of the Town Parks and Recreation Director and Comptroller (at the expense of the Pro Shop)
   i. Per our interviews with the Town, no audit has occurred for the Pro Shop in the past several years. Each month, the Golf Course Management Team reviews the financials from the Pro Shop and confirms accuracy. No issues or accounting discrepancies have been noted to warrant an audit of the Pro Shop in recent years.

d. The agreement states that the Town provides the Golf/Pro Shop free of cost for use by the third party but that the “Professional” (third party) shall pay the Town an annual maintenance fee of $5,150 each year for the purpose of shop maintenance and repair. Payments are outlined as follows:
   i. Nine (9) payments of $572.22 due the first of each month April 1st to December 31st of each year the agreement is in effect (An additional 3% increase each year for the life of the contract)

e. Lastly, the Pro Shop agreement notes the following in regard to fees: “Fees for golf cart rentals and the driving range shall be subject to approval by the Board of Selectmen. Such fees shall be reviewed annually by the Board of Selectmen. The review may also be initiated by the Pro Shop Professional, through the Manager of Golf Course Operations, with appropriate documentation supporting the need for such review”
   i. Per our review, the last fee review/approval by the Board of Selectmen was January 2021

11. Cell Tower Leases

a. The Town maintains two (2) leases with wireless phone companies who lease the rights to install and operate communications equipment on existing Town-owned towers on the Golf Course
   i. Cellco Partnership (Verizon Wireless)
II. Town of Greenwich – Golf Course Audit – Operations Overview

- Lease effective May 21, 2020 (5-year term that initially began March 1, 2018)
- Annual rent: $78,792, to be paid in equal monthly installments on the first day of each month
- Payment for period of March 1, 2018 through February 29, 2020 to be paid in a lump sum amount of $159,950 (prior to CLA’s testing period)
- Starting March 1, 2020: monthly rent set at $6,966 per month
- Annual rent increase 3% each year and rent that is late beyond 15 days shall accrue interest at an annual interest rate of 18% compounded monthly from the due date
- A one-time administrative fee of $9,000 was due within 45 days of the effective date (prior to CLA’s testing period)

ii. Cingular Wireless (AT&T)

- Lease effective February 18, 2021 (5-year term that initially began March 1, 2020) AT&T was formerly on a month-to-month tenancy from March 1, 2018 through February 29, 2020. AT&T has continued to make payments to the Town after March 1, 2020 and per the agreement, such amounts will be credited against the rent due under the current lease
- Annual rent: $68,844, to be paid in equal monthly installments on the first day of each month
- Annual rent increase 3% each year and rent that is late beyond 15 days shall accrue interest at an annual interest rate of 18% compounded monthly from the due date
- A one-time administrative fee of $9,000 was due within 45 days of the effective date

12. Policies and Procedures

a. There are minimal policies and procedures in place for current Golf Course operations
b. The Parks and Recreation Department is currently in the process of developing relevant policies for the Golf Course
Overall Audit Conclusion
CLA determined an overall audit rating of “Needs Improvement” for the audit of the Golf Course.

Control Findings and Recommendations
CLA identified and reviewed revenue and operational controls in place at the Golf Course. The findings and recommendations below were noted in conjunction with our analysis.

1. Finding – Lack of Audit for the Golf Course Pro Shop
   a. Based upon the Pro Shop agreement, the Pro Shop is subject to an audit by the Town of the total gross revenues generated from the use of golf carts and the driving range at the request of the Town Parks and Recreation Director and Comptroller (and at the expense of the Pro Shop)
      i. The intent of the audit clause in the contract was for Town to reserve the right to audit the Pro Shop if any accounting discrepancies, concerns, or issues were noted. Since no issues have been identified, the Pro Shop has not been audited

1. Recommendation – Enhance the controls of the Golf Course Pro Shop
   a. The Town should consider auditing the Pro Shop every three (3) years (at least once per each length of contract) as a best practice. The future Pro Shop agreements should be updated to reflect this
   b. To ensure security over cash handling, the Town may consider requiring/installing cameras at the Pro Shop

2. Finding – Timeliness of Bank Deposits
   a. Currently, there is no formal frequency with which the Golf Course performs their bank deposit
   b. Per the Town Circular #9609, all departments/divisions within the Town are required to deposit collections of cash, checks, and money orders which equal or exceed $500, daily. Collections less than $500 may be held until receipts accumulate to $500 or on Friday of each week
2. **Recommendation** – Align bank deposit frequency with requirements of Town Circular #9609
   
   a. Bank deposits should occur, at a minimum, on Friday of each week
   
   b. Collections greater than or equal to $500 should be deposited daily

3. **Finding** – Lapse in Cell Tower Contracts
   
   a. The AT&T contract initially expired in 2018. A new contract was not signed until February of 2021 (a 3-year gap). The new contract was written retroactively to begin March 1, 2020. Based on our review, AT&T continued to pay Greenwich through the gap period on a month-to-month basis for March 1, 2018 through February 29, 2020. From this date (March 1, 2020 until the new contract was signed, February 2021), AT&T paid Greenwich a lump sum amount of $46,049.03 (plus Admin fee)
   
   b. The Verizon contract initially expired in 2018. A new contract was not signed until May of 2020 (a gap of approximately 2 years). The new contract was written retroactively to begin March 1, 2018 and cover the gap period. Verizon paid a lump sum amount of $159,950 (plus Admin fee) to the Town to cover the period of no contract (March 1, 2018 through March 1, 2020).
   
   c. Based on our review, both companies have paid the Town in accordance with the agreements and lease amounts

3. **Recommendation** – Ensure ongoing maintenance and duration of vendor contracts
   
   a. The Town should ensure that contracts are monitored for upcoming expirations and end dates to plan ahead appropriately for contract extensions, re-negotiations, etc.
      
      i. This will help the Town avoid disruption in monthly payments/revenues and vendor services
   
   b. As a note, the contract with the Pro Shop ends December 31, 2021 and the Restaurant contract ends March 31, 2022, the Town should plan accordingly to update/renew/or terminate the agreements
IV. Town of Greenwich – Golf Course Audit – Controls Finding and Recommendations

4. Finding – RecTrac user accounts need security enhancement/stronger controls
   a. At this time, the “Golf Clerk 1” account login is typically shared by the staff working each day at the Golf Course
   b. Per the RecTrac Administrator, access rights on these accounts allow users to add/change household members, change resident status, input/change/delete tee times, add/renew memberships, take payments and more
   c. Without single user accounts, it becomes difficult for the Town to audit activity (which user did what and when) in the software. If any errors or suspicious activity was occurring in the system, the Town will not currently be able to identify the particular employee(s) responsible

4. Recommendation – Require individual user account logins for RecTrac or only allow a single Golf Clerk to use the system each day
   a. As a best practice, shared accounts should be avoided as much as possible in any software system that manages revenue and other important data (memberships, residency, payments, etc.)
   b. If it is not feasible to utilize different accounts during the day (due to business at the Golf Course, etc.), a manager at the Golf Course should review any significant daily (or weekly) activities in the software (e.g., membership additions/deletions) for reasonability (signoff should be documented)

5. Finding – No sign off on daily register/sales reconciliation and Treasury packet
   a. At this time, although there is a management review, there is no signoff and date of approval documented on the daily GL report and packet prepared for Treasury
   b. Without a formal signoff, it is unclear that the register contents/check counts (overall daily revenue collected) agree to the RecTrac revenue report

5. Recommendation – Implement Management signoff on daily sales reports and packet for Treasury
   a. As a best practice, Golf Course Management should be initialing/signing and dating the daily sales (GL) report to confirm that the revenue recorded in RecTrac agrees to the check counts and revenue collections that occurred each day
6. Finding – Golf Course policies and procedures need enhancement
   
   a. The Golf Course Operations Manual is outdated dated (from 2013)
      
      i. There is no policy requirement for formal signoffs for daily activities/revenue reconciliations and the Town
circular/deposit requirement are not included
   
   b. Based on our interviews with the Golf Course and Parks and Recreation Department, they are actively working on
developing updated policies

6. Recommendation – Update and strengthen Golf Course policies and procedures
   
   a. The Parks and Recreation should complete their updated policies and procedures specific to the Golf Course and
implement by the 2022 calendar year
Management Comments

CLA obtained management comments from the Town of Greenwich Golf Course/Parks and Recreation Department in response to the control findings and recommendations. The following comments were provided directly from the team.

Recommendation #1:  
The intent of the audit clause in the contract with the Pro was for Town to reserve the right to audit the Pro Shop if any accounting discrepancies, concerns, or issues were noted. Based on existing controls and Golf Course Management, no audit has been ordered. We support a regularly occurring audit, but at least for the existing agreement, believe that the cost should be borne by the Town. In addition, Golf Course Management will work with the new Pro to move away from cash altogether, as was done with the Town operation at the course in 2020.

Recommendation #2:  
The Golf Course deposits are normally done once a week, on Fridays. Going forward, we will make deposits daily if the accumulated total equals or exceeds $500, per Town Circular #9609. If deposits do not equal or exceed $500, we will continue the once a week deposit.

Recommendation #3:  
The cell contracts lapsed because after the Town renegotiated the agreements, the RTM rejected those agreements in search of a higher fee. The Town then hired a consultant to advise on the value of the cell tower and successfully renegotiated. Value of each existing agreement is based on location on pole (higher on the pole, higher the value).

NOTE: The Town entered into a new agreement with the Pro Shop October 22, 2021. The period covered by the new contract begins January 1, 2022 and concludes December 31, 2023 with an option to renew annually for 3 additional years through December 31, 2026.

The Restaurant contract expires March 31, 2022, with 2 additional option years through March 31, 2024.

Recommendation #4:  
There is a per user fee for RecTrac. To control cost with seasonal staff, the Golf Course keeps a detailed schedule, so while there is only one username, there is accountability based on the date/time transactions occur within RecTrac using ADP as a back-up option. The Golf Course will explore options for more oversight and if a bulk price can be negotiated with the vendor.
Recommendation #5:
The Golf Course will implement a management sign-off on the daily GL report to confirm it matches revenue being reported to Treasury and the deposits to the bank.

Recommendation #6:
The Department will collect and review existing forms and policies and develop a single comprehensive Policy and Procedure Manual for the Golf Course that identifies all policies, protocols, and controls related to the revenue collections process and daily operations.
V. Town of Greenwich – Golf Course Audit – Controls Testing

Golf Course Controls Testing

As part of this audit, CLA tested the activities within the Golf Course operations for the fiscal year 2021 (and two additional months as available) -7/1/2020 through 8/31/2021. For each control, CLA assessed the control for effectiveness and provided an audit conclusion of “Satisfactory,” “Needs Improvement,” “Unsatisfactory,” “Inconclusive,” or “Not Applicable.”

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<th>Conclusion Rating</th>
<th>Rating Calculation/Logic</th>
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<td>85-100% of the samples selected for testing passed the test criteria with no exceptions</td>
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<tr>
<td>Needs Improvement</td>
<td>50% - 85% of the samples selected for testing passed the test criteria with exceptions</td>
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<tr>
<td>Unsatisfactory</td>
<td>50%-85% of the samples selected for testing did not pass test criteria; exceptions were noted</td>
</tr>
<tr>
<td>Inconclusive</td>
<td>Audit test files and/or supporting documents were not available during testing; unable to conclude on testing results</td>
</tr>
<tr>
<td>Not Applicable</td>
<td>Testing was not applicable for the selected control</td>
</tr>
</tbody>
</table>

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

1. Contract Testing
2. Pro Shop Testing
3. Daily Reconciliation
4. Resident Verification
## 1. Contract Testing

<table>
<thead>
<tr>
<th>#</th>
<th>Control Test</th>
<th>Results 2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT.1</td>
<td>Amount Paid by Vendor Agrees to Contract</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>CT.2</td>
<td>Check Amount Agrees to Sales Receipt</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>CT.3</td>
<td>Check was Paid on Time</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>CT.4</td>
<td>Check was Deposited on Time</td>
<td>Unsatisfactory</td>
</tr>
</tbody>
</table>
V. Town of Greenwich – Golf Course Audit – Controls Testing

Summary findings

Based on an approximately Monthly frequency of process, CLA selected a sample of 14 payments from four (4) different sources of rent/lease payments paid to the Golf Course to verify the accuracy and implementation of the contracts signed for the 2020-2021 year. Of the 14 invoices selected, we noted the following:

a. For the period, CLA selected four (4) payments made by the wireless carrier AT&T for use of cell towers on Golf Course property
   i. Of the four (4) instances, all amounts paid agreed to the contract in place (CT.1)
      i. Due to the expiration of the prior contract, an agreement was signed to retroactively cover three (3) of the payments selected. A lump-sum payment was made to account for any discrepancies between the paid amount and owed amount per the new contract
   ii. Of the four (4) instances, all checks agreed to the sales receipt recorded by Golf Course staff (CT.2)
   iii. Of the four (4) instances, all checks were paid timely (CT.3)
   iv. Of the four (4) instances, one (1) check was deposited in a timely manner (CT.4)
      i. All payments made by AT&T were over $500. Three (3) of the payments tested were not deposited on the same day, as is required per the Town Circular #9609.

b. For the period, CLA selected three (3) payments made by the wireless carrier Verizon for use of cell towers on Golf Course property
   i. Of the three (3) instances, all amounts paid agreed to the contract in place (CT.1)
   ii. Of the three (3) instances, all checks agreed to the sales receipt recorded by Golf Course staff (CT.2)
   iii. Of the three (3) instances, all checks were paid timely (CT.3)
   iv. Of the three (3) instances, two (2) checks were deposited in a timely manner (CT.4)
      i. All payments made by Verizon were over $500. One (1) of the payments tested was not deposited on the same day, as is required per the Town Circular #9609.

c. For the period, CLA selected three (3) rent payments made by Cobber North.
   i. Of the three (3) instances, all amounts paid agreed to the contract in place (CT.1)
   ii. Of the three (3) instances, all checks agreed to the sales receipt recorded by Golf Course staff (CT.2)
   iii. Of the three (3) instances, two (2) checks were paid timely (CT.3)
V. Town of Greenwich – Golf Course Audit – Controls Testing

   i. The Restaurant made the payment for May and June 2021 at the same time on 5/28/2021. No late fee was charged for the month of May as there is no penalty written into the contract

   iv. Of the three (3) instances, no checks were deposited in a timely manner (CT.4)
       i. All payments made by Cobber North were over $500. The three (3) payments tested were not deposited on the same day, as is required per the Town Circular #9609.

   d. For the period, CLA selected four (4) maintenance fee payments made by the Pro Shop
      i. Of the four (4) instances, all amounts paid agreed to the contract in place (CT.1)
      ii. Of the four (4) instances, all checks agreed to the sales receipt recorded by Golf Course staff (CT.2)
      iii. Of the four (4) instances, all checks were paid timely (CT.3)
      iv. Of the four (4) instances, two (2) checks were deposited in a timely manner (CT.4)
          i. All payments made by the Pro Shop were over $500. Two (2) of the payments tested were not deposited on the same day, as is required per the Town Circular #9609.
Summary findings

The Greenwich Golf Course receives payments for a share of Pro Shop revenue on a semi-monthly basis for the driving range and three (3) times a year from golf cart revenue (50% of golf cart rentals sales). CLA selected a sample of 11 instances throughout the 2020-2021 year: 8 instances of driving range revenue payments and 3 instances of golf cart payments. Of the 11 instances, we noted the following:

a. 10 Sales Receipts were complete and accurate and agreed to the checks provided by the pro shop, without exception (PST.1)
   i. For one (1) check received from the Pro Shop, the date was incorrectly written as 6/16/2020. The correct check date should have been 7/16/2020 and the error was recognized and noted by Golf Course Staff

b. 11 payments made by the Pro Shop agreed to the check register provided by the Pro Shop on driving range revenue (PST.2)

c. 11 Payments made by the Pro Shop were made on time, the day after the revenue period ended (PST.3)
### 3. Daily Reconciliation

<table>
<thead>
<tr>
<th>#</th>
<th>Control Test</th>
<th>Results 2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR.1</td>
<td>General Ledger Amount Agrees to Bank Statement</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>DR.2</td>
<td>Check Deposit Slip Agrees to the General Ledger</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>DR.3</td>
<td>Check was Deposited on Time</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>
Summary findings

Greenwich Golf Course receives revenue on a daily basis from its tee times; CLA inspected the General Ledger, Bank Statements and Check Deposits for 25 days to verify the revenue was accurately transferred/deposited to the bank. Over the July 2020 to July 2021 period, we noted the following:

a. 24 instances occurred where the general ledger credit card amount agreed to the bank statement (DR.1)
   i. Of the 25 instances, one (1) instance occurred where the general ledger did not agree to the bank statement. Due to poor weather, refunds were issued to those who could not play their tee times. Refunds were recorded on the credit card statement and reconciled to the amount deposited on the bank statement.

b. Of the 25 selections, 11 contained check transactions recorded in the General Ledger. Of these 11 transactions, 11 instances occurred in which the General Ledger agreed to the Check Deposit Slip. (DR.2)

c. 11 Checks received by the Golf Course were deposited to the bank in a timely manner (DR.3)
4. Resident Verification

<table>
<thead>
<tr>
<th>#</th>
<th>Control Test</th>
<th>Results 2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>RV.1</td>
<td>Payment Agrees to Membership Amount listed on the application</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>RV.2</td>
<td>Correct Membership Amount was Charged</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>RV.3</td>
<td>Town Residency was Verified</td>
<td>Satisfactory</td>
</tr>
</tbody>
</table>
Summary findings

The Greenwich Golf Course receives membership requests on a daily basis; CLA selected 25 members to verify accuracy and completeness of the membership validation process.

a. 25 instances occurred where the payment amount made by the resident agreed to the membership type listed on the application (RV.1)

b. 25 instances occurred where the correct amount based on membership type was charged to the applicant (RV.2)

c. Of the 25 members selected, 15 had their residence verified in previous years and did not need to provide new evidence of resident verification

   i. Of the 10 new members, 10 residents provided sufficient evidence proving their residency in Greenwich (RV.3)
VI. Town of Greenwich – Golf Course Audit – Appendix

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

1. Steve Pyo – Golf Course
2. Blaize Levitan – Assistant Director, Parks and Recreation
3. Kim Ambroseccia – Parks and Recreation Business Services Manager
4. Natasha Yemets - Treasurer

**Resident Validation Process**

Every 3 years (Senior Citizens)

Parks & Recreation Department resets all Greenwich resident accounts as “non-residents” within RecTrac.

At the beginning of each calendar year (non seniors)

Parks & Recreation Department resets all Greenwich resident accounts as “non-residents” within RecTrac.

Prior to successfully registering for any program/obtaining Park/Beach pass

Residents must provide proof of residency to Parks and Recreation Department

Opt. 1

Mail in to Parks and Recreation

Opt. 2

Provide in person at Parks and Recreation

Opt. 3

Upload to RecTrac account online

Parks and Recreation validate identification and re-activate accounts by setting to “resident”

Residents may now obtain beach pass/signup for programs/setup golf membership, etc.

Note: Renewal requires 2 forms of ID for the primary account holder of the household and 1 form of ID for all other members of household over 25 years of age (including children). For children, birth certificates or passports are now required to be added to an account.

Note: New cards sent to new residents and others as needed

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Icons:
- = Control Present
- = Control Lacking
= RecTrac software used
= Munis software used

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Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.
December 8, 2021

Peter Mynarski
Comptroller
Town of Greenwich, Connecticut
101 Field Point Road
Greenwich CT 06830

Dear Mr. Mynarski,

We are pleased to confirm our understanding of the terms, objectives, and scope of our engagement and the nature and limitations of the services CliftonLarsonAllen LLP (“CLA,” “we,” “us,” and “our”) will provide for the Town of Greenwich (“you,” “your,” or “the Town”). This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The intentions of this letter are to confirm your understanding of, and agreement with, what is included with our services, as well as the limitations of the accounting and advisory services you have asked us to perform.

Scope of Professional Services – Internal Audit Services

As directed by Town management, we will fulfill the Town’s annual Internal Audit Program by performing selected internal audit services for the balance of the current 2021-2022 fiscal year and a portion of the next 2022-2023 fiscal year. The form of the audits will be agreed to by Town Management prior to the start of the Internal Audit Program.

Inherent in each audit will be a conclusion as to whether financial and operational controls are “Satisfactory”, “Needs Improvement,” or “Unsatisfactory.” For each specific audit recommendation, a departmental management response will be requested from the unit being audited indicating whether management (a) agrees with the recommendation and if so, a brief statement by management as to how the recommendation will be implemented including timeframe required for implementation, or (b) disagrees with the recommendation and if so, why.

Outlined below are the services to be included for this one-year agreement (with the option to extend upon mutual agreement or for either party to unilaterally cancel with reasonable notice of 10 business days.)

As part of the Internal Audit Program, the Town of Greenwich would like CLA to perform a number of internal audit assessments. At all times, the responsibility for reviewing and approving these services and the related results rests with the management of the Town. The scope of these engagements will be as follows:

1. Municipal Purchasing Department – Procurement Process Audit
   a. Review the Town’s 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.
   b. Review and document (if currently undocumented), the Town’s process for monitoring older purchase orders (greater than 60-90 days).
c. Assess the Town’s purchasing processes based on best practices for municipalities as it pertains to procurement.
d. Review current automated systems used to support the procurement process.
e. Test and validate the protocols for accepting purchase orders.
f. Document findings and operational/control gaps observed.
g. Provide management with a report of our findings and recommendations.
h. Meet with management to review the results of the report.

2. Greenwich Public Schools Purchasing Department – Procurement Process Audit
a. Review the School District’s 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.
b. Review and document (if currently undocumented), the School District’s process for monitoring older purchase orders (greater than 60-90 days).
c. Assess the School District’s purchase processes based on best practices for municipalities as it pertains to procurement.
d. Review current automated systems used to support the procurement process.
e. Test and validate the protocols for accepting purchase orders.
f. Document findings and operational/control gaps observed.
g. Provide management with a report of our findings and recommendations.
h. Meet with management to review the results of the report.

3. Greenwich Capital Projects Audit (5 large projects over $1 million)
a. Review the current operational processes, controls and budgetary/spending practices within the Town and Greenwich School District related to capital projects.
b. Interview relevant personnel to identify the capital project budgeting process along with monitoring and tracking procedures for the capital project’s financial operations.
c. Review the current technologies used to process the aforementioned information.
d. Perform a risk assessment of management’s ability to override budgets, spending and operational controls associated with capital projects.
e. Review internal control procedures and identify control weaknesses within these areas and develop control improvements (where needed).
f. Document findings and gaps observed as part of the review.
g. Test monthly capital project transactions.
h. Provide management with a report of our findings and recommendations.
i. Meet with management to review the results of the report.

4. Grant Management Process(es) Assessment and Audit
a. Review the documented policies, procedures, processes and controls within the Town related to grants acceptance and grant management.
b. Confirm how grant monies are distributed, monitored, and tracked.
c. Review the controls around grant reconciliation.
d. Confirm the technologies used to process grant transactions.
e. Test monthly grant transactions for selected grants.
f. Test grant reporting requirements for selected grants.
g. Provide management with a report of our findings and recommendations.
h. Meet with management to review the results of the report.
i. Document findings and gaps observed as part of the review.
5. **School Lunch Program -Follow-up Audit**
   a. Review the documented processes and controls of the School Lunch program (since time of last audit).
   b. Review the controls for reconciling School Lunch registers (sample to be tested).
   c. Confirm how differences in monies collected are tracked/monitored (since time of last audit).
   d. Confirm how/who can void register transactions (since time of last audit).
   e. Confirm cash collection procedures (if any changes from first audit).
   f. Identify who has the ability to make changes to financial information contained in the School Lunch POS system.
   g. Test a sample of monthly School Lunch collection and correction reports.
   h. Review changes in inventory control procedures and how inventory controls have been implemented (since first audit).
   i. 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.)
   j. Provide management with a report of our findings and recommendations.

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

If any significant issues are identified with any of the internal audits, we will immediately discuss them with the Comptroller and decide if the scope of services needs to be expanded.

This engagement is limited to the internal audit services outlined above. We, in our sole professional judgment, reserve the right to refuse to take any action that could be construed as making management decisions or performing management functions. We will not perform management functions or make management decisions for you. However, we may provide advice, research materials and recommendations to assist your management in performing its functions and making decisions within the scope of this engagement. You agree that you will not and are not entitled to rely on any advice unless it is provided in writing.

The above internal audit services will be performed based upon information you provide to us. We will perform our services under the assumption that all information you submit is true, complete and accurate according to documents and other information retained in your files. We will not verify or audit this information.
We will not prepare your financial statements and no accountant’s report will be prepared or submitted as a result of this engagement. If you wish to engage our firm to perform financial statement preparation or compilation services, we will confirm this arrangement in a separate engagement letter and determine the additional charges for this service.

Management Responsibilities

For all services we may provide to you, management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services.

Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our services that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our services regarding illegal acts that may have occurred, unless they are clearly inconsequential. Except as described in the scope of professional services section of this letter, we have no responsibility to identify and communicate deficiencies in your internal control as part of this engagement.

Administration

The engagement partner is Jeffrey Ziplow, MBA, CISA, CGEIT, and he is responsible for supervising the internal audit services to be provided.

All Town records remain the property of the Town. All original records and documents provided to us will be returned to the Town at the completion of our engagement. It is the Town’s responsibility to maintain and preserve these records. The Town’s records are provided to us only as needed to complete our engagement. Our records and files are our property and are not a substitute for the Town’s records.

We will not be responsible for the Town’s failure to meet regulatory and other deadlines as a result of management failing to provide information in a timely manner or for any resulting penalties, interest or other damages that may be incurred.

Fee and Terms

Our professional fees will be as follows based on complexity of the internal audit engagements as per the terms, conditions, and insurance requirements of State of CT contract #16PSX0081.

<table>
<thead>
<tr>
<th>Item</th>
<th>Internal Audit Engagement</th>
<th>Proposed Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Municipal Procurement Audit</td>
<td>$24,000</td>
</tr>
<tr>
<td>2.</td>
<td>Greenwich Public Schools Procurement Audit</td>
<td>$28,600</td>
</tr>
<tr>
<td>3.</td>
<td>Grant Management Audit</td>
<td>$28,500</td>
</tr>
<tr>
<td>4.</td>
<td>Capital Project Audit</td>
<td>$25,700</td>
</tr>
<tr>
<td>5.</td>
<td>Cafeteria – School Lunch Audit (follow-up)</td>
<td>$21,200</td>
</tr>
<tr>
<td>6.</td>
<td>Tax Collector Audit</td>
<td>$24,300</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$152,300</strong></td>
</tr>
</tbody>
</table>
Our fees are based on our initial understanding of the engagement and based on anticipated cooperation from your personnel and their assistance with preparing requested documentation. To ensure that our services remain responsive to your needs, as well as fair to both parties, we will meet with you throughout the term of the agreement and, if necessary, revise or adjust the scope of the services to be provided and the fees to be charged. If unexpected circumstances require significant additional time, we will advise you before undertaking work that would require an increase in the fees.

Our invoices will be rendered monthly and are payable on presentation. Terms of payment for services are net 30 days. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed. You will be obligated to compensate us for all time expended and related fees and to reimburse us for all out-of-pocket expenditures through the date of termination.

**Data Security Procedures**

CLA shall maintain data security procedures designed to safeguard the Town’s information. CLA shall immediately report to the Town’s IT Director any unauthorized use or disclosure of the Town’s information arising from a breach of such procedures, including the extent of the unauthorized release or use, the recipient(s) of the data, and the data released or used. CLA shall mitigate, to the extent practicable, any harmful effect that is known to the Town, arising from any unauthorized use or disclosure of the Town’s information, and shall report to the Town’s IT Director the steps taken to mitigate the harm.

**Limitation of Remedies**

Our role is strictly limited to the engagement described in this letter, and we offer no assurance as to the results or ultimate outcomes of this engagement or of any decisions that you may make based upon our communications with, or our reports to, you. You agree that it is appropriate to limit the liability of CLA, its partners, principals, directors, officers, employees, and agents (“we” or “us”) and that this limitation of remedies provision is governed by the laws of the State of Connecticut, without giving effect to choice of law principles.

You further agree that you will not hold us liable for any claim, cost, or damage, whether based on warranty, tort, contract, or other law, arising from or related to this agreement, the services provided under this agreement, the work product, or for any plans, actions, or results of this engagement, except to the extent authorized by this agreement. In no event shall we be liable to you for any indirect, special, incidental, consequential, punitive, or exemplary damages, or for loss of profits or loss of goodwill, costs, or attorneys’ fees.

The exclusive remedy available to you shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by us of our duties under this agreement, but any recovery on any such claims shall not exceed the fees actually paid under this agreement by you to CLA.

**Time Limitation**

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any dispute that may arise between us. The parties
(you and CLA) agree that, notwithstanding any statute or law of limitations that might otherwise apply to a dispute, any action or legal proceeding by you against us must be commenced within twenty-four (24) months (“Limitation Period”) after the date when we deliver our final work product under this agreement to you, regardless of whether we perform other services for you, or you shall be forever barred from commencing a lawsuit or obtaining any legal or equitable relief or recovery.

The Limitation Period applies and begins to run even if you have not suffered any damage or loss or have not become aware of the existence or possible existence of a dispute.

**Other Provisions**

CLA will not disclose any confidential, proprietary, or privileged information of the Town’s to any persons without the authorization of the Town management.

We will be responsible for our own property and casualty, general liability, and workers compensation insurance, taxes, professional training, and other personnel costs related to the operation of our business.

The relationship of CLA with the Town shall be solely that of an independent contractor and nothing in this agreement shall be construed to create or imply any relationship of employment, agency, partnership, or any relationship other than an independent contractor.

If applicable, accounting standards and procedures will be suggested and applied that are consistent with those normally utilized in an organization of your size and nature. Internal controls may be recommended relating to the safeguarding of the Town’s assets. If fraud is initiated by your employees or other service providers, your insurance is responsible for covering any losses.

The Town agrees that CLA will not be assuming any fiduciary responsibility on your behalf during the course of this engagement.
Agreement

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. This letter constitutes the entire agreement regarding these services and supersedes all prior agreements (whether oral or written), understandings, negotiations, and discussions between us. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign, date, and return a copy to us.

We look forward to a successful completion of the project.

CLA (CliftonLarsonAllen LLP)

[Signature]

Jeffrey Ziplow, MBA, CISA, CGEIT
Principal
860-561-6815
Jeffrey.Ziplow@claconnect.com

Acceptance and acknowledgement

On behalf of the Town of Greenwich I acknowledge that the terms of this agreement accurately state our understanding with CLA, and the Town of Greenwich agrees to be bound by them.

By: ____________________________
Print Name: ____________________________
Title: ____________________________
Date: ____________________________
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.

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.

**THIS IS A CARRY OVER AUDIT STARTED IN NOVEMBER 2021**

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:
     - Cash receipt testing to verify collection type (cash/check) to the deposit slip and amounts turned over to the finance department.
     - 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.

**THIS IS A CARRYOVER AUDIT PLANNED FOR JANUARY 2022 START**

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.

**THIS IS A CARRYOVER AUDIT PLANNED FOR MARCH 2022 START**

4. **Municipal Purchasing Department – Procurement Process Audit**
   - Review the Town’s 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 process for
     monitoring older purchase orders (greater than 60-90 days).
   - Assess the Town’s 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.

5. **Greenwich Public Schools Purchasing Department – Procurement Process Audit**
   - Review the School District’s 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 School District’s
     process for monitoring older purchase orders (greater than 60-90 days).
   - Assess the School District’s purchase 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.

6. **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.

7. **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.

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

   • Review the documented processes and controls of the School Lunch program (since time of last audit).
   • 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.

9. **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.

10. **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.

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

To be determined
INTERNAL AUDITS COMPLETED

2021-2022
- Human Services Department Report
- Fleet Department Report

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

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